

# Cabinet



**Date & time**  
Tuesday, 30  
October 2018 at  
2.00 pm

**Place**  
Ashcombe Suite,  
County Hall, Kingston  
upon Thames, Surrey  
KT1 2DN

**Contact**  
Vicky Hibbert or Angela  
Guest  
Room 122, County Hall  
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**Chief Executive**  
Joanna Killian



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**Cabinet Members:** Mr David Hodge CBE, Mr John Furey, Mrs Clare Curran, Mr Mel Few, Mr Mike Goodman, Mr Colin Kemp, Mrs Mary Lewis, Ms Charlotte Morley, Mr Tim Oliver and Ms Denise Turner-Stewart

**Deputy Cabinet Members:** Miss Alison Griffiths, Mr Jeff Harris and Mr Cameron McIntosh,

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**This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Vicky Hibbert or Angela Guest on 020 8541 9229 or 020 8541 9075.**

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## **1 APOLOGIES FOR ABSENCE**

## **2 MINUTES OF PREVIOUS MEETING: 25 SEPTEMBER 2018**

The minutes will be available in the meeting room half an hour before the start of the meeting.

## **3 DECLARATIONS OF INTEREST**

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter

- (i) Any disclosable pecuniary interests and / or
- (ii) Other interests arising under the Code of Conduct in respect of any item(s) of business being considered at this meeting

### **NOTES:**

- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest
- As well as an interest of the Member, this includes any interest, of which the Member is aware, that relates to the Member's spouse or civil partner (or any person with whom the Member is living as a spouse or civil partner)
- Members with a significant personal interest may participate in the discussion and vote on that matter unless that interest could be reasonably regarded as prejudicial.

## **4 PROCEDURAL MATTERS**

### **a Members' Questions**

- (i) The deadline for Member's questions is 12pm four working days before the meeting (24 October 2018).

### **b Public Questions**

The deadline for public questions is seven days before the meeting (23 October 2018).

### **c Petitions**

The deadline for petitions was 14 days before the meeting, and no petitions have been received.

### **d Representations received on reports to be considered in private**

To consider any representations received in relation why part of the meeting relating to a report circulated in Part 2 of the agenda should be open to the public.

**5 REPORTS FROM SELECT COMMITTEES , TASK GROUPS, LOCAL COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL**

**6 LEADER / DEPUTY LEADER / CABINET MEMBER DECISIONS/ INVESTMENT BOARD TAKEN SINCE THE LAST CABINET MEETING**

(Pages 1 - 4)

To note any delegated decisions taken by the Leader, Deputy Leader, Cabinet Members and Investment Board since the last meeting of the Cabinet.

**CORPORATE PRIORITIES: 1. WELLBEING**

**7 NEW POLICY AND ACTION PLAN FOR SINGLE USE PLASTICS**

(Pages 5 - 16)

This report presents the Single Use Plastics (SUP) Policy for approval. The SUP policy:

- provides a framework for reducing and working towards zero avoidable SUP use across the Council's estate,
- encourages proactive partnership working with key stakeholders such as districts and boroughs, businesses, schools, communities, partners and beyond in order to find positive solutions to reducing plastic pollution county-wide,
- sets out the activities to deliver this within the Council in the short term action plan.

*[The decisions on this item can be called in by the Environment Select Committee]*

**CORPORATE PRIORITIES: 2. ECONOMIC PROSPERITY**

**8 MONTHLY BUDGET MONITORING REPORT**

(Pages 17 - 58)

This report presents the Council's financial position for 2018/19 as at 31 August 2018 for both revenue and capital budgets. The context is the County Council report on Developing a Vision for Surrey in 2030, which sets out the transformation changes the Council needs to make to deal with the funding uncertainties and service pressures it faces and to ensure it has sustainable services for residents.

*[The decisions on this item can be called in by the Corporate Overview Select Committee]*

**9 ORGANISATION STRATEGY, PRELIMINARY FINANCIAL STRATEGY, TRANSFORMATION PROGRAMME, AND 'OUR PEOPLE' STRATEGY**

(Pages 59 - 168)

This report sets out how the council plans to contribute towards achieving the outcomes in the Community Vision for Surrey over the medium term, which is covered across four strategic documents that are appended to this report.

**10 SURREY ASSET AND PLACE STRATEGY**

(Pages

This report requests the agreement of the development of a long term investment strategy for Surrey, with collaborative place shaping at its core.

169 -  
182)

*[The decisions on this item can be called in by the Highways and Growth Select Committee]*

## **CORPORATE PRIORITIES: 3. RESIDENT EXPERIENCE**

### **11 SURREY SCHOOLS AND EARLY YEARS FUNDING 2019/20** (Pages 183 - 240)

The funding of all Surrey schools (including academies) and the free entitlement to early years nursery provision are funded from the council's Dedicated Schools Grant (DSG). Each local authority is required to consult on and maintain local formula arrangements to allocate DSG.

This report sets out the recommended funding formula for Surrey schools in 2019/20 and following a joint consultation with Early Years providers, this report also proposes the principles to be adopted in the funding of early years in 2019/20.

This year, increasing pressures in providing for pupils with Special Educational Needs and Disabilities (SEND) have necessitated requests for support from the Schools block which were not supported by the Schools Forum and the Cabinet is asked to consider an appeal to the Secretary of State.

*[The decisions on this item can be called in by the Children and Education Select Committee]*

### **12 REIGATE AND BANSTEAD LOCAL TRANSPORT STRATEGY** (Pages 241 - 306)

A key strategic goal in the Council's Corporate Strategy is the commitment to promoting Economic Prosperity to ensure Surrey's economy remains strong and sustainable, whilst delivering on Wellbeing and Resident Experience. Securing funding to support an infrastructure investment programme is a key part of this goal. The Local Transport Strategies are component parts of the statutory Surrey Transport Plan that apply the plan to a relevant district or borough. Reigate and Banstead's Local Transport Strategy has been reviewed and updated in full and is presented to Cabinet for approval.

*[The decisions on this item can be called in by the Environment Select Committee]*

### **13 BUS LANE ENFORCEMENT** (Pages 307 - 316)

In October 2017 Cabinet approved a pilot scheme for bus lane enforcement in Woking. This has been successful and this report considers providing the option to expand enforcement, where needed, across Surrey. It proposes authorising the Local or Joint Committee to decide if any bus lanes in their area would benefit from enforcement.

*[The decisions on this item can be called in by the Environment Select Committee]*

- 14 CREATION OF A NEW 2FE PRIMARY FREE SCHOOL IN NORTH WEST HORLEY** (Pages 317 - 348)

This report requests the approval the Business Case for the building of a new 2 Form of Entry (420 places) primary school, plus 52 place nursery as part of the Westvale Park housing development, thereby supporting delivery against basic need requirements in the Horley area.

*[The decisions on this item can be called in by the Children and Education Select Committee]*

- 15 CONVERSION OF STREET LIGHTS TO LED** (Pages 349 - 358)

The Council currently spends £3.5 million each year on energy for street lighting. Recent projections indicate energy costs for street lighting will rise by between 5% and 14% per annum over the next 10 years which could mean the annual cost increasing to nearly £13 million in that time and as high as £48 million per year in 20 years if prices rose by 14% each year.

By investing approximately £19.9 million over 3 years to convert the council's 89,000 street lights to LED would reduce their consumption by around 60% saving approximately £2 million per year (at today's prices).

This report seeks Cabinet approval for the conversion of street lights to LED.

*[The decisions on this item can be called in by the Environment Select Committee]*

- 16 EXCLUSION OF THE PUBLIC**

That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information under the relevant paragraphs of Part 1 of Schedule 12A of the Act.

## **PART TWO - IN PRIVATE**

- 17 CREATION OF A NEW 2FE PRIMARY FREE SCHOOL IN NORTH WEST HORLEY** (Pages 359 - 364)

This Part 2 report contains information which is exempt from Access to Information requirements by virtue of paragraph 3 – Information relating to the financial or business affairs of any particular person (including commercially sensitive information to the bidding companies).

The information contained within may not be published or circulated beyond this report and will remain sensitive until contract award in January 2019.

*[The decisions on this item can be called in by the Children and Education*

**18 PUBLICITY FOR PART 2 ITEMS**

To consider whether the item considered under Part 2 of the agenda should be made available to the Press and public.

**Joanna Killian**  
**Chief Executive**  
Monday, 22 October 2018

**QUESTIONS, PETITIONS AND PROCEDURAL MATTERS**

The Cabinet will consider questions submitted by Members of the Council, members of the public who are electors of the Surrey County Council area and petitions containing 100 or more signatures relating to a matter within its terms of reference, in line with the procedures set out in Surrey County Council's Constitution.

**Please note:**

1. Members of the public can submit one written question to the meeting. Questions should relate to general policy and not to detail. Questions are asked and answered in public and so cannot relate to "confidential" or "exempt" matters (for example, personal or financial details of an individual – for further advice please contact the committee manager listed on the front page of this agenda).
2. The number of public questions which can be asked at a meeting may not exceed six. Questions which are received after the first six will be held over to the following meeting or dealt with in writing at the Chairman's discretion.
3. Questions will be taken in the order in which they are received.
4. Questions will be asked and answered without discussion. The Chairman or Cabinet Members may decline to answer a question, provide a written reply or nominate another Member to answer the question.
5. Following the initial reply, one supplementary question may be asked by the questioner. The Chairman or Cabinet Members may decline to answer a supplementary question.

**MOBILE TECHNOLOGY AND FILMING – ACCEPTABLE USE**

Those attending for the purpose of reporting on the meeting may use social media or mobile devices in silent mode to send electronic messages about the progress of the public parts of the meeting. To support this, County Hall has wifi available for visitors – please ask at reception for details.

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It is requested that if you are not using your mobile device for any of the activities outlined above, it be switched off or placed in silent mode during the meeting to prevent interruptions and interference with PA and Induction Loop systems.

*Thank you for your co-operation*



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**SURREY COUNTY COUNCIL****CABINET****DATE: 30 OCTOBER 2018****REPORT OF: N/A****LEAD OFFICER: JOANNA KILLIAN, CHIEF EXECUTIVE****SUBJECT: LEADER/DEPUTY LEADER/CABINET MEMBER DECISIONS/  
INVESTMENT BOARD DECISIONS TAKEN SINCE THE LAST  
CABINET MEETING****SUMMARY OF ISSUE:**

To note the delegated decisions taken since the last meeting of the Cabinet.

**RECOMMENDATIONS:**

It is recommended that the Cabinet note the decisions taken by Cabinet Members / Investment Board since the last meeting as set out in Annex 1.

**REASON FOR RECOMMENDATIONS:**

To inform the Cabinet of decisions taken by Cabinet Members / Investment Board under delegated authority.

**DETAILS:**

1. The Leader has delegated responsibility for certain executive functions to the Deputy Leader and individual Cabinet Members, and reserved some functions to himself. These are set out in Table 2 in the Council's Scheme of Delegation.
2. The Leader has also delegated authority to the Investment Board to approve property investment acquisitions, property investment management expenditure, property investment disposals and the provision of finance to its wholly owned property company, Halsey Garton Property Ltd.
3. Delegated decisions are scheduled to be taken on a monthly basis and will be reported to the next available Cabinet meeting for information.
4. **Annex 1** lists the details of decisions taken by Cabinet Members since the last Cabinet meeting.

**Contact Officer:**

Angela Guest, Democratic Services Officer, Tel: 020 8541 9075

**Annexes:**

Annex 1 – List of Cabinet Member Decisions

**Sources/background papers:** Agenda and decision sheets from the Cabinet Member meetings (available on the Council's website)

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**CABINET MEMBER DECISIONS  
OCTOBER 2018****CABINET MEMBER FOR ALL-AGE LEARNING****Consultation on admission arrangements for Community and Voluntary Controlled Schools for September 2020****Details of decision:**

The Cabinet Member authorised the Principal Manager Admissions and Transport (Strategy) to go out to statutory consultation on the proposed changes to admission arrangements for community and voluntary controlled schools for September 2020 and also to consult on its proposed Relevant Area.

**Reasons for decision:**

There is a statutory requirement to consult on admission arrangements every seven years, or sooner if there is a proposal to change any part of a school's admission arrangements. The local authority is proposing some changes to the admission arrangements for community and voluntary controlled schools and, as such, there is a statutory duty to consult on these changes. The consultation will also seek views on the admission arrangements for which there is no proposal for change.

There is also a statutory requirement for the local authority to consult on its Relevant Area every two years and as two years has passed since the last consultation, a further consultation is now due.

*(Decision taken by the Cabinet Member for All-Age Learning – 1 October 2018)*

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**SURREY COUNTY COUNCIL****CABINET****DATE: 30 OCTOBER 2018****REPORT OF: MR MIKE GOODMAN, CABINET MEMBER FOR ENVIRONMENT AND TRANSPORT****LEAD OFFICER: JASON RUSSELL, EXECUTIVE DIRECTOR FOR HIGHWAYS, TRANSPORT & ENVIRONMENT****SUBJECT: NEW POLICY AND ACTION PLAN FOR SINGLE USE PLASTICS****SUMMARY OF ISSUE:**

This report presents the Single Use Plastics (SUP) Policy for approval. The SUP policy:

- provides a framework for reducing and working towards zero avoidable SUP use across the Council's estate;
- encourages proactive partnership working with key stakeholders such as districts and boroughs, businesses, schools, communities, partners and beyond in order to find positive solutions to reducing plastic pollution county-wide; and
- sets out the activities to deliver this within Surrey County Council in the short-term action plan.

**RECOMMENDATIONS:**

It is recommended that Cabinet:

1. approve the new policy and note the short-term action plan set out in Annexes 1 and 2;
2. note that further work is being undertaken with all districts and boroughs to develop a joint Surrey strategy and a long-term county-wide action plan that will support Surrey to become a SUP free county in line with national policy; and
3. delegate to the Executive Director for Highways, Transport & Environment in consultation with the Cabinet Member for Environment and Transport to approve the joint strategy and the long-term action plan once finalised in March 2019.

**REASON FOR RECOMMENDATIONS:**

A motion was passed on 20 March 2018 calling for the Council to make the Council a single-use-plastic-free authority. The introduction of the SUP policy is one of the primary steps required to deliver the motion. It also supports the Council's new draft vision for Surrey in 2030 to enable residents to "live in clean, safe and green communities, where people and organisations embrace their environmental responsibilities".

## **BACKGROUND:**

1. The issue of single use plastics has been the subject of increasing public consciousness since the BBC's Blue Planet II series highlighted the environmental impacts at the end of last year.
2. In January 2018, DEFRA in the "[A Green Future: Our 25 Year Plan to Improve the Environment](#)" announced a target of achieving zero avoidable plastic waste by the end of 2042.
3. The Council welcomed the Government's commitment to tackle the plastic pollution and passed a Motion on 20 March 2018 (Annex 3) calling for the Council to make the Council a single-use-plastic-free authority.
4. The Council has a significant opportunity to reduce usage in Surrey - through its roles as service provider and employer and as an advocate. The work to deliver this has been divided into two phases:
  - a. **Phase 1:** Development of a policy to phase out internal SUP usage and to implement quick wins. For example, running a campaign to raise awareness amongst the Council's own staff, reviewing the offer from Commercial Services and revising procurement procedures to require necessary changes from suppliers and contractors. The details of current position and work on progress can be found in Annex 2.
  - b. **Phase 2:** Developing a strategy and programme of activities to deliver the full commitments of the Motion county-wide. The Council has established a SUP Task Group involving representation from each district and borough under Surrey Waste Partnership (SWP) sponsorship. Work is undergoing to create a joint Surrey strategy and long-term action plan.
5. Surrey was joint top of a recycling league table in 2016-17 based on data from Defra which highlighted that Surrey residents recycled 57.7% of their household waste which is the highest recycling rate of the 32 two-tier authorities in England. The primary objective of SUP policy is to reduce the amount of plastic waste generated in the first place, however, on occasions where this is not possible, the new policy will encourage that any plastics and its alternatives are recycled at a higher rate.

## **Proposal**

6. The SUP Policy (Annex 1) sets out the response to the issue of plastics accumulating in the environment and the plans for tackling it. The Policy focuses first on tackling single-use food and beverage packaging and tableware, due to the prominence of this type of waste in marine plastic litter. Cabinet is asked to approve the new policy set out in Annex 1.
7. The SUP Action Plan (Annex 2) illustrates the current status of the work undertaken and includes future plans: 1) to reduce and work towards zero avoidable SUP across the Council's estate and operations; 2) ensure appropriate recycling routes are available to capture plastic and its alternatives.
8. The Motion agreed by Council is ambitious and requires extensive engagement with partners as well as districts and boroughs in order to develop a Surrey-wide strategy. It is anticipated that the strategy will be agreed by March 2019.

## **RISK MANAGEMENT AND IMPLICATIONS:**

9. The following key risks have been identified:

<b>Category</b>	<b>Risk description</b>	<b>Mitigation</b>
Reputational	Lack of engagement by partners in developing and delivering the Surrey-wide strategy reduces ability to deliver the motion.	Effective engagement strategy and Surrey Waste Partnership sponsorship
Financial	Delivery of some elements may require additional funding – e.g. water fountain infrastructure.	Utilisation of grant funding where available.

## **Financial and Value for Money Implications**

10. Council services (who use the SUP products predominantly such as Commercial Services) are content with the commercial implications of providing alternatives to SUP as set out within the scope of this policy.
11. The cost implication of SUP reduction requirements from the new suppliers and contractors cannot be precisely identified at this stage as this would vary from contract to contract depending on what SUPs are being replaced and with which alternative, therefore this will be identified at the tender stage of procurement procedures. However, the intention is to be cost neutral.
12. Some actions delivered under this initiative has already achieved financial savings. For example, Surrey Fire and Rescue Service saved c£3,000 this financial year by switching to reusable water bottles issued as part of their fire fighters' kit. There may be some future requirement for minor funding to implement the joint strategy which will be identified as the strategy is being developed. However, the principles applied are that change should be cost neutral or result in a saving.

## **Section 151 Officer Commentary**

13. Although the exact financial consequences of approving the SUP Policy cannot be known at this time, it is not expected to have significant financial implications for the Council.

## **Legal Implications- Monitoring Officer**

14. The public sector equality duty (Section 149 of the Equality Act 2010) applies to the decision to be made by Cabinet in this report. There is a requirement when deciding upon the recommendations to have due regard to the need to advance equality of opportunity for people with protected characteristics, foster good relations between such groups and eliminate any unlawful discrimination. These matters are dealt with in the equalities and diversity paragraph of the report.

## **Equalities and Diversity**

15. The initiative will have no negative effects on equality considerations and has been designed with the objective of improving environment outcomes. This will have

positive benefits for health and happiness of Surrey residents and improve the flow of natural resources into the local economy.

#### **WHAT HAPPENS NEXT:**

16. Once approved, the SUP Policy will be published on the Council's external website.
17. Further measures in line with policy objectives will be implemented.
18. SUP Policy objectives will be embedded in procurement policies requiring new contracts being subject to SUP reduction criteria.
19. Launch of the SUP Policy to Surrey businesses & schools.
20. Continue to work closely with districts and boroughs to develop a joint Surrey strategy and action plan.

#### **Contact Officer:**

Gulcin Polat, Project Manager and 0208 541 9792.

#### **Consulted:**

Environment Select Committee, Trade Unions, SUP Members Reference Group (Mike Goodman, Mary Angel, Jonathan Essex, Saj Hussein, John Beckett), Surrey Waste Partnership, ORBIS Procurement and its partners (Brighton and Hove City Council & East Sussex County Council)

#### **Annexes:**

Annex 1- SUP Policy  
Annex 2- SUP Action Plan  
Annex 3- Motion



# Single-Use Plastics (SUP) Policy

Plastic waste is one of the greatest environmental challenges facing the world today. The UK government estimates that there are currently more than 150 million tonnes of plastic in the world's oceans, and 100,000 sea mammals and one million birds die from eating or becoming tangled in plastic waste each year.

DEFRA has published its [25 Year Environment Plan](#), presenting their target of “achieving zero avoidable plastic waste by the end of 2042”. Surrey County Council (SCC) is strongly committed to take responsibility for tackling the plastic waste problem both within the local area and across the UK. With this in mind, SCC have urged the Government to bring the 2042 date forward.

SCC will reduce and work towards zero avoidable SUP across its own operations and services. SCC will also pro-actively work with partners, district & borough councils, schools, and businesses to find positive solutions to reduce unnecessary plastic waste countywide.

## What are single-use plastics (SUP)?

- The definition for SUP according to the Institute for European Environmental Policy: “single use plastics can include any disposable plastic item which is designed to be used only once”. Single use items are often used in packaging, consumer products, cosmetics and healthcare. Examples include: light-weight plastic bags, disposable utensils, stirrers, beverage containers, coffee capsules, and wet wipes.
- This policy targets to eliminate the avoidable plastic waste. SCC will initially focus on eliminating the use of the plastic drinks bottles, plastic food takeaway boxes, plastic cutlery, disposable coffee cups, plastic drink bottle caps, straws, stirrers and plastic lids- these are avoidable and have viable alternatives: therefore they are immediately actionable.

## What is our commitment for supporting Surrey to become SUP free?

1. End the sale and provision of SUP products in order to phase out SUP use across SCC estate and operations wherever possible.
2. Ensure that our procurement policy and procedures require all of our suppliers to reduce and work towards zero avoidable SUP use (wherever possible) including jointly with partners through ORBIS and at SCC run events.
3. Support greater awareness and action from our suppliers and contractors in finding sustainable SUP replacements wherever appropriate and encourage higher recycling rates across SCC estates.
4. Share best practice, raise awareness, and support SCC staff, members, partners, communities, schools, district and borough councils, businesses and beyond towards making their own locations avoidable plastic-free zones.
5. Work with all stakeholders including district and boroughs, schools, communities and businesses to promote, support and innovate to reduce SUP across Surrey.

Further details can be found in the SUP action plan.

Annex 2- SUP Short-Term Action Plan (please note this is a working document which is continually edited and updated)

Objective	Key Outputs	Actions	Target Date	Status	Progress Comments
<b>ONSITE PROCUREMENT &amp; COMMERCIAL SERVICES</b>					
1. End the sale and provision of SUP products in order to phase out SUP use across SCC estate and operations wherever possible.	End the sale and provision of SUP products such as plastic drinks bottles, plastic food takeaway boxes, plastic cutlery, disposable coffee cups, plastic drink bottle caps, straws, stirrers and plastic lids in our buildings where possible.	Stop purchasing plastic cups for water stations and place posters by water stations to encourage staff to bring their own bottles.	Apr-18	achieved	Currently using up the remaining stock in the main SCC offices.
		Provide water jugs & glasses at large events eg meetings, trainings etc.	Jun-18	achieved	
		In our canteens: . Sell water in glass bottles including vending machines. . Remove 1 pint milk cartons from kitchens & use milk pergal's instead of plastic cartons. . Replace sauce sachets with reusable bottles (and free). . Replace plastic cutlery with metal. . Serve jam & butter in foil and washable dishes rather than plastic packets. . Replace take-away containers with recyclable cardboard boxes.	Jul-18	achieved	Currently using up the remaining stock for plastic cutlery, stirrers, and take-away salad boxes. Expecting to finish the existing stock by 1 Jan 2019.
		Stop provision of disposable cups at canteen & Lavazza café.	Jan-19	on plan	Waiting for formal approval of SUP policy before implementation. Staff to bring their own mugs. However there will be reusable mugs on sale (priced £1.50 each) for occasions staff and/or visitors have no mugs with them and need to take away.
	Work with our colleagues to ensure that the single-use plastics are reduced across our offices.	Design, procure and promote reusable mugs & bottles across SCC.	Jan-19	on plan	Obtained quotes from external suppliers to purchase reusable mugs & bottles with SCC logo printed. Due to its cost, this has been put on hold. Secured a special discount for staff from Library Service who sell eco-friendly reusable coffee mugs & water bottles for general public. Decided to promote those instead.
		Stop daily provision of bottled water to Fire Fighters (600) & purchase reusable bottles to refill instead.	Sep-18	achieved	The reusable bottles have been purchased & received (03.09.18). Has been launched in mid Sept. (Saving 29,515 plastic bottle waste annually)
		Phasing SUP use from Community Learning Centres.	Aug-18	on plan	Met with lead managers to support phasing SUPs in Adult Learning Centres. Final stocks of plastic cups being used currently, going forward paper cups will only be purchased to replace these. Posters have been displayed at all water machines informing everyone to bring a refillable water bottle and a communication was included at the Annual Tutor Meeting to capture all 350 approximately Bank Tutors and was followed up in the September Staff Newsletter. An article will be included in the Autumn Learner Voice which goes to all learners. Depending on affordability, consideration is being given to replacing plastic takeaway containers with paper sandwiches boxes or paper bags in the cafés (currently using existing plastic stock).
		Phasing SUP use from Registration Offices.	Aug-18	achieved	Met with the lead manager. Registration Offices only used the plastic cups at water-stations for visitors. These are now replaced with cone shaped paper cups. More glasses to be supplied for staff.
		Phasing SUP use from Surrey Arts.	Aug-18	achieved	Met with the lead manager. No provision of SUP at SA office in Guildford. Discussed possibility of commissioning art work on SUPs- this will be further explored (implementation would depend on affordability).
		Phasing SUP use from from Libraries.	Sep-18	achieved	Met with the lead manager. Replaced plastic cups with paper cups. No other provision of SUPs. Discussed possibility of installing water stations for public use at each Surrey library entrance - this will be further explored (implementation would depend on affordability).
		Phasing SUP use from from Surrey History Centre.	Oct-18	on plan	Meeting with the lead officer on 17.10.2018.
		Phasing SUP use from Gypsy and Traveller Sites.	Oct-18	on plan	Meeting with the lead officer on 19.10.2018.
		Phasing SUP use from SCC Children Centres.	Nov-18		Currently trying to arrange a meeting.
		Phasing SUP use from Older Persons Homes.	Nov-18		Currently trying to arrange a meeting.
		Phasing SUP use from SCC Youth Clubs.	Nov-18		Currently trying to arrange a meeting.

Annex 2- SUP Short-Term Action Plan

Objective	Key Outputs	Actions	Target Date	Status	Progress Comments
<b>ORBIS PROCUREMENT</b>					
2. Ensure that our procurement policy and procedures require all of our suppliers to reduce and work towards zero avoidable SUP use (wherever possible) including jointly with partners through ORBIS and at SCC run events.	Require all our suppliers to minimise the use of SUP in their service provision and find sustainable alternatives (where appropriate).	Work with ORBIS partners collaboratively (BHCC & ESCC) and adopt a common SUP approach to influence procurement activities in a stronger way.	Jul-18	Achieved	Meeting with colleagues from BHCC & ESCC on a regular basis and share good practice. BHCC passed their SUP policy through it's committee. ESCC hasn't yet.
		Remove SUP items from SCC office supply catalogues.	Jul-18	Achieved	
	Where the use of plastics is unavoidable, we will encourage the use of recycled plastics, where practicable, and encourage manufacturers that make products from locally sourced waste plastics.	Embed to the SUP Policy (once formally approved) to SCC's Sustainable Procurement & Ethical Procurement policies.	Nov-18	on plan	
		SUP reduction criteria will be added to Procurement's Social Value Charter (SVC).	Nov-18	on plan	Currently procurement team is calculating the financial number to specify on the SVC. The number determines whether a supplier win or not so it has to be auitable and robust. This will be ready by 30th Nov.
		"Environmental Standards" section will be added to ORBIS Suppliers Code of Conduct.	Nov-18	on plan	Emailed the draft wording to MG for review and approval on 08.10.18.
	Ensure where contractually possible that no SUP cups, bottles, straws, plates, cutlery etc. are used by contractors at SCC run events.	Events contracts will be monitored by Procurement team to phase out SUP use.	Nov-18	on plan	A note to be added on the catering catalogue to state "please be aware SCC has got a SUP policy now and forces reduction of SUP use at SCC run events. Therefore your services should be delivered in line with this requirement." Waiting for policy approval.

Annex 2- SUP Short-Term Action

Objective	Key Outputs	Actions	Target Date	Status	Progress Comments
<b>FACILITIES</b>					
3. Support greater awareness and action from our suppliers and contractors in finding sustainable SUP replacements wherever appropriate and encourage higher recycling rates across SCC estates.	Improve recycling facilities across SCC estate and encourage our employees, residents and partners to use our recycling facilities effectively.	Make it easy to recycle: refresh posters by each recycling bins to help staff to understand what can and can't recycled.	Mar-19	on plan	SCC's current Waste Collection contract with Suez is expiring by the end of this financial year. The new contract has now been awarded to Veolia and will cover both ESCC & SCC. Working closely with ESCC colleague to influence improvements and positive changes at the early procurement stage with the new service provider.
		Make it easy to recycle: labels on the bins can be improved by adding pictures to attract attention.	Mar-19	on plan	
		Make it easy to recycle: consistently keep general waste bins next to the recycling bins (including small general waste bins in the offices)	Mar-19	on plan	

## Annex 2- SUP Short-Term Action Plan

Objective	Key Outputs	Actions	Target Date	Status	Progress Comments
<b>COMMUNICATIONS</b>					
4. Share best practice, raise awareness, and support SCC staff, partners, communities, schools, district and borough councils, businesses and beyond towards making their own locations avoidable plastic-free zones.	Raise awareness of our employees and encourage behaviour changes needed to support Surrey become a single use plastics free workplace.	Create a "Tackling Single-use Plastics" webpage for S:Net & Public website.	Jul-18	achieved	Will be updated to launch our new policy & explain work undergoing for the joint Surrey strategy.
		Create a "Tackling Single-use Plastics" JIVE Community page.	Oct-18	behind plan	Due to technical system issues, however these have now been resolved and we are in process of creating our JIVE community page to be ready for our policy launch in November.
		Prepare a presentation to launch the new policy and define what we expect from our staff to do differently and/or to continue supporting our objectives. This is to be circulated to all SCC managers and they will be required to discuss it with their team members at their team meetings.	Nov-18	on plan	Will include: the sale of discounted reusable cups & bottles, dates for upcoming litter picking events, improve knowledge on recycling facilities, using your own mug at Lavazza when buying coffee.
		Promote eco-friendly local events as well as national initiatives for our staff via JIVE to help raise awareness.	Jan-19	on plan	This is an ongoing item. What we promoted so far are the River Mole Discovery Day event (organised by Mole Valley BC) celebrating the Worlds River Day on 30th Sept in Leatherhead; Plastic Free July,.Recycling week 2018, and Bookham Litter Pick events.
	Share best practice and information about plastic free initiatives, to residents, businesses, visitors and beyond through the council's social media and communication channels.	Work with D&Bs for a joint approach.	Mar-19	on plan	Planning a shared communication campaign with D&Bs as part of joint Surrey strategy once finalised in Dec 18. The intention has been discussed at Surrey Waste Partnership SUP Task group on 20 Sept and has been approved by SWP Senior Officers on 1 Oct.
	Support communities and litter-pick initiatives to ensure our parks, riversides and open spaces are free from plastic litter.	Organise and promote litter-picking events for SCC staff.	Jan-19	on plan	Agreed with the external faciliator to run four events per annum. Trying to organise a trial one initially in Jan 19. Wish to propose a Cabinet or CLT member to attend these events on a rotating basis to support this initiative. There will be a small cost to cover basic equipments such as bin bags, hi vis, goggles, gloves
	Embed our SUP objectives into other key council strategies, policies and plans.		Jan-19	on plan	

## Annex 2- SUP Short-Term Action Plan

Objective	Key Outputs	Actions	Target Date	Status	Progress Comments
<b>PARTNERS, D&amp;Bs, BUSINESSES &amp; COMMUNITIES</b>					
5. Work with all stakeholders including district and boroughs, schools, communities and businesses to promote, support and innovate to reduce SUP across Surrey with a particular focus on Surrey's busy public locations where local authorities have control or influence.	Use government legislation that regulates against the use of single-use plastics to support our efforts where we can.	Engage with businesses during inspections and through Trading Standards Primary Authority Partnerships to: assess product information files where our Trading Standards can look for banned materials; to make businesses aware of the new requirements; and to advise businesses how they can comply.	Jul-18	Achieved	A ban on cosmetic product containing microbeads came into force in England on 30 June 2018 and local authorities have been designated as the regulator for enforcing this legislation. Discussed and agreed with Trading Standards lead managers on these actions (July 2018).
		Raise general awareness of the need to reduce SUP and relevant legislation through using TS's social media channels and the weekly e-newsletter (called TS Alert).		on plan	Discussed and agreed with Trading Standards lead managers.
	Work closely with colleagues from Surrey's 11 D&Bs to develop a joint approach towards tackling SUP waste.	Establish a task group involving 11 D&Bs via SWP sponsorship.	Jun-18	Achieved	SWP task group is currently working towards a joint Surrey strategy and action plan.
		Agree on a common vision, strategy and an action plan that are fully supported by Surrey Waste Partnership at the top level.	Oct-18	on plan	The proposed approach (to develop a joint Surrey strategy) has been approved by SWP Senior Officers on 1st Oct. This also requires SWP Councillors' approval which will be discussed at their meeting on 31 Oct.
	Work with partners in joint ventures and innovative projects for reducing single-use plastic waste.	Explore opportunities for wider partnership-working with businesses eg Coca Cola European.	Aug-19	on plan	Coca-Cola European is currently piloting a new innovative scheme with Reading University aiming to reduce the amount of drink packaging. They designed a bespoke and customisable refillable bottles which contains an electronic chip underneath to recognise the payment made & track how many times the refillable bottle is used. Explored with their Sustainability Manager to expand this piloting scheme to SCC, however they were contracted to run this scheme with Reading University until summer 2019 and they would not have sufficient machinery/resources to expand this further until next summer. Agreed to discuss this possibility again next year.
		Sign up #StirCrazy national campaign (supported by high-profile government officials e.g. Michael Gove, Zac Goldsmith)	Dec-19	on plan	Met with Director of Future Without Rubbish. Our SUP policy launch will be included in #StirCrazy's nation-wide press release. Liaised with the Head of Plastics initiative in Brussels (the EU Commission) on 05.10.18 to inform him of our upcoming SUP policy. On approval, they would like to acknowledge our efforts in their press release/ video/ press conference events as appropriate.
		Meeting with Surrey Choices.	Jul-18	Achieved	The use of SUPs are generally related to medical reasons. Eg: gloves, straws. Agreed to share communication materials on SUP as well as helping each other when promoting eco-friendly events.
	Support our schools and communities in their efforts to make their buildings plastic	Organise awareness raising activities for Heads of Schools in Surrey.	Jan-19	on plan	Currently exploring the most cost-friendly routes for reaching out to Head of Schools.
	Through various channels, communicate the importance of protecting our urban, rural and waterways in Surrey, and support and promote positive initiatives, awareness raising campaigns and actions for reducing plastic waste at a wider level.	Work with Suez to support waste audits & campaign to reach wider community and influence consumer behaviour.	Dec-18	on plan	Suez agreed to extend their waste audit offer to 11 districts and boroughs in support to help us to develop the joint Surrey strategy.
		Explore ways of working together with Surrey Chamber of Commerce to reach their connections (55,000 businesses in Surrey) to promote SUPs initiative.	Jan-19	on plan	Arranged to publish an article on Surrey Chamber of Commerce magazine to launch our SUP policy to businesses. Also agreed with the event coordinator and the chair to announce our SUP policy launch at the Business Sustainability-Make Your Business Smarter event on 14 Nov 2018.

**MEETING OF THE COUNTY COUNCIL  
20 MARCH 2018  
MOTION AS AGREED**

Council notes that according to recent research, eight million metric tons of plastic waste ends up in the world's oceans each year, endangering marine life, and that there is a growing understanding of the risks posed to human health by toxic chemicals present in plastics.

Council further notes that six months after the introduction of the 5p bag charge, use of single-use plastic bags had already dropped by 85%, while the TV programme Blue Planet II has raised public awareness of the problems of our throwaway culture. Norwich, Brighton and other councils in the UK have already passed motions committing to phase out the use of single-use plastic products where it is reasonable to do so and to encourage local businesses and other local public agencies to do the same. The Council also welcomes and supports the publishing of the Government Our 25 year plan to improve the Environment. Council resolves to:

1. Continue to develop its plastic use strategy to make Surrey a single-use-plastic-free authority by working with the Environment Agency, Districts and Boroughs, businesses, E&I Select Committee and other partners and to bring back that strategy to Council
2. Immediately start the process to reduce the sale and provision of single-use plastic products such as bottles, cups, cutlery and drinking straws in Council buildings where it is reasonable to do so.
3. Investigate the feasibility of requiring pop-up food and drink vendors at large council events to avoid single use plastic as a condition of their contract and work with tenants in commercial properties owned by Surrey County Council to encourage the phasing out of single use plastic cups, bottles, cutlery and straws where it is reasonable to do so.
4. Include the reduction of single use plastic items in the list of corporate priorities for Surrey County Council.
5. Write to the Secretary of State for the Environment asking for more information on how the Government is to eliminate single-use plastics by 2042 and how this could be brought forward.

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**SURREY COUNTY COUNCIL**

**CABINET**

**DATE: 30 OCTOBER 2018**



**REPORT OF: MR DAVID HODGE, LEADER OF THE COUNCIL  
LEIGH WHITEHOUSE, INTERIM EXECUTIVE DIRECTOR OF  
FINANCE**

**LEAD OFFICER: CHIEF EXECUTIVE AND EXECUTIVE DIRECTORS**

**SUBJECT: FINANCE AND BUDGET MONITORING REPORT TO  
31 AUGUST 2018**

**SUMMARY OF ISSUE:**

This report presents the Council's financial position for 2018/19 as at 31 August 2018 for both revenue and capital budgets. The context is the County Council report on Developing a Vision for Surrey in 2030, which sets out the transformation changes the Council needs to make to deal with the funding uncertainties and service pressures it faces and to ensure it has sustainable services for residents.

The Council's 2018/19 budget relied on significant one off resources, including planned drawdown of £21m from reserves. By the end of the first quarter of this year, the identified pressure on Special Education Needs and Disabilities (SEND) high needs increased materially. The Council did not plan to use further reserves, and given the uncertainties and difficulties it faces from 2019/20 onwards, further use of reserves is considered to potentially put the Council at too high risk. Therefore, the Council initiated a £40m in-year cost reduction programme.

The £40m in-year cost reduction programme has two objectives:

- achieve sufficient in-year cost reductions to prevent unplanned use of reserves to off-set overspent budgets; and
- provide a stretch target to avoid the need to draw down any of the planned £21m reserves in 2018/19.

As at 31 August 2018, the Council has completed £19m management actions to bring the forecast revenue outturn to a balanced position. This means:

- the Council has met its first objective of achieving sufficient in-year cost reductions to balance the overspends arising in-year; and
- the Council is still working towards its stretch target, otherwise it would still need to draw down £21m reserves at year end as planned in the Medium Term Financial Plan (MTFP).

The most significant changes to the forecast outturn from that reported last month are due to the recognition in the forecast of £11m of further management actions to reduce spending where there was little or no lead-in time, including: recognising

lower Minimum Revenue Provision costs, higher income for Commercial Services, reducing building maintenance and deferring IT refresh budgets, and drawing down transport grants.

In future months, Executive Directors and Cabinet Members will make further progress towards completing the £40m in-year cost reduction programme. This will enhance the Council's financial resilience because it will mean the Council will have to draw less from its reserves than it planned to in the MTFP.

This covering summary report, provides a high level financial summary of the most significant issues, as determined by Executive Directors and Cabinet Members and has three annexes:

- Annex 1 – a high level analysis of each directorate's budget monitoring positions;
- Annex 2 – progress of the £66m MTFP savings projects for 2018/19.
- Annex 3 – activity information for the Council's highest risk budgets

Cabinet is asked to note the forecast revenue and capital monitoring positions:

- The forecast revenue outturn is for a balanced position.
- The Council has completed actions to achieve £19m of its £40m in-year cost reductions.
- The Council forecasts to achieve a total of £66m savings against its £66m MTFP target, although there are favourable and adverse variances for individual savings plans.
- The forecast service capital programme outturn is £133m against the £135m budget.

Cabinet is also asked to note and approve some technical changes to the revenue and capital budgets.

#### **RECOMMENDATIONS:**

1. Cabinet is asked to note the Council's overall revenue and capital budget positions as at 31 August 2018.
2. Cabinet is asked to note the management realignment within Highways, Transport & Environment directorate outlined in paragraph 22.
3. Cabinet is asked to approve Economic Growth's request to draw down £71,000 from the carry forward agreed from 2017/18 (paragraph 20).
4. Cabinet is asked to approve IT & Digital's request to reprofile £1.8m capital expenditure into future years (paragraph 55).

#### **REASON FOR RECOMMENDATIONS:**

This report is presented to comply with the agreed policy of providing a monthly budget monitoring report to Cabinet for approval and action as necessary.

**DETAILS:****Revenue budget overview**

1. The Council forecasts a small revenue budget underspend as at 31 August 2018. As the 2018/19 budget plans to draw £21.3m from reserves, this means the Council's need to draw from reserves reduces to £21.1m in 2018/19.
2. Table 1 shows for the Council's main service groups: gross and net expenditure budgets, forecast outturn position and forecast variance. Paragraph 3 summarises the main reasons for the variance and the remainder of the report provides more detail.

Table 1 Summary forecast 2018/19 revenue budget as at 31 August 2018

Directorate	Gross budget £m	Net budget £m	Net forecast £m	Forecast variance £m
Children's Services	137.9	124.6	125.5	0.8
Commissioning & Prevention	101.6	33.3	33.3	0.0
Schools & SEND	175.5	62.6	77.2	14.6
Delegated Schools	380.4	0.0	0.0	0.0
Cultural Services	22.8	8.7	8.6	-0.1
<b>Children, Family, Learning &amp; Communities (CFLC)</b>	<b>818.1</b>	<b>229.2</b>	<b>244.5</b>	<b>15.3</b>
Adult Social Care	500.3	381.9	378.2	-3.7
Public Health	37.3	0.7	0.5	-0.1
<b>Health, Wellbeing &amp; Adult Social Care (HWA)</b>	<b>537.6</b>	<b>382.5</b>	<b>378.7</b>	<b>-3.8</b>
Economic Growth & Property*	33.1	22.8	19.8	-2.9
<b>Economy, Growth &amp; Commercial (EGC)</b>	<b>33.1</b>	<b>22.8</b>	<b>19.8</b>	<b>-2.9</b>
Highways & Transport	76.9	48.5	66.7	-1.9
Environment	77.4	88.9	69.2	0.3
Surrey Fire & Rescue Service	45.4	31.5	31.3	-0.2
Environment & Community	5.2	3.1	2.7	-0.4
<b>Highways, Transport &amp; Environment (HTE)</b>	<b>204.8</b>	<b>172.0</b>	<b>169.9</b>	<b>-2.2</b>
Finance*, Legal, Democratic & Coronial	16.1	12.7	12.6	0.0
<b>Finance, Legal, Democratic &amp; Coronial (FLDC)</b>	<b>16.1</b>	<b>12.7</b>	<b>12.6</b>	<b>0.0</b>
Orbis (excl Finance & Property*)	52.5	52.0	49.7	-2.0
Customer & Performance	7.5	7.1	6.4	-0.6
<b>Customer, Digital &amp; Transformation (CDT)</b>	<b>60.0</b>	<b>59.1</b>	<b>56.1</b>	<b>-2.6</b>
<b>Central Income &amp; Expenditure</b>	<b>53.5</b>	<b>49.2</b>	<b>40.5</b>	<b>-9.3</b>
<b>Total services' revenue expenditure</b>	<b>1,723.3</b>	<b>927.6</b>	922.2	<b>-5.5</b>
<b>Funding</b>		-906.3	-901.1	<b>5.3</b>
<b>Use of reserves</b>		<b>21.3</b>	<b>21.1</b>	<b>-0.2</b>

Note: All numbers have been rounded - which might cause a casting difference

\* Orbis manages Property and Finance budgets on behalf of other directorates. These amounts are excluded from the Orbis element of the Customer, Digital & Transformation directorate.

3. The most significant changes to the forecast outturn from that reported last month are due to the management actions to reduce spending and achieve the revised budget envelopes the Cabinet approved in September.

- -£1.5m in Schools & Special Educational Needs & Disabilities (SEND), including -£1.0m Commercial Services income;
- -£3.0m in Property including -£2.0m from reducing buildings maintenance and -£0.6m from spending less on evaluating new schemes;
- -£1.6m in Highways & Transport including -£1.0m from use of Strategic Transport grants, parking income and other underspends;
- -£1.2m IT & Digital cost reductions including deferring IT refresh and reducing the modern worker budgets; and
- -£3.3m in Central Income & Expenditure from lower Minimum Revenue Provision costs.

### **Revenue budget monitoring headlines**

#### *People Services – Children’s Services*

*+\$0.8m forecast overspend (+\$0.2m deterioration since 30 July 2018)*

*-\$4.0m management actions remaining*

4. Children’s Services continues to experience exceptionally high need for services which was planned for during the 2018/19 budget setting process. However, as a result of some recent events, after the budget was set, in relation to Child & Adolescent Mental Health Service (CAMHS) and an increase in the number of supernumerary posts in the area teams the service is forecasting to overspend by +£0.6m in 2018/19. In addition, Children’s Services has -£3.7m in year cost reductions to achieve its reduced budget envelope.
5. Increased demand from children requiring support has led to a continued need for additional social work capacity. There are 114 locums across frontline teams mainly covering vacancies. Each locum social worker costs on average £11,000 p.a. more than an employed social worker and a senior social worker locum costs on average £7,000 p.a. more than those employed. This additional level of staffing pressure has been planned for in the 2018/19 budget.
6. The overall budget for children’s external residential and fostering placements was increased by £11m in 2018/19 due to increasing need. As at 31 August 2018 there were 85 external residential placements and 245 external fostering placements out of a total of just over 870 looked after children. The number of external residential placements is less than budgeted at this stage in the financial year (90 placements) however this is offset by the higher number of external fostering placements than budgeted (232 placements). Children’s Services is putting plans in place to manage the need for high cost external placements in order to address the service’s overspend and contribute towards reducing spending within its budget envelope.
7. As in previous years, the Council is having to subsidise services for Unaccompanied Asylum Seeking Children, as the grant funding received from the Home Office is insufficient to cover the total cost. In 2018/19 the Council increased the budget to cover this level of local authority subsidy, which totals £4.5m, within a total cost of £8.9m. The Council still awaits the revised funding arrangements from the Home Office, which is likely to alter the level of subsidy.

8. The budget for the Leaving Care Service was increased by £2m in 2018/19 to allow for the forecast rise in numbers of cases and the increased level of need.

*People Services – Schools & SEND*

*£14.6m forecast overspend, comprising +£15.0m forecast overspend on the DSG high needs block (no change since 31 July 2018), and -£0.4m forecast underspend on the remainder of the budget (-£1.5m improvement since 31 July 2018)  
-£0.0m management actions remaining*

9. The Schools & SEND service forecast to overspending by £14.6m. There are two elements to this, with the first being a +£15m forecast overspend against the High Needs Block of the Dedicated Schools Grant (DSG). Outside of the DSG, the service forecast to underspend by -£0.4m. The service has taken management actions to achieve its revised budget envelope and reduce expenditure by -£1.4m this year.
10. There continues to be an exceptional demand for services for children with Special Educational Needs (SEN), with the number of Education Health and Social Care Plans (EHCPs). As at 31 August 2018 there were 8,551 EHCPs which is a rise of 841 (11%) since the SEN2 statutory return to the Department for Education in January 2018.
11. At the start of the financial year the pressure on the service was estimated at £30m and a cost containment plan was developed to achieve reductions in spending of £15m (£8.9m have been achieved, £2.4m face potential barriers and £3.8m are high risk), leaving an overall forecast overspend of £15m. There is a degree of uncertainty about the forecast as the cost of new school placements and college placements that began in September will not be known until later in the autumn term.
12. The residual forecast £15m overspend remains a concern and risk for the Council. As part of the SEND Sustainability transformation work the service is looking urgently at how to minimise the impact on the Council's reserves and services in future years.
13. External placements at 31 August 2018 were 1,032 and the numbers are projected to be over 1,300 by 31 March 2019. Alternative in house provision is being sought. As at 31 August 2018 the number of pupils receiving pupil support was 3,212 (compared to 2,793 at the end of 2017/18).
14. The increasing number of SEN children with plans is also affecting the number of children requiring transport to school, which is almost 3,000, giving a +£2.9m forecast overspend. The original plans for -£1.2m transport savings in 2018/19 are not on track to be achieved and the service is considering other options.

*People Services – Cultural Services*

*–£0.1m forecast outturn (–£0.1m improvement since 31 July 2018)*

*–£0.6m management actions remaining*

15. Cultural Services forecasts –£0.1m underspend. The main reasons for the change is management action to achieve in year reductions from costs of employee and supplies and services and from extra income. Cultural Services has –£0.5m further management actions to achieve in year reductions from: costs of employee and supplies and services and from extra income.

*People Services – Adult Social Care*

*–£3.7m forecast underspend (+£0.9m deterioration since 31 July 2018)*

*–£6.1m management actions remaining*

16. Adult Social Care (ASC) projects –£3.7m underspend as at 31 August 2018, a reduction of +£0.9m from last month. In addition, ASC are delivering management action to reduce spending by a further –£6.1m, which would give a underspending of –£9.8m at the year-end if completely successful.
17. As part of the Council’s strategy to ensure it has a financially sustainable budget, ASC has a target to reduce spending by –£10.7m to meet its revised in-year budget envelope as part of the council’s £40m reduction in spending in 2018/19. As set out in Table 2, the latest forecast against this plan is –£11.2m underspend. However, projected underachievement against the service’s original savings plans of +£1.4m reduces the overall August forecast revised outturn to –£9.8m underspend, which represents a shortfall against ASC’s revised budget envelope of +£0.9m.

Table 2 Summary of ASC forecast outturn variance as at 31 August 2018

<b>Description of budget variance</b>	<b>Plan to meet ASC Budget Envelope £m</b>	<b>Latest forecast £m</b>	<b>Change from July 2018 £m</b>
Additional planned actions through managing care package budgets to deliver underspends and reduce demand at the front door	-2.6	-2.6	0.0
Mitigation of budgeted increased costs of care	-5.0	-5.0	0.0
Forecast surplus on assessed fees & charges income	-1.0	-1.0	0.0
Underspend on staffing budgets outside of savings plans	-2.1	-2.6	-0.5
<b>Additional in-year underspends</b>	<b>-10.7</b>	<b>-11.2</b>	<b>-0.5</b>
Underachievement against ASC’s original MTFP savings plans (£17.0m forecast vs £18.4m target)	+0.0	+1.4	+1.4
<b>Total forecast budget variance</b>	<b>-10.7</b>	<b>-9.8</b>	<b>+0.9</b>

18. The +£0.9m reduction in ASC’s forecast underspend from last month is due to a +£1.4m projected shortfall against the original MTFP savings plans following a review of all savings in the latest budget monitoring cycle, partially offset by a –£0.5m increase in the forecast underspend against staffing budgets.

*People Services – Public Health*

*-£0.1m forecast underspend (no change since 31 July 2018)*

19. Public Health forecasts to underspend by -£0.1m after fully achieving its MTFP savings target. There are risks with delivery in some areas which remain under review.

*Place Services – Economic Growth*

*+£0.1m forecast overspend (no change since 31 July 2018)*

*-£0.1m management actions remaining*

20. Economic Growth forecasts a +£0.1m overspend. This is due to £300,000 commitments against the Surrey Growth Fund, partly offset by -£229,000 savings in the Economy Team. Economic Growth requests to draw down £71,000 from the carry forward agreed from 2017/18 to balance this.

*Place Services – Property budgets managed by Orbis*

*-£3.0m forecast underspend (-£3.1m improvement since 31 July 2018)*

*-£1.8m management actions remaining*

21. Property Services forecasts -£3.0m underspend. This is due to management action taken to achieve in year cost reductions, including -£2.0m from reducing buildings maintenance and -£0.6m from spending less on evaluating new schemes. The remaining target of £1.2m is unlikely to be achieved as further reducing maintenance spend would have serious compliance implications.

*Place Services – Highways, Transport & Environment directorate*

22. The new Executive Director for Highways, Transport & Environment has made changes within the directorate to consolidate Environment functions (including waste, countryside and planning) and Highways & Transport functions (including highway maintenance, improvements and transport). This requires movement of the Travel & Transport activities (renamed Strategic Transport) into Highways & Transport, with a net revenue budget of £20m, including bus subsidy and the national concessionary fares scheme and a capital budget of £15.4m, including the Local Growth Deal programme. The Place Development service, comprising waste management, countryside and planning functions, is renamed Environment. This change is reflected throughout this report.

*Place Services – Highways & Transport*

*-£1.9m forecast underspend (-£1.3m improvement since 31 July 2018)*

*-£0.7m management actions remaining*

23. Highways & Transport forecasts -£1.9m underspend as at 31 August 2018 and -£0.7 m remaining management actions from -£1.7m needed to meet the new reduced budget envelope for the service.
24. Highways & Transport has achieved -£1.0m of its additional in-year cost reductions from use of Strategic Transport grants, parking income and other underspends. Management actions remain for cost reductions from developer receipts and local committee schemes.

25. The remaining -£0.9m forecast variance is due to several factors, most significantly street works net additional income from permits and notices and lower concessionary fares. Planned highways works are currently under way and generally forecast to spend to budget.

*Place Services – Environment*

*+£0.3m forecast outturn (no change since 31 July 2018)*

*-£0.3m management actions remaining*

26. Place Development & Waste forecasts a +£0.3m overspend as at 31 August 2018 and -£0.3m management actions remaining to meet the new reduced budget envelope for the service, including use of developer income.
27. Waste currently forecasts a balanced outturn. Construction of the Eco Park, while progressing, is delayed, which will lead to lower cost this year and increased costs in future years. The Council manages cost variations across years through the Waste Sinking Fund. The forecast outturn assumes reduced costs in 2018/19 will result in a sinking fund contribution to meet the costs when they arise in future years. Cabinet approval will be sought for the sinking fund contribution, once the final amount is known. Further delays to the Eco Park have increased the estimated value of the sinking fund transfer to £11.7m because the delay means the Council avoid some uplift payments. Despite the further delay to the Eco Park, processing and disposal costs have not increased as anticipated. This is because of an improvement in tonnages going into the Council's main energy from waste outlets during August and falling residual tonnage.

*Place Services – Surrey Fire and Rescue Service*

*-£0.3m forecast underspend (-£0.1m improvement since 31 July 2018)*

*£0.0m management actions remaining*

28. Surrey Fire and Rescue Service (SFRS) forecasts a -£0.3m underspend, due to a -£0.4m projected payroll underspend (includes provision for an assumed 2% Firefighter pay award from July 2018) -£0.1m underspend on supplies and services, partly offset by +£0.2m income shortfall. SFRS is actively investigating mitigating actions to cover this shortfall.

*Place Services – Trading Standards*

*-£0.1m forecast underspend (no change since 31 July 2018)*

29. Trading standards forecasts a -£0.1m underspend. Mainly caused by staff vacancies, partly offset by a related shortfall in income.

*Place Services – Community Support*

*-£0.3m forecast underspend (-£0.1m improvement since 31 July 2018)*

30. Community Support forecasts an underspend of nearly -£0.3m due to the previous year's staffing review and further staff savings identified in the current year.



*Place Services – Emergency management  
balanced forecast outturn (no change since 31 July 2018)*

31. Emergency management forecasts a balanced outturn with a very slight underspend (-£46,000) due to higher than expected income from Local Resilience Forum activities.

*Corporate Support Services – Strategic Leadership  
balanced forecast outturn (no change since 31 July 2018)*

32. Strategic Leadership forecasts a balanced outturn. This anticipates a budget transfer for changes in directors' posts.

*Corporate Support Services – Communications  
-£0.2m forecast underspend (-£0.1m improvement since 31 July 2018)  
-£0.0m management actions remaining*

33. Communications forecasts a -£0.2m underspend. This is due to holding staff vacancies and reduced communications expenditure.

*Corporate Support Services – Strategy & Performance  
-£0.2m forecast underspend (-£0.1m improvement since 31 July 2018)  
-£0.0m management actions remaining*

34. Strategy & Performance forecasts a -£0.2m underspend. This is mainly due to staffing reductions.

*Corporate Support Services – Customer Services  
-£0.2m forecast underspend (-£0.2m improvement since 31 July 2018)  
£0.1m management actions remaining*

35. Customer Services forecasts a -£0.2m underspend. This is mainly due to staffing reductions.

*Corporate Support Services – Orbis  
-£2.0m forecast underspend (-£1.5m improvement since 31 July 2018)  
-£2.9m management actions remaining*

36. Orbis forecasts a -£2.0m underspend. This excludes Finance and Property budgets Orbis manages on behalf of the Council. The forecast underspend is mainly due to management actions to achieve -£1.2m IT & Digital (IT&D) savings and re-profiling Orbis investment, leading to a -£0.8m variance (of which -£0.6m will need to be carried forward if total investment plans remain the same). Reduced IT&D project spend by £0.9m could impact on deliverability of new initiatives. Human Resources & Organisational Development (HR&OD) is working on its £0.8m in year savings target. Current indications are the majority of the remaining Orbis savings (-£1.2m) are unlikely to be achieved.

*Corporate Support Services – Finance budgets managed by Orbis  
balanced forecast underspend (no change since 31 July 2018)  
-£0.3m management actions remaining*

37. Finance forecasts a balanced year end position.

*Corporate Support Services – Legal Services  
+£0.1m forecast overspend (+£0.1m improvement since 31 July 2018)  
-£0.4m management actions remaining*

38. Legal Services forecasts a +£0.1m overspend mainly because of the high cost of childcare cases (which may increase due to their high volume) offset by savings in staffing and suppliers and services. Legal Services requires -£0.4m management actions to bring expenditure in line with the revised budget envelope.

*Corporate Support Services – Democratic Services  
-£0.3m forecast underspend (-£0.3m improvement since 31 July 2018)  
-£0.0m management actions remaining*

39. Democratic Services has taken management action to achieve it's in year savings and forecasts -£0.3m underspend.

*Corporate Support Services – Coroner  
+£0.2m forecast overspend (+£0.1m deterioration since 31 July 2018)  
-£0.3m management actions remaining*

40. The Coroner forecasts +£0.2m overspend, due to pressures arising from high cost inquests. The Coroner requires -£0.3m management actions to bring expenditure in line with the revised budget envelope.

*Corporate Support Services – Central Income & Expenditure (incl. General Funding)  
-£3.9m forecast underspend (-£3.1m improvement since 31 July 2018)  
-£3.4m management actions remaining*

41. Central Income & Expenditure (CIE) forecasts a -£3.9m underspend overall. This comprises -£9.2m service expenditure variances and +£5.3m General Funding variances.

42. The main service expenditure variances are from management actions related to: -£2.2m budgeted contributions to reserves no longer considered necessary, given the Council's financial context; -£4.3m balances identified in a balance sheet review, which are no longer needed for their original purpose and can be applied to fund current year expenditure; -£3.3m lower Minimum Revenue Provision (MRP) due to 2017/18 capital programme spending being less than budgeted; and -£0.7m more investment strategy income than budgeted; partly offset by +£1.7m shadow savings considered unachievable against Public Health and Dedicated Schools grants. The main General Funding variance is +£5.3m shortfall in the budgeted use of capital receipts to fund service transformation work.

43. CIE has -£3.4m management actions remaining, related to efficiency savings across non-front line services and a moratorium to discretionary spending. These savings have yet to be identified.

### **Revenue savings and cost reductions**

44. To ensure a considered, strategic and corporate approach to financial management and reporting, Corporate Leadership Team: tracks and monitors delivery of MTFP savings and additional in year cost reductions; and will develop plans for alternative savings as required.

#### *MTFP savings*

45. The Council's 2018/19 revenue budget includes £66.0m ongoing MTFP savings. As at 31 August 2018, directorates forecast to deliver £66.2m against this target, which is due to some savings plans over achieving, whilst others underachieve. The details of this are shown in Annex 2.
46. The Council conducted deep dive reviews into the 2018/19 MTFP savings programme to increase assurances about savings and identify actions to increase confidence.
47. Directorates assess the achievability risks for the £66.0m planned MTFP savings, based on their achievement to date and the forecast profile for achieving the remaining savings over the year. Within the overall savings profile: £47.5m are achieved or on track, £12.1m face potential barriers and £8.3m have a high risk of not being achieved. Of these, savings projects at high risk have increased by +£3.2m and savings projects facing potential barriers have reduced by -£3.1 m, mainly due to a +£2.6m shift in risk profile between the two in relation to Schools & SEND's cost containment plan. Annex 2 provides more details of performance against individual plans for the MTFP savings.

#### *Revised Budget Envelopes*

48. To improve the Council's financial resilience, Cabinet approved revised budget envelopes for all services in September, which required a reduction in spending of £40m in 2018/19. As outlined in the summary to this report, directorates still need to implement measures to deliver the remaining -£21m in year cost reductions in 2018/19 to meet their revised budget envelopes fully.
49. Within the revenue budget headlines above, services raise three areas where full achievement of the remaining cost reductions is uncertain:
- £1.2m in Property, as further reductions in maintenance spend would have serious compliance implications (paragraph 21);
  - £1.2m in Orbis, which are unlikely to be achieved (paragraph 36) and
  - £3.4m in CIE which have yet to be identified (paragraph 43).

## Service transformation

50. Local authority funding remains uncertain, especially around the future of the Business Rates Retention Scheme, the Fair Funding Review, negative Revenue Support Grant and the prospects anticipated in the deferred Green Paper on adult social care. The Council does not yet forecast any significant new or additional government funding to meet the continuing and rising pressures it faces over the medium term.
51. Faced with these uncertainties and pressures, Cabinet is developing a programme of transformational changes to ensure the Council has sustainable services for residents. This transformation was set out in the County Council report of 22 May 2018, "Developing a Vision for Surrey in 2030".
52. The additional benefits of the transformation programme will start to flow from 2019/20, with additional benefits for 2020/21.
53. Outline Business Cases for the transformation savings will be presented for agreement in principle in another report on this agenda and will provide additional confidence to members. These, and the more detailed Full Business Cases for savings, will link to a more robust budget setting process for 2019/20 and the next five year MTFP. The Provisional Finance Strategy and MTFP will be presented to the Full County Council in November 2018 (subject to any changes resulting from the Local Government Finance Settlement expected in December). This is three months in advance of previous years.

## Capital programme overview

54. The Council set its three year MTFP capital programme at £322m, including £144m in 2018/19. This major investment in Surrey's infrastructure and economy focuses on the growth in pupil numbers and the importance residents place on good roads and services.

### *Capital programme budget monitoring headlines*

55. In September 2018, Cabinet approved revisions to the capital programme budget to ensure it aligns with the Council's long term strategy and priorities. The revisions resulted in a 2018/19 service capital programme budget of £135.0m. Table 3 shows directorates forecast spending £132.6m against this budget, a -£2.4m variance. The significant variances were: -£1.8m for IT & Digital and -£0.5m due to asbestos issues causing delays in replacing modular buildings. IT & Digital has reviewed its spending profiles and requests to reprofile £1.8m from 2018/19 into future years.

Table 3 2018/19 capital programme budget variances as at 31 August 2018

	Current full year budget £m	Apr -Aug actual £m	Sep - Mar Forecast £m	Full year forecast £m	Full year variance £m
Schools basic need	27.1	13.4	13.7	27.1	0.0
Property Services	30.8	11.4	19.0	30.4	-0.5
Highways & Transport	57.5	18.2	39.3	57.5	0.0
Environment	1.8	0.2	1.6	1.8	0.0

IT & Digital	6.5	0.5	4.2	4.6	-1.8
Other capital projects	11.3	0.8	10.5	11.3	-0.1
<b>Service capital programme</b>	<b>135.0</b>	<b>44.4</b>	<b>88.3</b>	<b>132.6</b>	<b>-2.4</b>
Long term investments	0.0	18.8	25.6	44.4	44.4
<b>Overall capital programme</b>	<b>135.0</b>	<b>63.2</b>	<b>113.9</b>	<b>177.0</b>	<b>42.0</b>

Note: All numbers have been rounded - which might cause a casting difference

56. As part of increasing its overall financial resilience the Council forecasts making £44m net investment in long term capital assets in 2018/19 (paragraphs 57 to 61). This brings total forecast capital spending in 2018/19, to £177m.

### Investment Strategy

57. Table 4 shows that the Council will generate -£4.7m net income this year from property acquisitions made by the Council and the Halsey Garton Property group (HGP).
58. Included in the income from investments figure in Table 4 is income from the HGP portfolio which is forecast at -£5.4m this year, comprising -£1.8m dividend and -£3.6m net interest margin on loans provided to HGP by the Council. The net income from investments held directly by the Council is forecast at -£0.9m and in total investments will provide -£6.3m income this year.
59. Development spend of +£1.6m is the revenue cost, in funding terms, of development activity underway or acquisitions pending development and is predominantly focused on the former Thales site in Crawley where the Phase 1 office building has completed and is part let to SECAMB, with the remaining floors expected to be let within this financial year. The second phase building becomes operational in 2019. Once these two phases are completed and fully let, the development will generate an estimated -£1.3m net income per year.
60. The -£4.7m net income is -£0.7m more than the -£4.0m income budget held within Central Income & Expenditure. The current investment portfolio plus future commitments such as the Brightwells Farnham scheme and other development activities are forecast to deliver -£8.3m net income in 2019/20.
61. Forecast capital expenditure in 2018/19 of +£44.4m includes further equity and loans to HGP for approved investments, the completion of development in Crawley and Farnham town centre. The capital outturn for the year is reported net of an estimated -£6.8m in third party contributions.

Table 4 Investment strategy revenue and capital position as at 31 August 2018

Revenue statement	YTD actual £m	Full year forecast £m
Income from investments	-1.9	-6.3
Less expenditure on developments	0.9	1.6
<b>Total net income</b>	<b>-1.0</b>	<b>-4.7</b>
<b>Capital expenditure</b>	<b>18.8</b>	<b>44.4</b>

Note: All numbers have been rounded - which might cause a casting difference

### **Risk based approach**

62. The Council operates a risk based approach to budget monitoring across all services. The approach ensures the Council focuses on monitoring those higher risk budgets due to their value, volatility or reputational impact.
63. Managers with high risk budgets monitor their budgets monthly, managers with low risk budgets monitor their budgets quarterly (or more frequently on an exception basis, if the year to date budget and actual spend vary by more than 10%, or £50,000, whichever is lower).

#### **CONSULTATION:**

64. All Cabinet Members will have consulted their relevant director or head of service on the financial positions of their portfolios.

#### **RISK MANAGEMENT AND IMPLICATIONS:**

65. Risk implications are stated throughout the report and each relevant director or head of service has updated their strategic and or service risk registers accordingly. In addition, the leadership risk register continues to reflect the increasing uncertainty of future funding likely to be allocated to the Council and the sustainability of the MTFP. In the light of the increased and significant financial risks faced by the Council, the Leadership Risk Register will be reviewed to increase confidence in directorate plans to mitigate the risks and issues.

#### **FINANCIAL AND VALUE FOR MONEY IMPLICATIONS**

66. The report considers financial and value for money implications throughout and future budget monitoring reports will continue this focus.

#### **SECTION 151 OFFICER COMMENTARY**

67. The Section 151 Officer confirms the financial information presented in this report is consistent with the Council's general accounting ledger and that forecasts have been based on reasonable assumptions, taking into account all material, financial and business issues and risks.
68. The Council has a duty to ensure its expenditure does not exceed resources available. During 2018/19, the Council plans to deliver £66m MTFP spending reductions and a reduce spending by a further £40m as it moves towards a sustainable budget for future years. All services must continue to take all appropriate action to keep costs down and optimise income (e.g. through minimising spending, managing vacancies wherever possible). Adverse variances will require remedial in-year savings and budget reductions.
69. It is drawn to members' attention that the Council's reserves are already at low levels bearing in mind the ongoing uncertainty about: future funding, demand pressures, savings and the transformation programme. For these reasons and to increase the Council's financial resilience, the Council needs to achieve all of

its £66m MTFP savings and all of the £40m in year savings Cabinet has approved. Unless the Council achieves these savings in 2018/19, it risks depleting reserves to unacceptable levels.

#### **LEGAL IMPLICATIONS – MONITORING OFFICER**

70. The Council is under a duty to set a balanced and sustainable budget. The Local Government Finance Act requires the Council to take steps to ensure that the Council's expenditure (that is expenditure incurred already in year and anticipated to be incurred) does not exceed the resources available whilst continuing to meet its statutory duties.
71. Cabinet should be aware that if the Section 151 Officer, at any time, is not satisfied that appropriate strategies and controls are in place to manage expenditure within the in-year budget they must formally draw this to the attention of the Cabinet and Council and they must take immediate steps to ensure a balanced in-year budget, whilst complying with its statutory and common law duties.

#### **EQUALITIES AND DIVERSITY**

72. Any impacts of the budget monitoring actions will be evaluated by the individual services as they implement the management actions necessary. In implementing individual management actions, the Council must comply with the Public Sector Equality Duty in section 149 of the Equality Act 2010 which requires it to have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
73. Services will continue to monitor the impact of these actions and will take appropriate action to mitigate additional negative impacts that may emerge as part of this ongoing analysis.

#### **WHAT HAPPENS NEXT:**

74. The relevant adjustments from the recommendations will be made to the Council's accounts.

**Contact Officer:**

Leigh Whitehouse, Interim Executive Director of Finance  
020 8541 7246

**Consulted:**

Cabinet, executive directors, heads of service.

**Annexes:**

Annex 1 – Overall and directorate revenue budget financial position.

Annex 2 – MTFP savings projects 2018/19

Annex 3 – Activity information for the Council's highest risk budgets.

**Sources/background papers:**

Revenue and capital budget movements.



**Annex 1 Forecast revenue budget as at 31 August 2018**  
(excluding £20.9m management actions remaining to achieve in year savings)

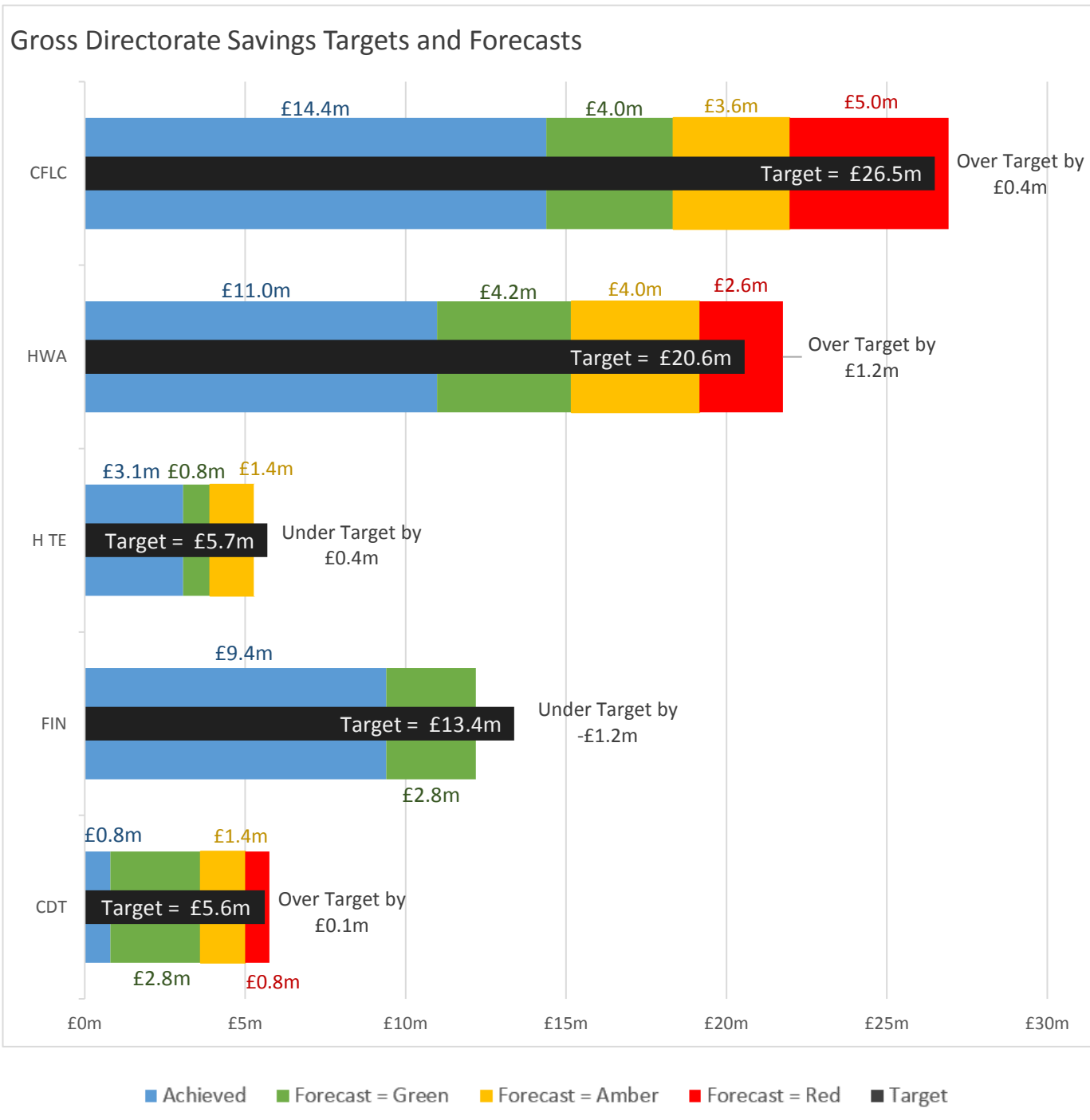
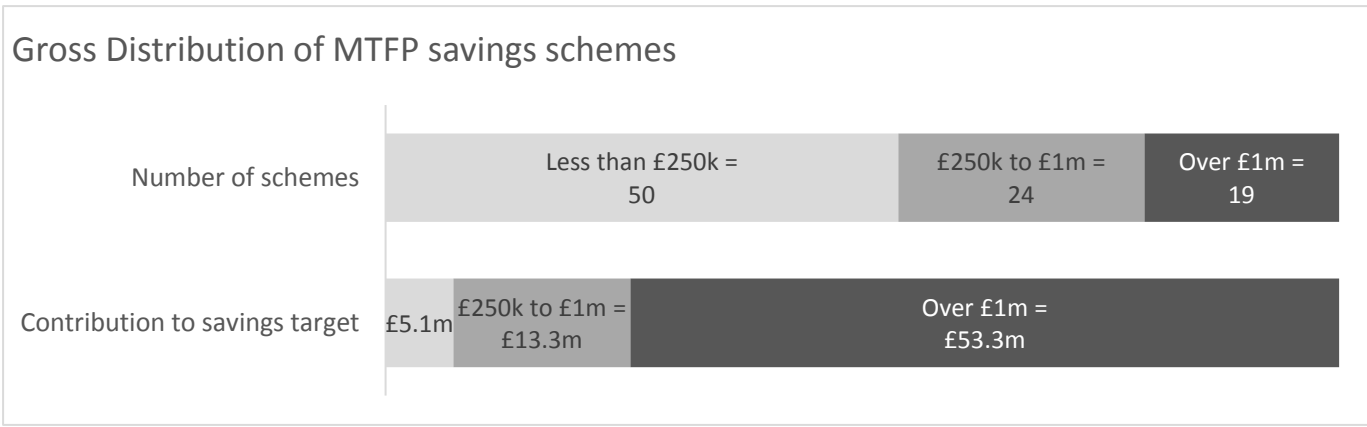
Service	Full year gross budget £m	Full year net budget £m	YTD actual £m	Full year position £m	Full year variance £m
Children's Services	137.9	124.6	52.2	125.5	0.8
Commissioning & Prevention	101.6	33.3	13.1	33.3	0.0
Schools & SEND	175.4	62.6	14.7	77.2	14.6
Delegated Schools	380.5	0.0	0.0	0.0	0.0
Cultural Services	22.8	8.7	3.6	8.6	-0.1
<b>Children, Family, Learning &amp; Communities</b>	<b>818.2</b>	<b>229.2</b>	<b>83.5</b>	<b>244.0</b>	<b>14.8</b>
Adult Social Care	500.3	381.9	145.7	378.2	-3.7
Public Health	37.3	0.7	0.0	0.5	-0.1
<b>Health, Wellbeing &amp; Adult Social Care</b>	<b>537.6</b>	<b>382.5</b>	<b>114.4</b>	<b>378.7</b>	<b>-3.8</b>
Economic Growth	1.0	1.0	0.3	1.0	0.1
Property*	31.2	21.8	6.9	18.8	-3.0
<b>Economy, Growth &amp; Commercial</b>	<b>32.1</b>	<b>22.7</b>	<b>7.1</b>	<b>19.8</b>	<b>-2.9</b>
Highways & Transport	76.9	68.6	16.6	66.7	-1.9
Environment	77.3	68.9	32.7	69.2	0.2
Surrey Fire & Rescue Service	45.4	31.5	13.2	31.3	-0.2
Trading Standards	3.9	1.8	0.7	1.7	-0.1
Communities Support function	0.8	0.8	0.2	0.5	-0.3
Emergency Management	0.5	0.5	0.2	0.5	0.0
<b>Highways, Transport &amp; Environment</b>	<b>204.7</b>	<b>172.1</b>	<b>63.7</b>	<b>169.9</b>	<b>-2.2</b>
Strategic Leadership	0.8	0.8	0.3	0.8	0.0
Communications	1.7	1.7	0.7	1.5	-0.2
Strategy & Performance	1.4	1.2	0.5	1.0	-0.2
Customer Services	3.4	3.3	1.2	3.1	-0.2
Human Resources & Organisational Development	3.8	3.8	1.0	3.8	0.0
Information Technology & Digital	12.9	12.4	4.2	11.2	-1.2
Procurement	0.0	0.0	0.0	0.0	0.0
Joint Operating Budget ORBIS	35.7	35.6	145.7	34.7	-0.8
Business Operations	-0.1	-0.1	0.0	-0.1	0.0
<b>Customer, Digital &amp; Transformation</b>	<b>59.7</b>	<b>58.6</b>	<b>153.6</b>	<b>56.1</b>	<b>-2.6</b>
Finance*	4.3	2.7	1.1	2.7	0.0
Legal Services	4.3	3.9	1.6	4.0	0.1
Democratic Services	5.0	4.3	1.8	4.0	-0.3
Coroner	2.4	1.7	1.0	2.0	0.2
<b>Finance, Legal, Democratic &amp; Coronial</b>	<b>16.0</b>	<b>12.6</b>	<b>5.4</b>	<b>12.6</b>	<b>0.0</b>
<b>Central Income &amp; Expenditure</b>	<b>54.0</b>	<b>49.8</b>	<b>18.5</b>	<b>40.5</b>	<b>-9.3</b>
<b>Total services' net revenue expenditure</b>	<b>1,722.3</b>	<b>927.7</b>	<b>477.5</b>	<b>922.2</b>	<b>-5.5</b>
General funding sources					
Capital receipts		-15.0	0.0	-9.7	5.3
General Government grants		-58.7	-15.5	-58.8	0.0
Local taxation (council tax & business rates)		-832.6	-339.7	-832.6	0.0
<b>Total general funding</b>		<b>-906.3</b>	<b>-355.2</b>	<b>-901.1</b>	<b>5.3</b>
<b>Total movement in reserves</b>		<b>21.3</b>	<b>122.4</b>	<b>21.1</b>	<b>-0.2</b>

Note: All numbers have been rounded - which might cause a casting difference

\* Orbis manages Property and Finance budgets for other directorates. These amounts are excluded from the Orbis total in the Customer, Digital & Transformation directorate.

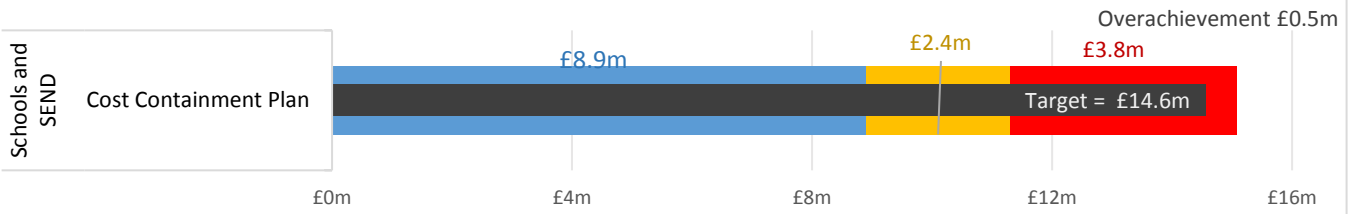
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**2018/19 MTFP Savings Tracker as at 31 August 2018**

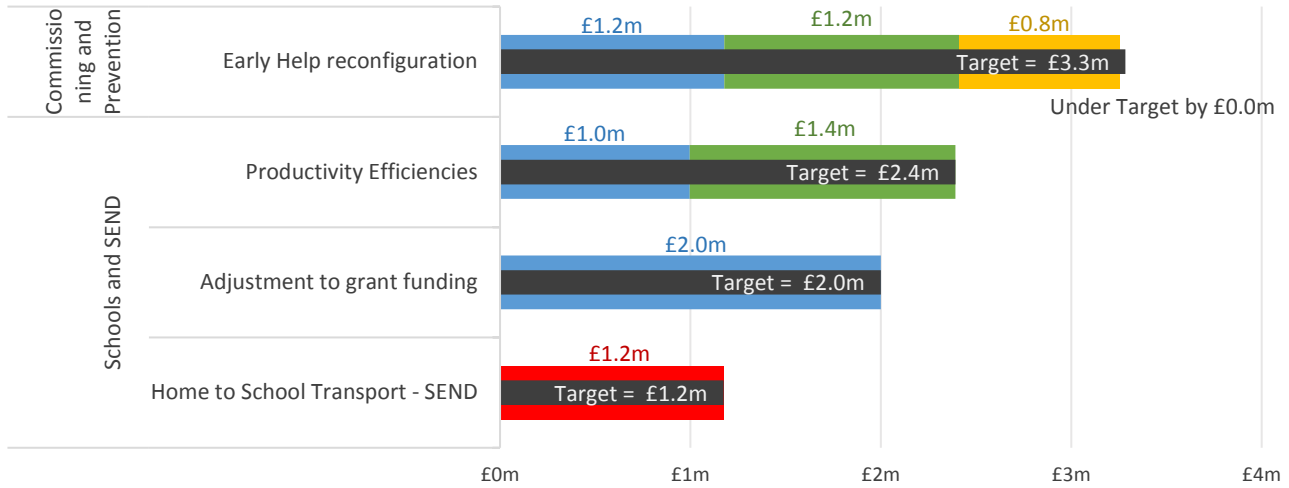


### CFLC - Children, Families and Learning

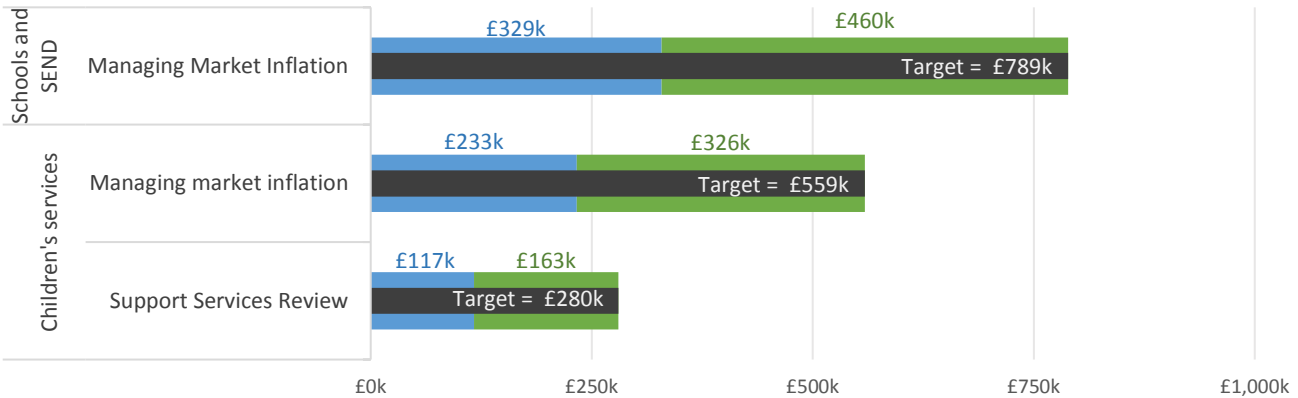
#### CFLC - Schools and SEND - Cost Containment Plan



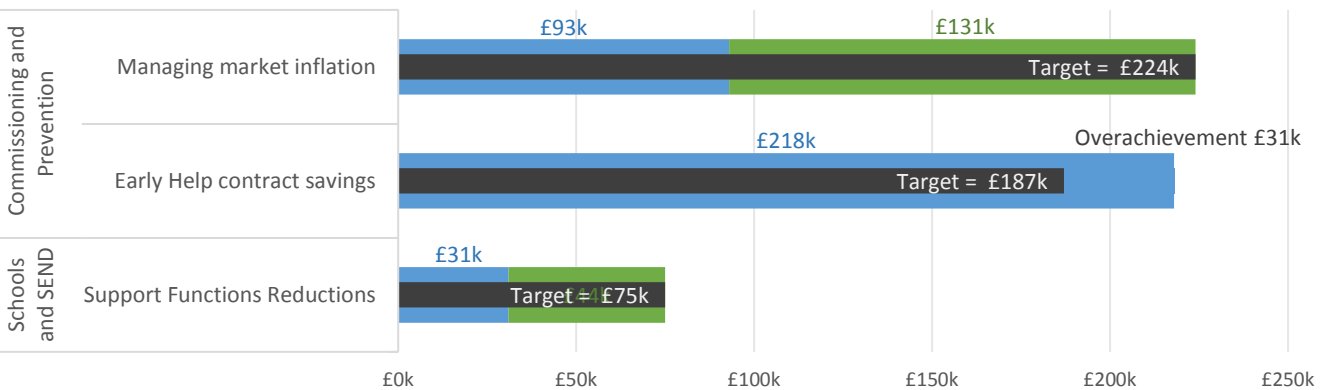
#### CFLC - Projects between £1m and £4m



#### CFLC - Projects between £250k and £1m

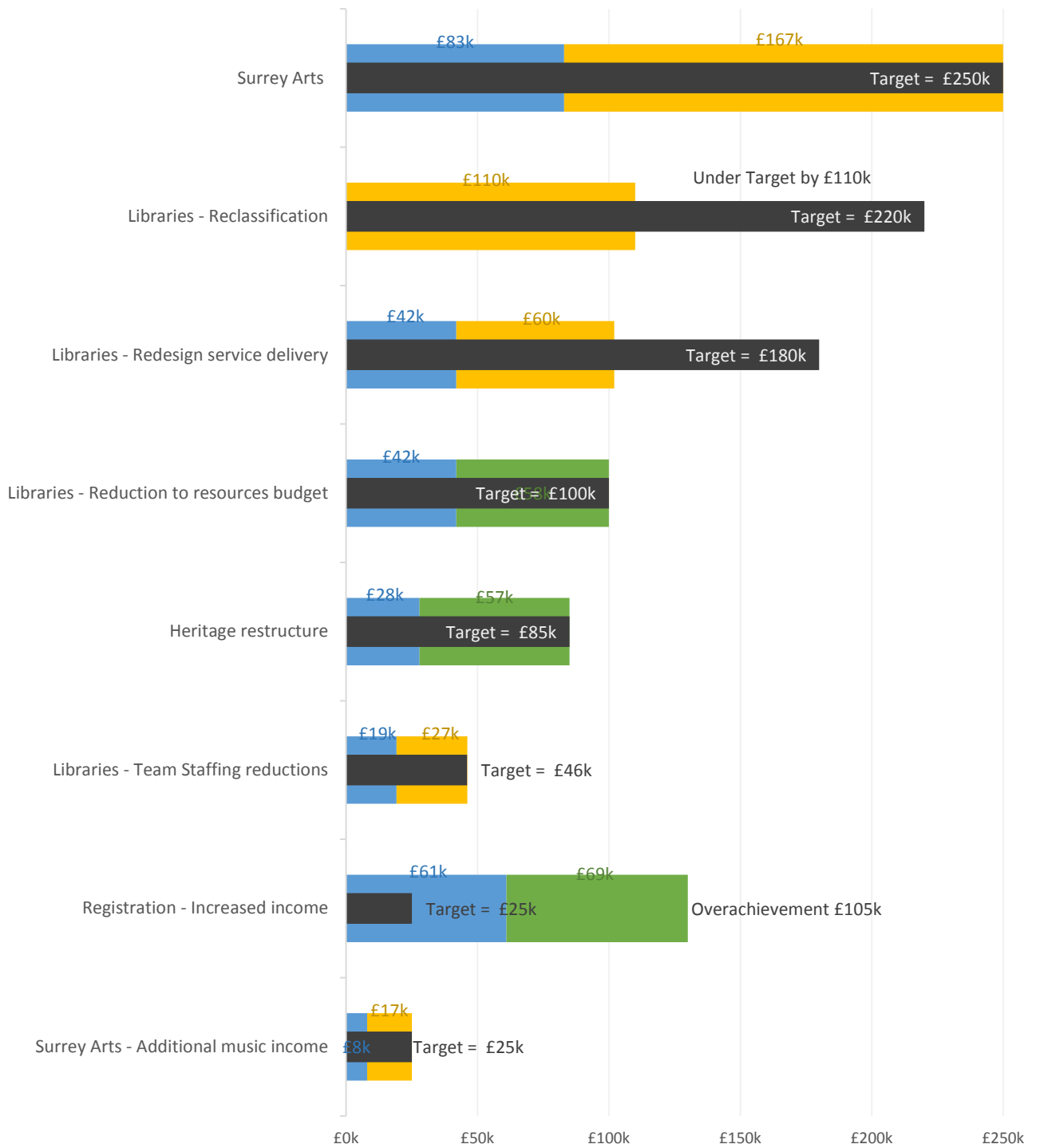


#### CFLC - Projects under £250,000



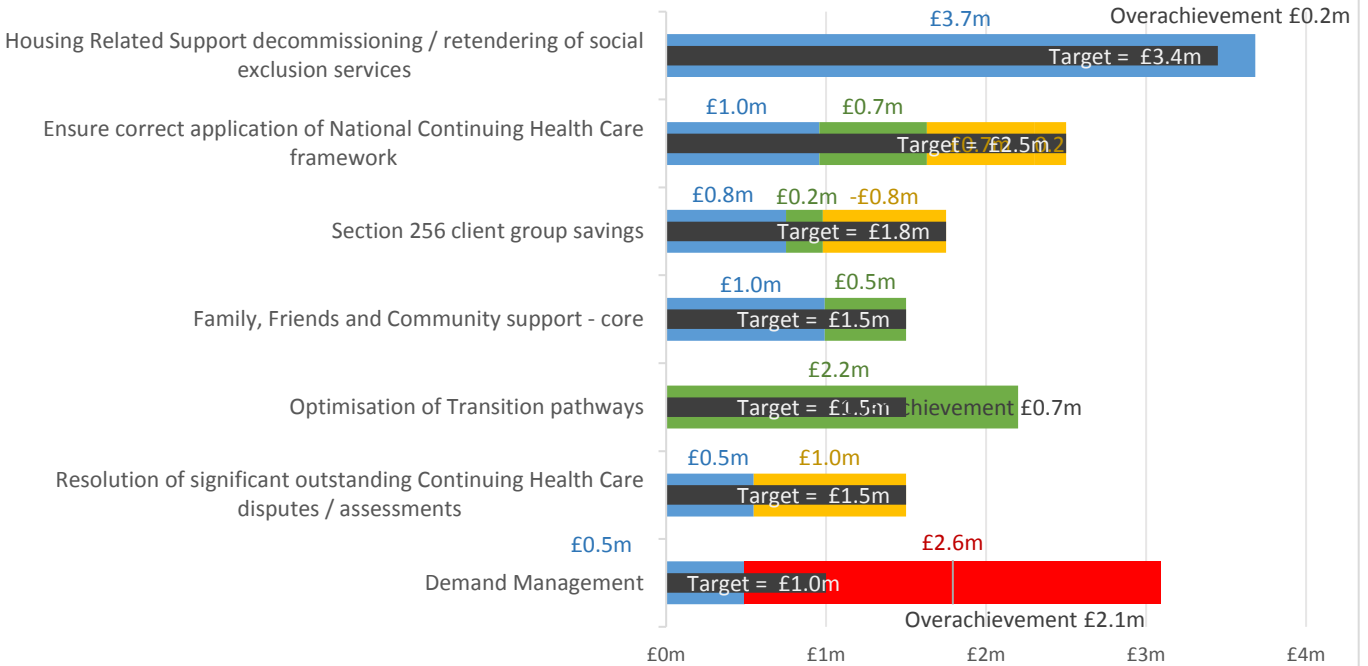
CLFC - Communities

CLFC - Communities - Projects under £250,000

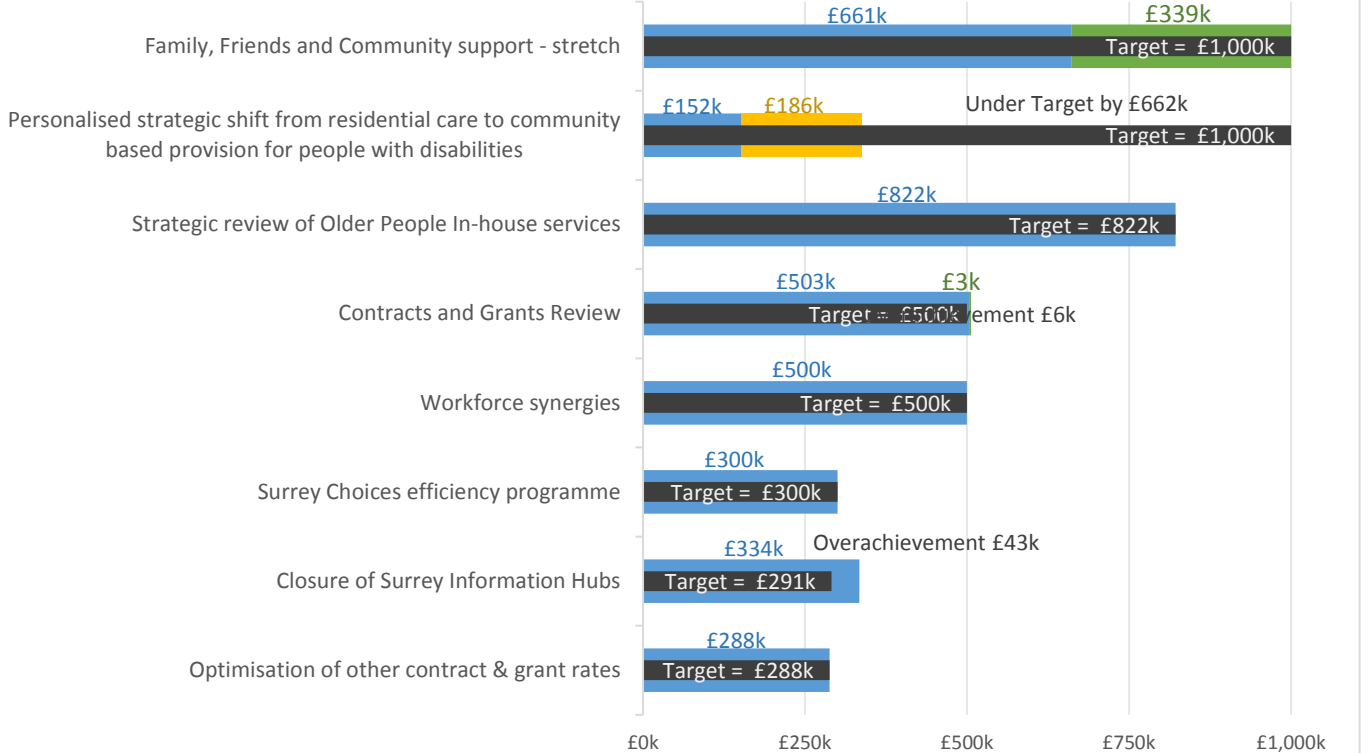


HWA - Adult Social Care (ASC)

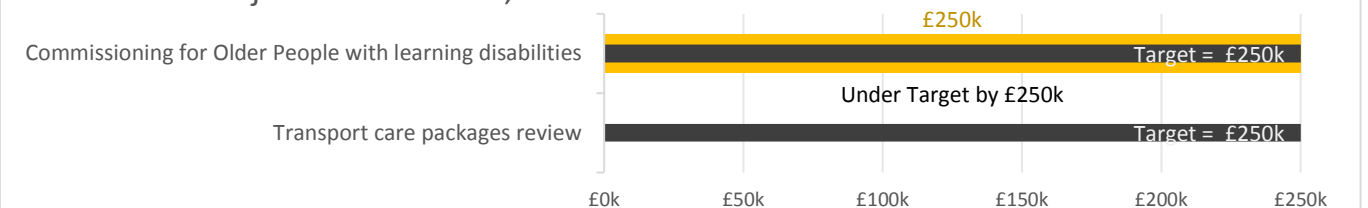
HWA - ASC - Projects between £1m and £4m



HWA - ASC - Projects between £250k and £1m

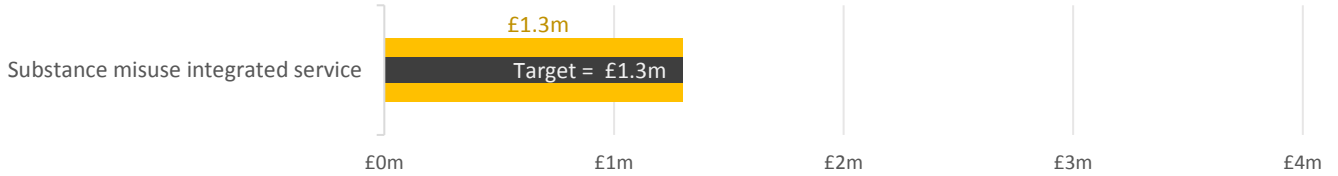


HWA - ASC - Projects under £250,000

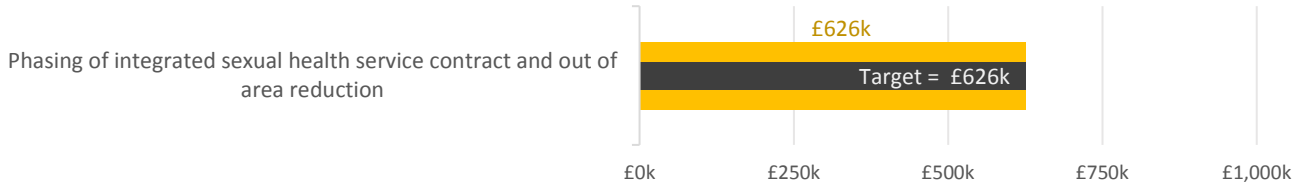


## HWA - Public Health

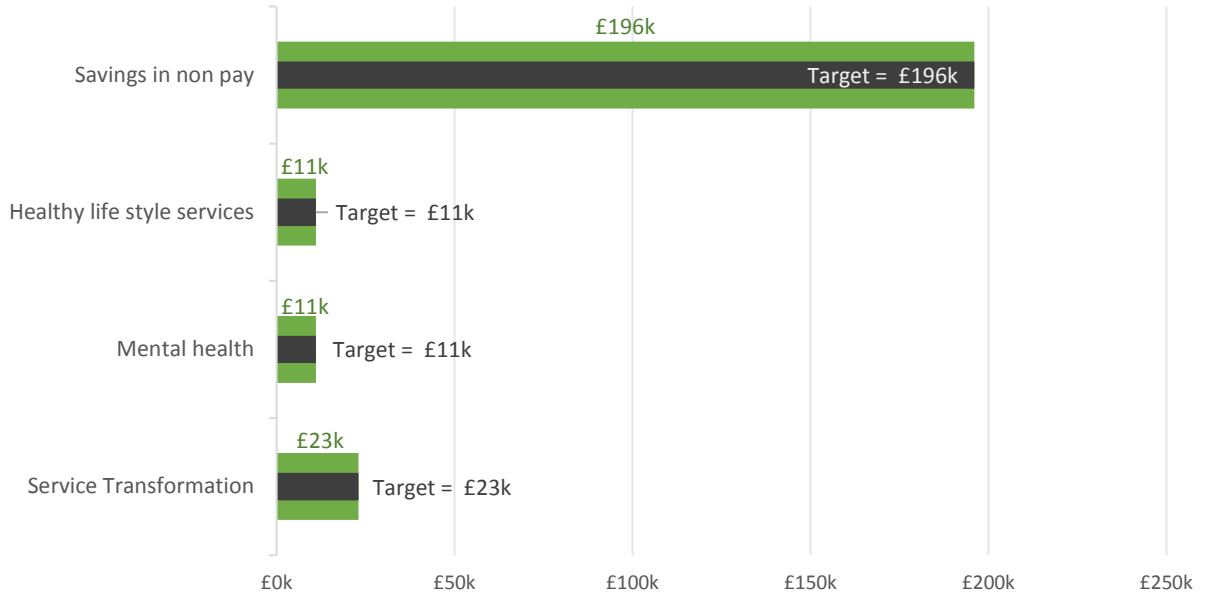
### HWA - Public Health - Projects between £1m and £4m



### HWA - Public Health - Projects between £250k and £1m

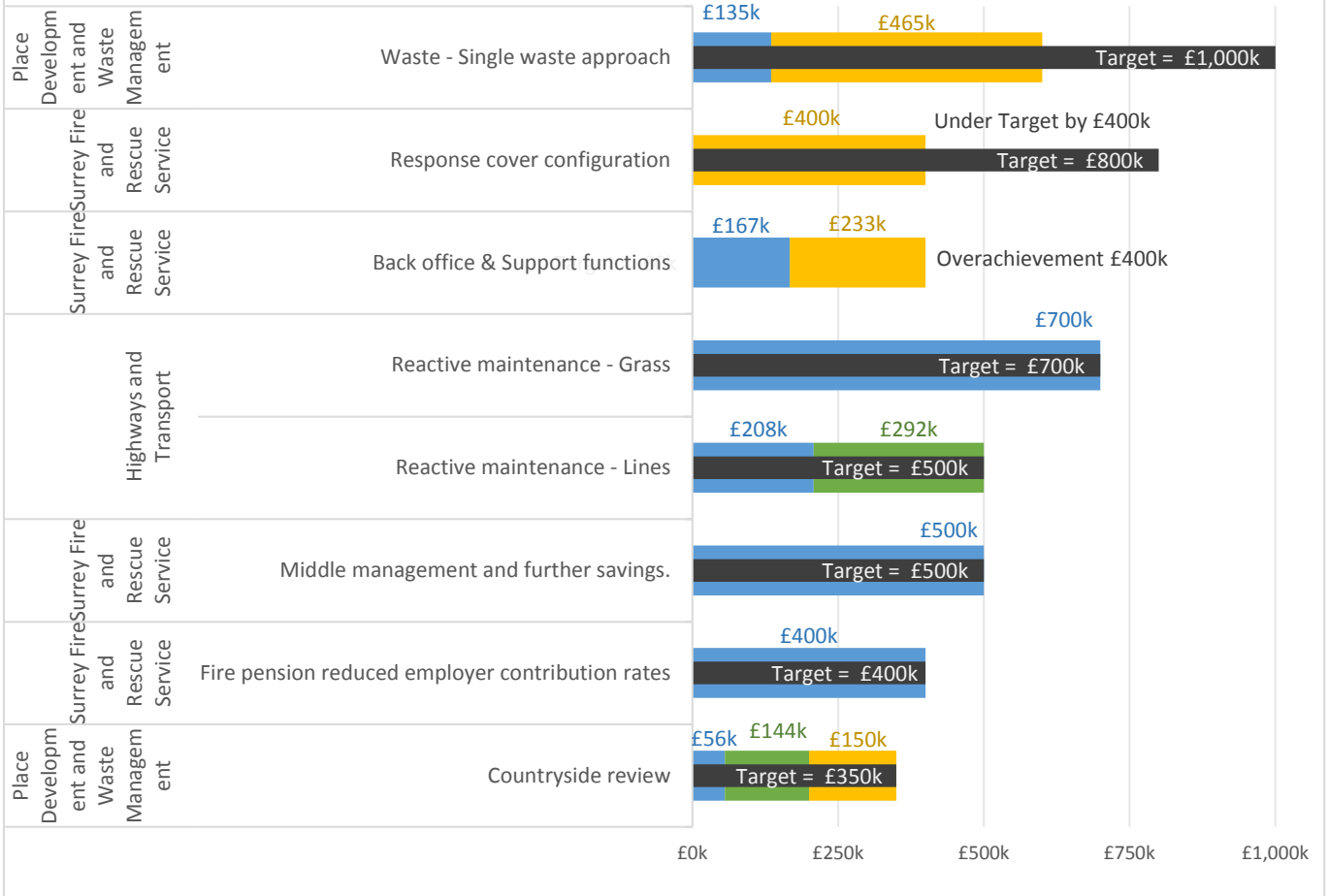


### HWA -Public Health - Projects under £250,000



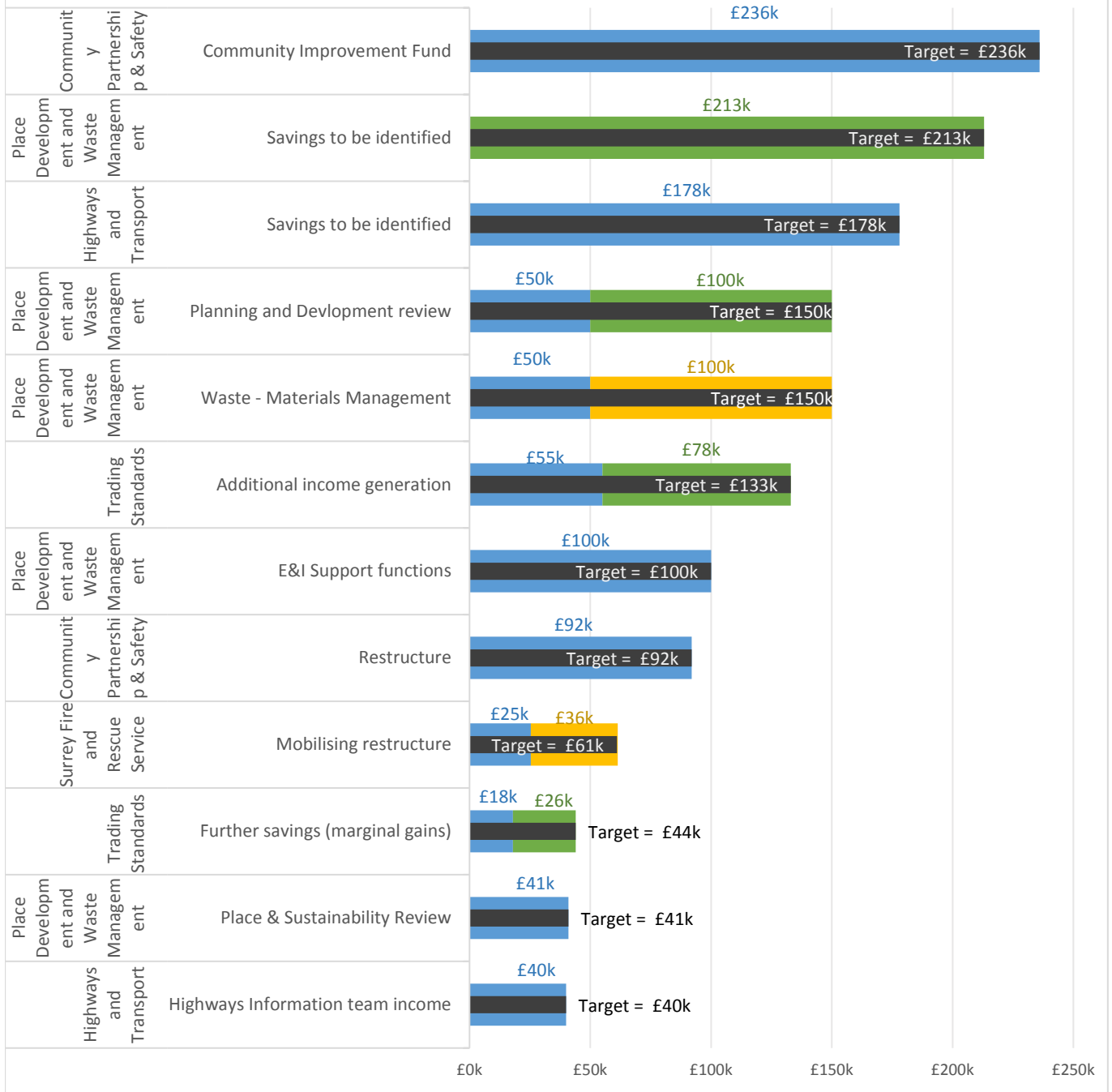
HT & E - Highways, Transport & Environment

HT & E - Projects between £250k and £1m





### HT & E - Projects under £250,000

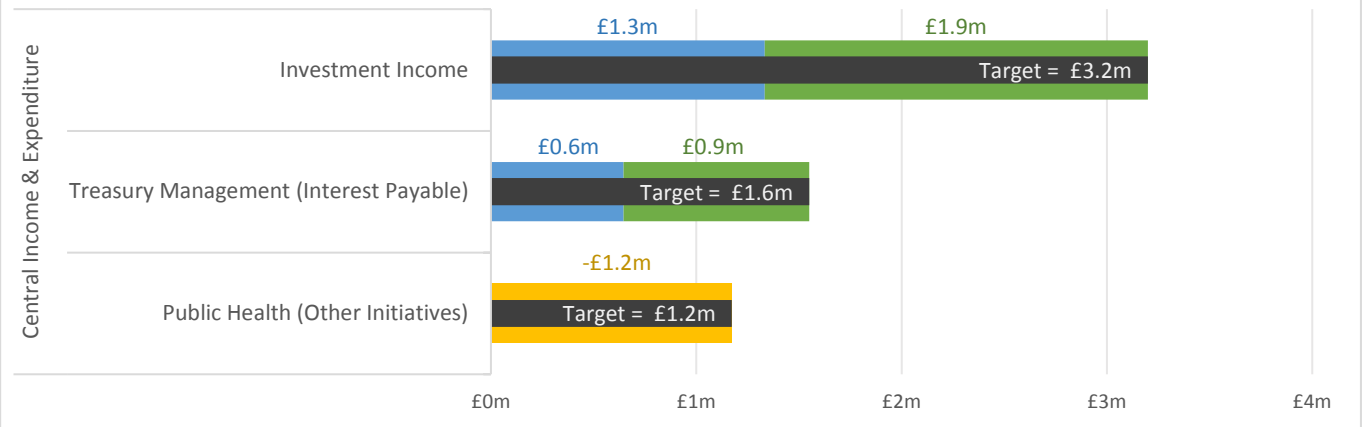


FIN - Finance, Legal & Coronial

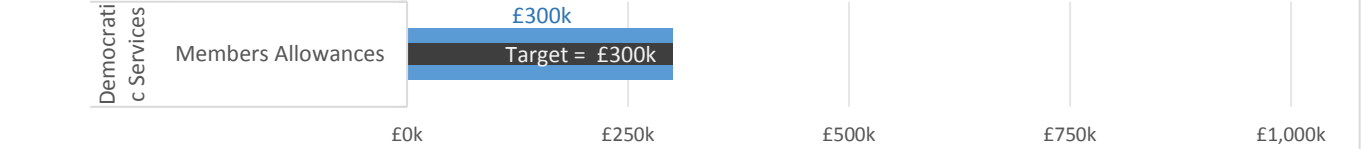
FIN - Minimum Revenue Provision



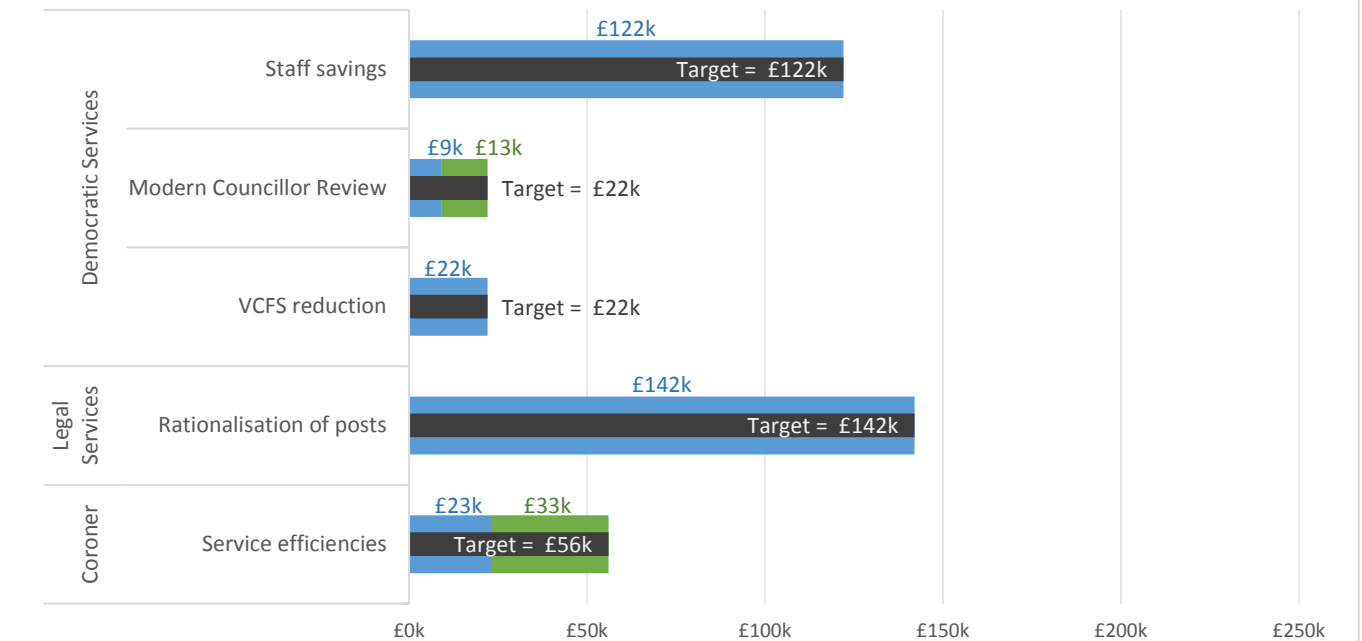
FIN - Projects between £1m and £4m



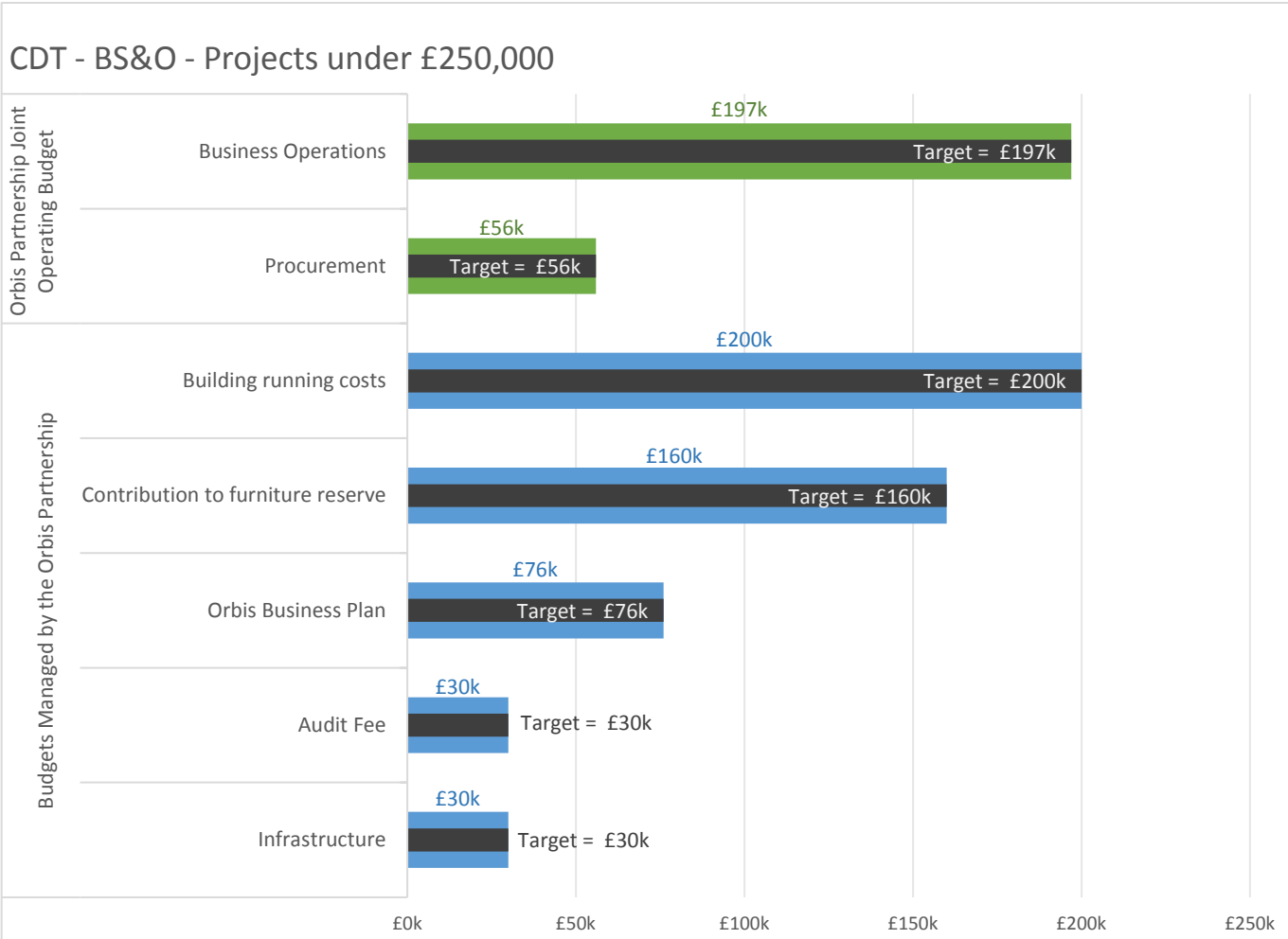
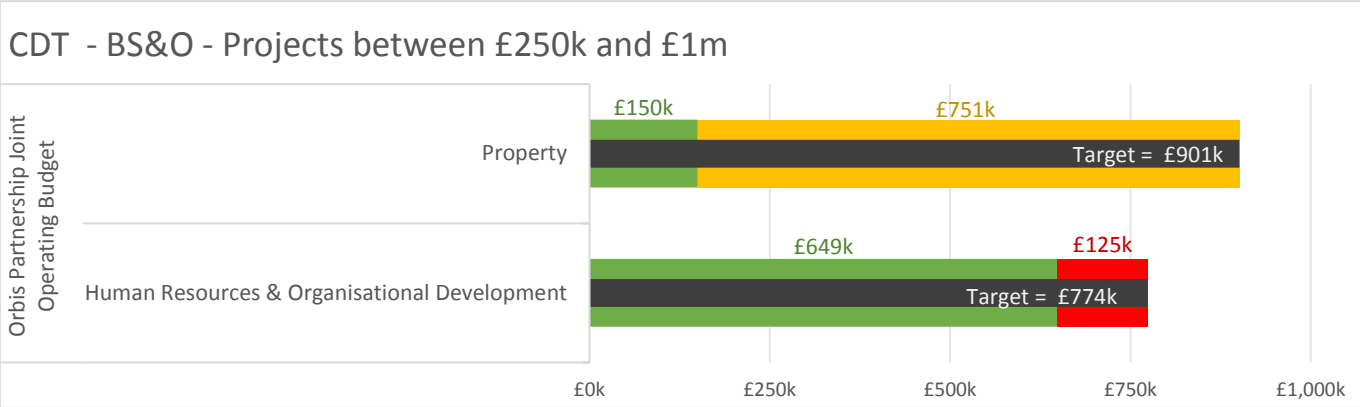
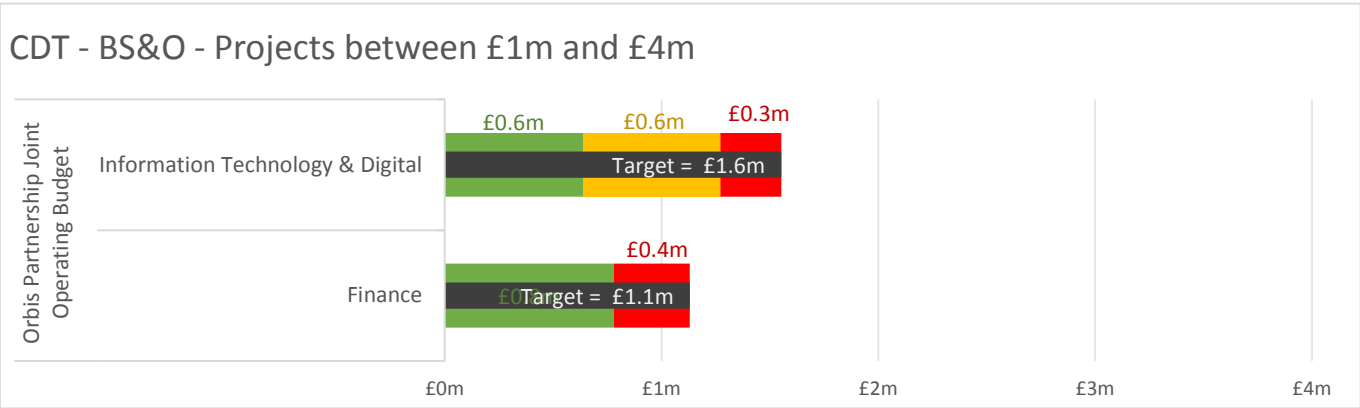
FIN - Projects between £250k and £1m



FIN - Projects under £250,000

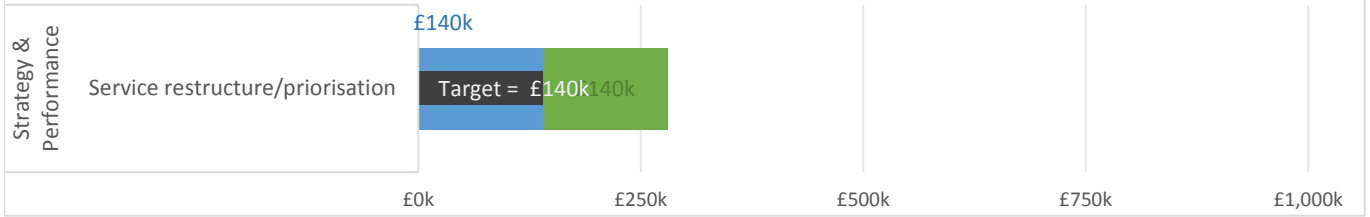


CDT - Business Services and Orbis (BS &O)

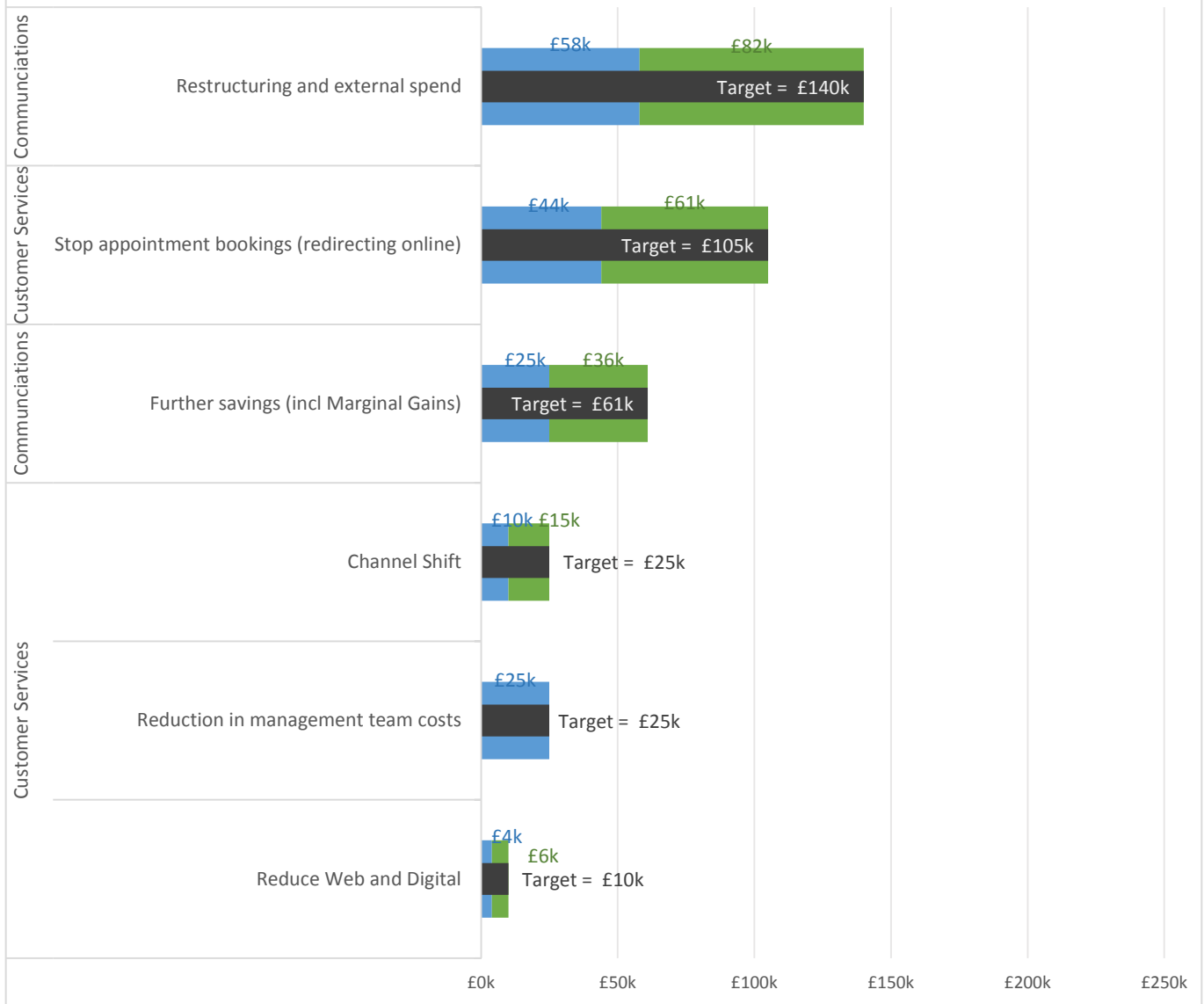


CDT - Customers and Transformation Services (CTS)

CTS - Projects over 250,000



CTS - Projects under £250,000



**Annex 3 - Activity information for the council’s highest risk budgets**

Annex 3 provides some additional information about the council’s high risk or most volatile budgets.

This is the second month of producing this annex and the contents will be developed and improved further over the coming months and extended to other budgets.

For this month, Annex 3 covers the following budgets:

Children, Families, Learning & Communities	Children’s Services
Children, Family, Learning & Communities	Schools & SEND
Health, Wellbeing & Adult Social Care	Adult Social Care
Highways, Transport and Environment	Waste Management and reduction

## Children, Families, Learning & Communities

Revenue +£16.1m overspend (£15m due to SEND) and still to outline -£6.1m management action to achieve in year savings

Financial position as at 31 August 2018

Service	Gross £m	Income £m	Net £m	Forecast £m	Variance £m	Mgmt action £m	Revised variance £m
Children's Services	137.9	13.3	124.6	125.5	0.8	-4.0	-3.2
Commissioning & Prevention	101.6	68.3	33.3	33.3	0.0	0.0	0.0
Schools & SEND	175.4	112.8	62.6	77.2	14.6	0.0	14.6
Delegated Schools	380.5	380.5	0.0	0.0	0.0	0.0	0.0
Cultural Services	22.8	14.1	8.7	8.1	-0.6	-0.1	-0.7
<b>Total</b>	<b>818.2</b>	<b>588.9</b>	<b>229.2</b>	<b>244.0</b>	<b>14.8</b>	<b>-4.1</b>	<b>10.7</b>

-£6.1m management action is to achieve in year savings

Ongoing savings

Service	MTFP savings £m	Savings forecast £m	Savings variance £m	High risk £m
Children's Services	0.8	0.8	0.0	0.0
Commissioning & Prevention	3.7	3.7	0.0	0.0
Schools & SEND	21.0	21.5	0.5	5.0
Delegated Schools	0.0	0.0	0.0	0.0
Cultural Services	1.0	0.9	-0.1	0.0
<b>Total</b>	<b>26.5</b>	<b>26.9</b>	<b>0.4</b>	<b>5.0</b>

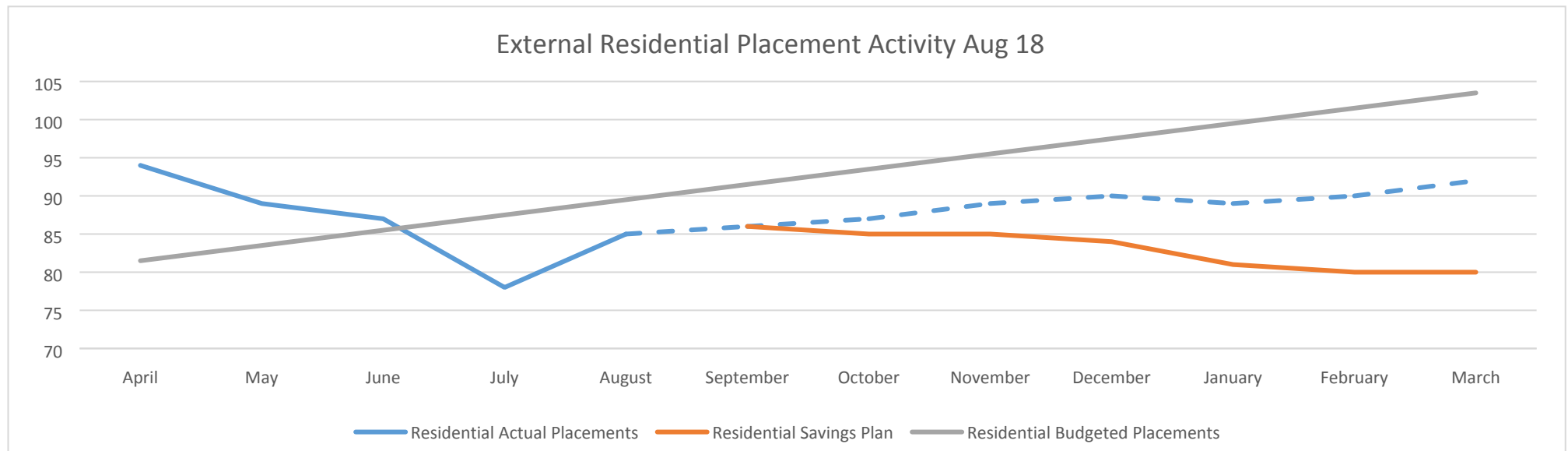
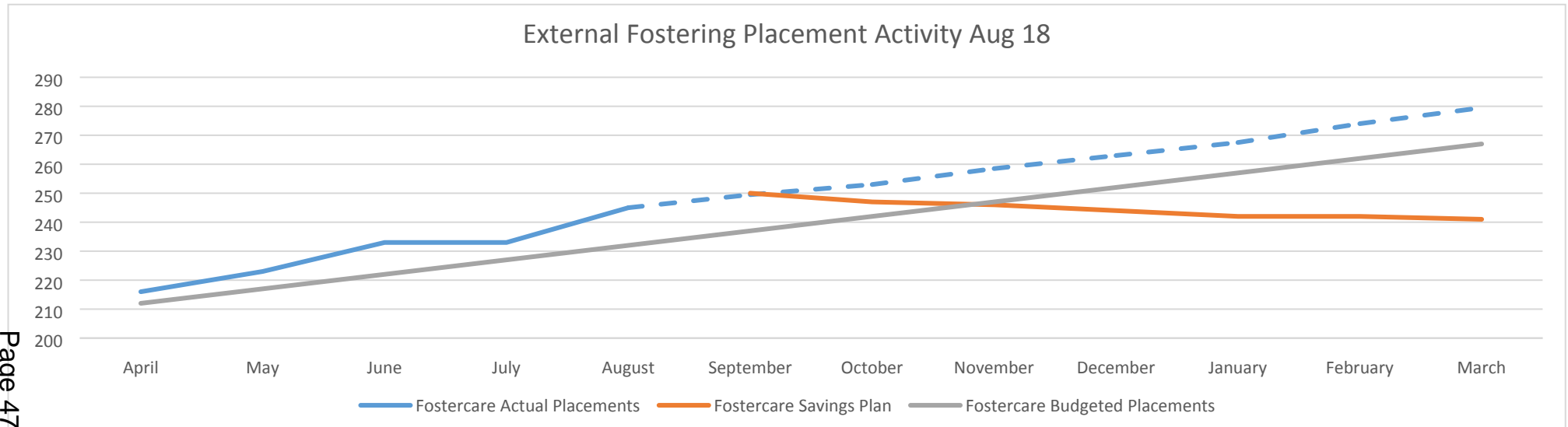
Management action to achieve in year savings and revised budget envelope	In year savings £m	Net budget £m
<b>MTFP net budget</b>		229.2
Already in Budget monitoring		
Schools & SEND	-1.4	
Cultural Services	-0.6	
		-2.0
Management actions remaining		
Children's Services	-4.0	
Cultural Services	-0.1	
Awaiting outlines from DLT		-4.1
<b>Total 2018/19 revised envelope</b>		<b>223.1</b>

Children's Services - Care services volumes	Budget	Apr 2018	Aug 2018	Change	
<b>Special guardianship</b>	<b>432</b>	<b>401</b>	<b>414</b>	3%	↑
General Foster Care		313	309	-1%	→
Family and Friends Foster Care		112	110	-2%	↓
Supported Lodgings 18+ Fostering 18+		95	105	11%	↑
<b>In-house foster</b>	<b>540</b>	<b>520</b>	<b>524</b>	1%	→
LAC - Unaccompanied Asylum Seeker Children		107	103	-4%	↓
LAC - Non UASC		831	848	2%	↑
<b>Looked After Children*</b>		<b>938</b>	<b>951</b>	1%	→
Care Leavers - UASC		240	258	8%	↑
Care Leavers - Non UASC		308	307	0%	→
<b>Care Leavers*</b>		<b>548</b>	<b>565</b>	3%	→

**Children, Families, Learning & Communities – Children’s Services**

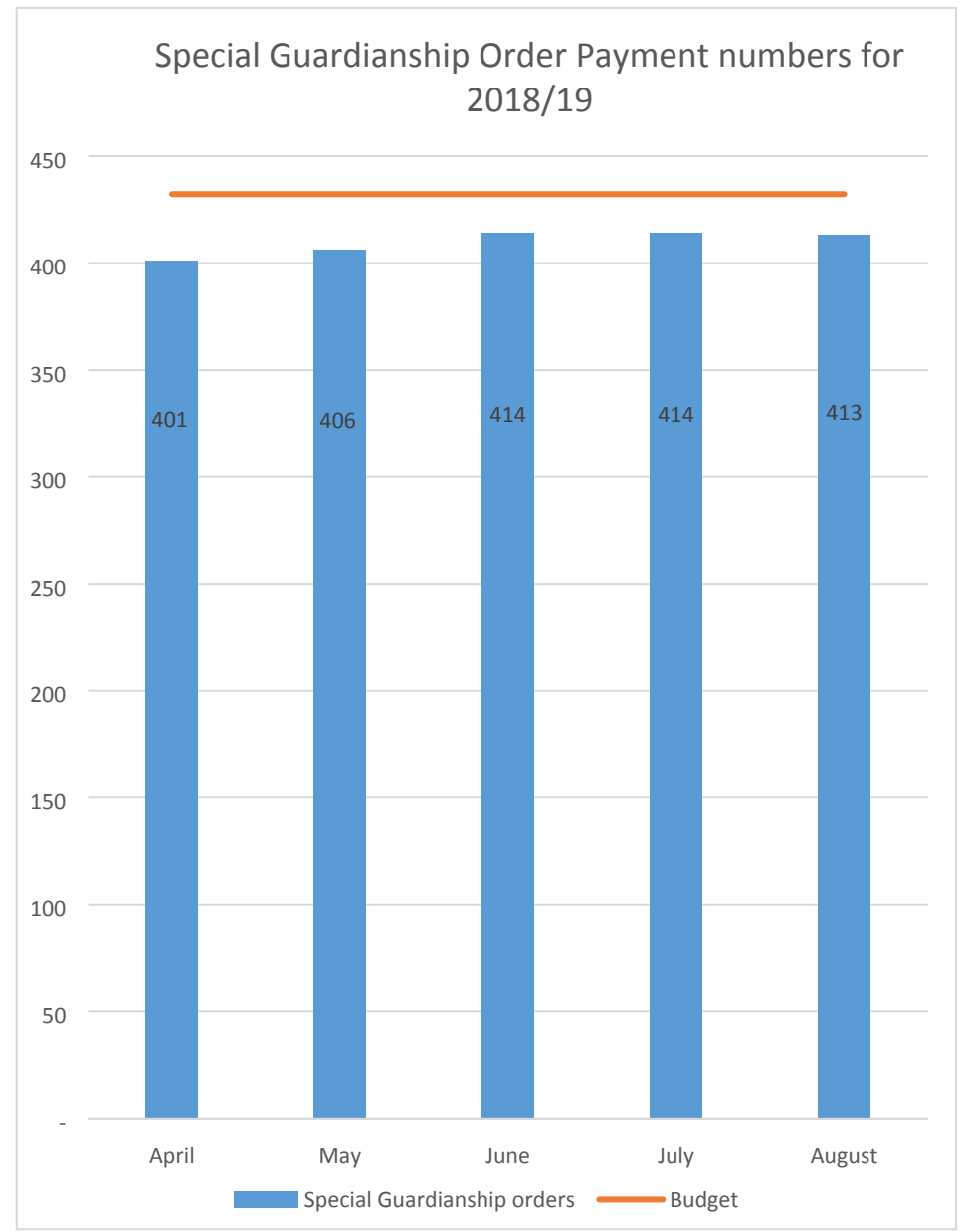
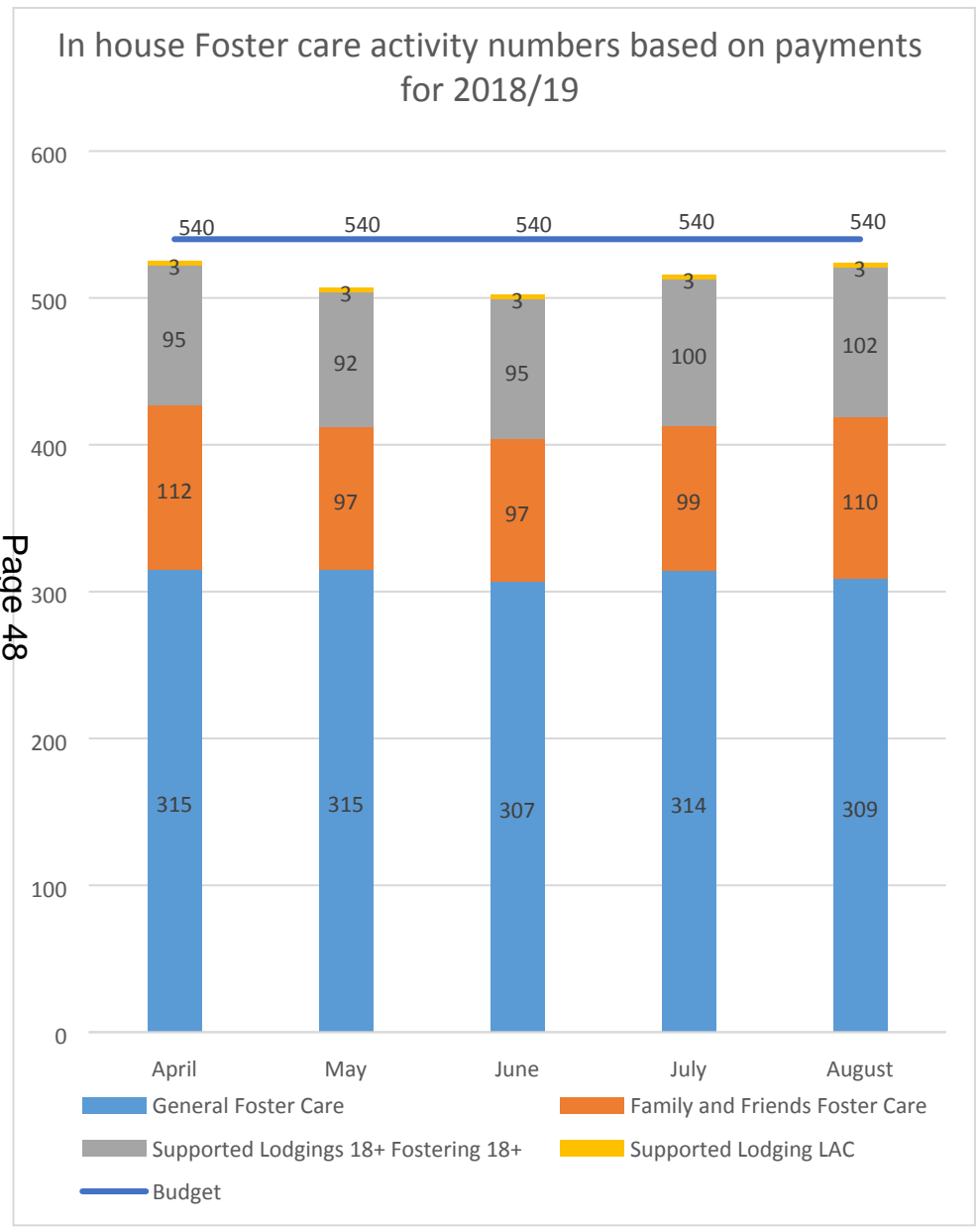
If children’s placements activity follows the savings plan (orange) lines below, then the service would achieve cost reductions of £0.9m in each of external fostering and external residential placements due to cost and volume differentials.

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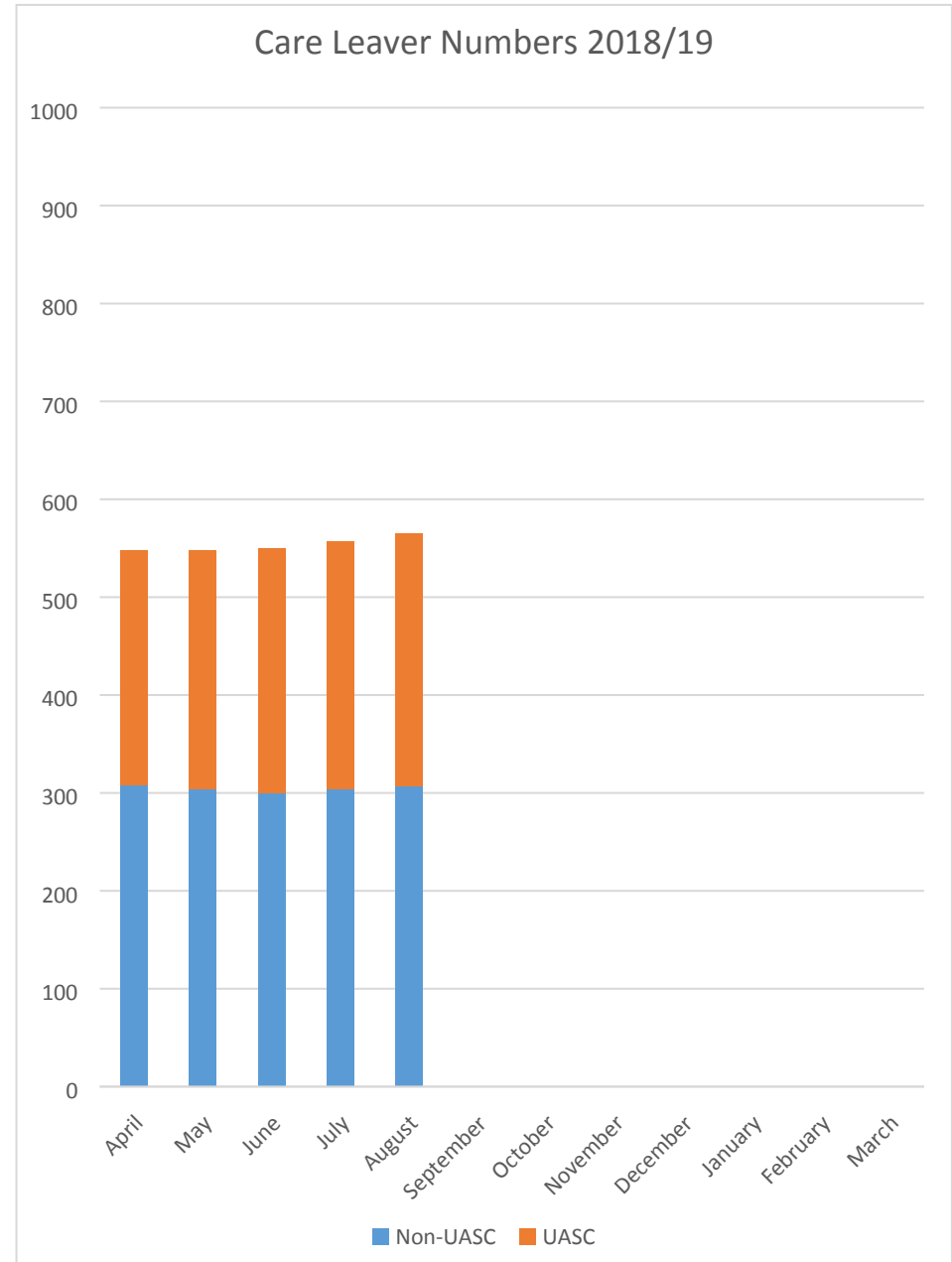
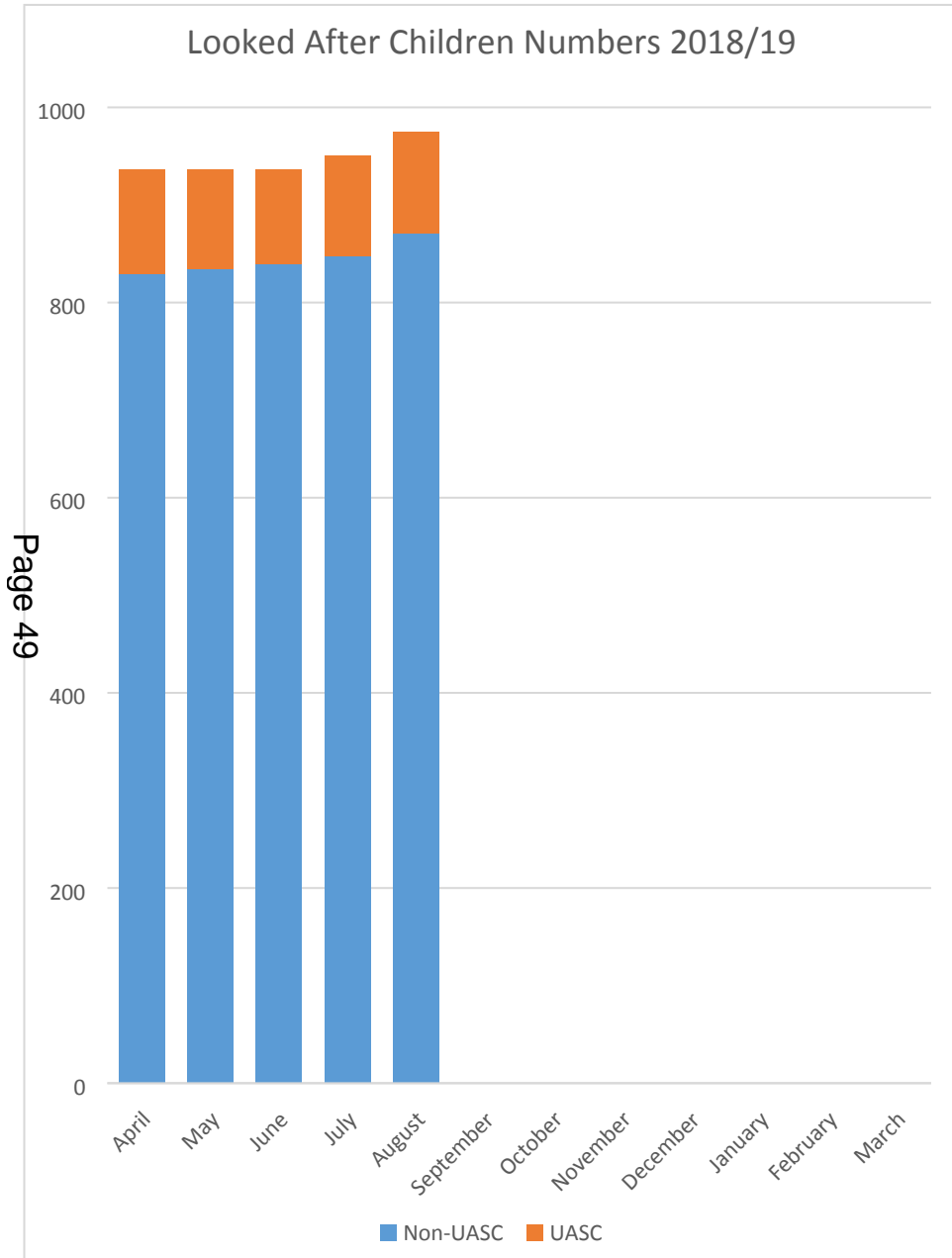
Numbers of children in foster care and with Special Guardianship Orders based on payments data

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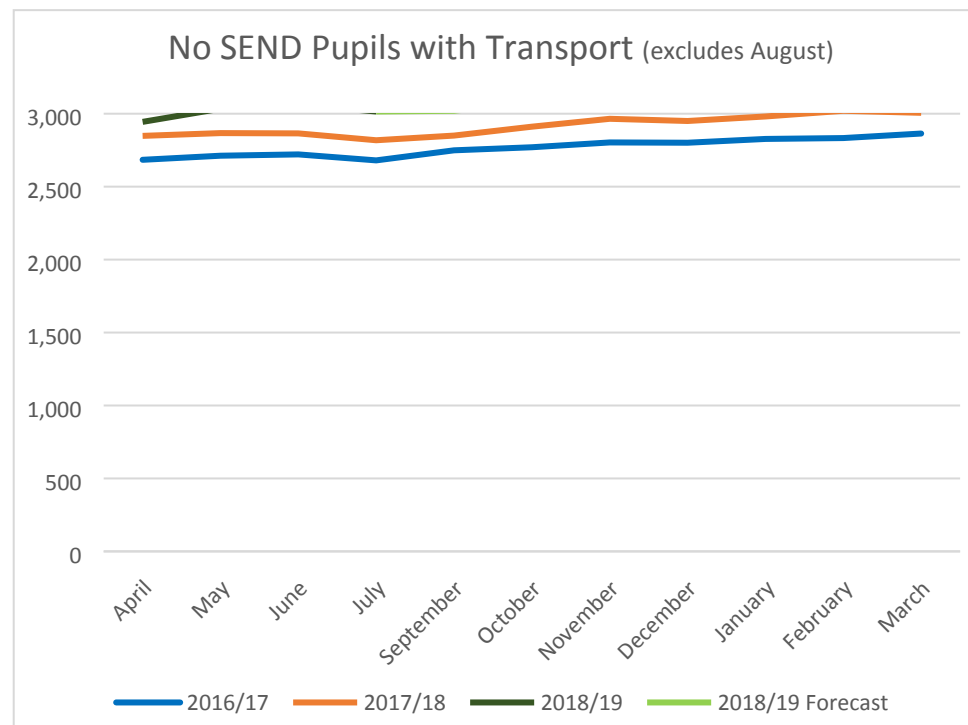
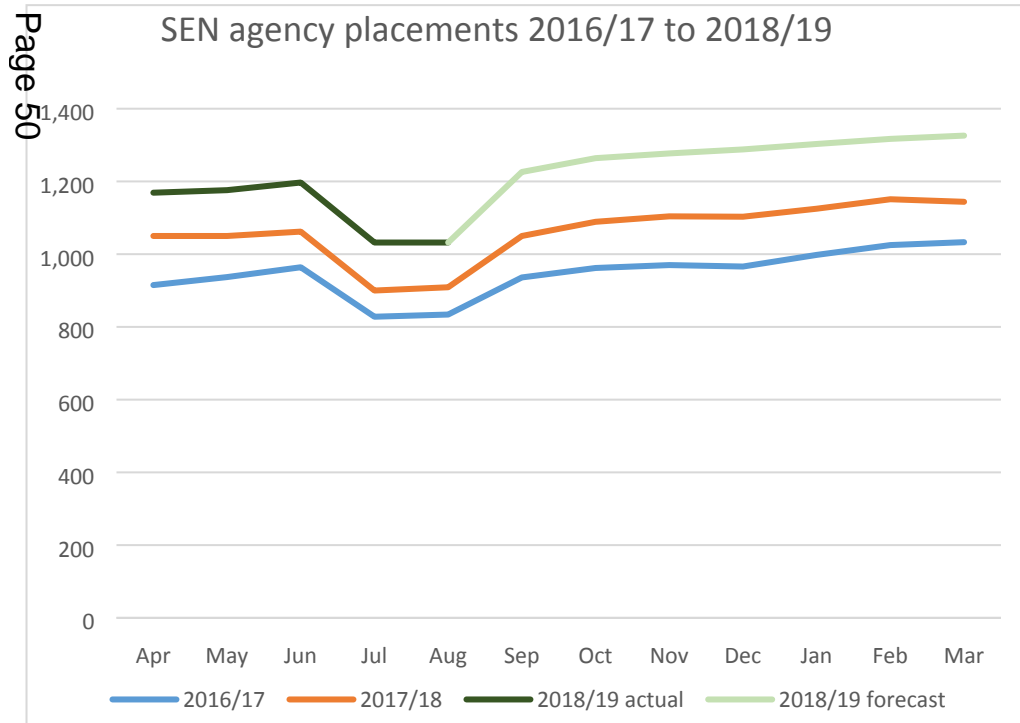
Numbers of looked After Children and care leavers showing proportion of unaccompanied asylum seeker children (UASC)



### Children, Family, Learning & Communities – Schools & SEND

Schools & SEND financial position as at 31 August 2018, no management actions remaining

	Net budget £m	Forecast £m	Variance £m	Mgmt action £m	Revised variance £m
Other SEND Services and ISPSB	48.5	48.1	-0.5		-0.5
School Agency Placements	42.3	59.3	17.0		17.0
SEND Transport	26.4	29.2	2.8		2.8
Delegated Budgets	54.6	55.1	0.6		0.6
Universal Education Services	47.9	45.2	-2.7		-2.7
Home to School transport	8.4	8.9	0.5		0.5
Income	-165.5	-168.6	-3.0		-3.0
<b>Total</b>	<b>62.6</b>	<b>77.3</b>	<b>14.7</b>	<b>0.0</b>	<b>14.7</b>



## Health, Wellbeing & Adult Social Care

Revenue -£3.7m forecast underspend and -£6.1m management action remaining

Financial position as at 31 August 2018

Service	Gross £m	Income £m	Net £m	Forecast £m	Variance £m	Mgmt action £m	Revised variance £m
Adult Social Care	500.3	118.4	381.9	378.2	-3.7	-6.1	-9.8
Public Health	37.3	36.7	0.7	0.5	-0.1	0.0	-0.1
<b>Total</b>	<b>537.6</b>	<b>155.1</b>	<b>382.5</b>	<b>378.7</b>	<b>-3.8</b>	<b>-6.1</b>	<b>-9.9</b>

Ongoing savings

Service	MTFP savings £m	Savings forecast £m	Savings variance £m	High risk £m
Adult Social Care	18.4	19.6	1.2	2.6
Public Health	2.2	2.2	0.0	0.0
<b>Total</b>	<b>20.6</b>	<b>21.8</b>	<b>1.2</b>	<b>2.6</b>

Adult Social Care Service budgets as at 31 August 2018

Service activity budgets	Net budget £m	Forecast £m	Variance £m
Older People (all care 65+)	209.1	205.7	-3.4
Physical Disabilities (26-64)	45.4	46.3	0.8
Learning Disabilities (26-64)	136.8	132.8	-4.0
Transition (18-25)	34.3	34.4	0.1
Mental Health (18 -64)	12.1	12.3	0.2
Housing related Support	5.2	4.9	-0.3
Carers	6.3	6.3	0.0
Assessment & care Management & Support	51.1	49.3	-1.9
Income	-118.4	-119.7	-1.3
<b>Total</b>	<b>381.9</b>	<b>372.1</b>	<b>-9.8</b>

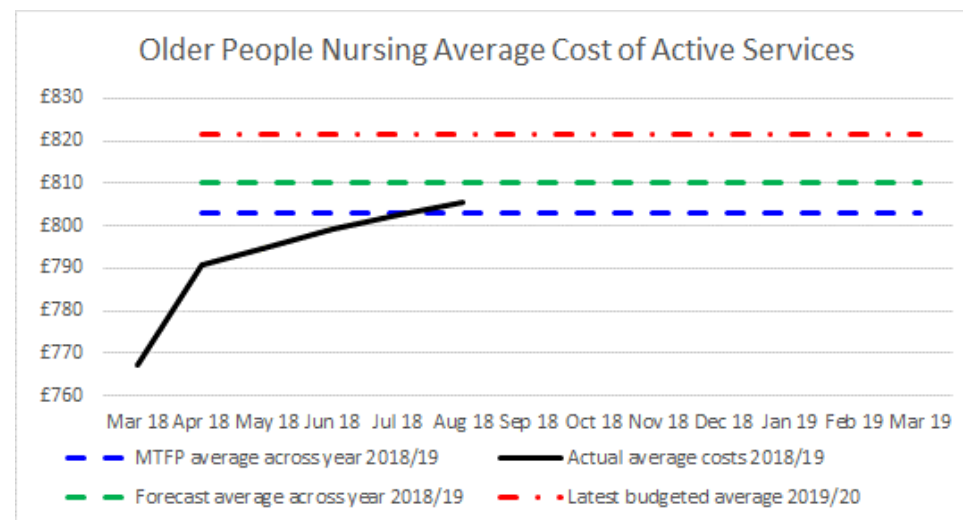
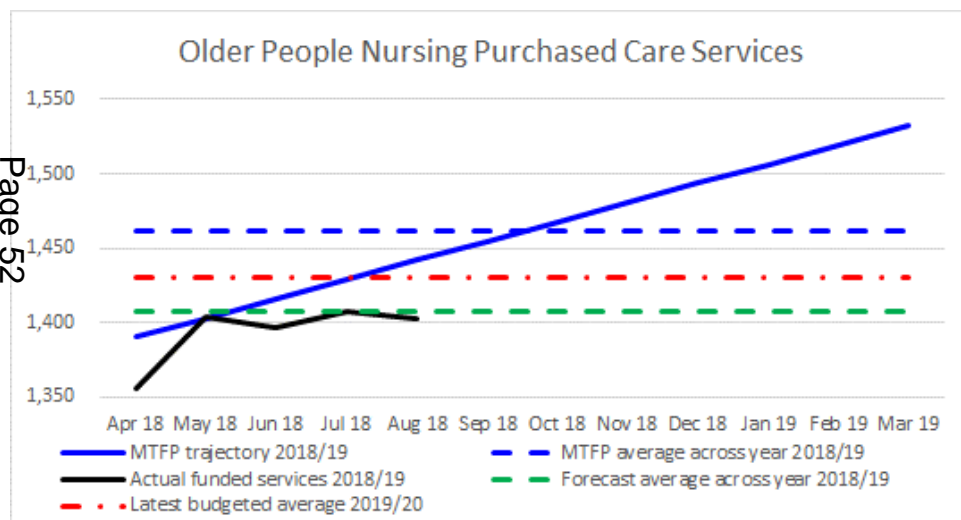
The following pages set out Information for the four most significant areas of ASC care expenditure. The analysis shows how the latest forecast expenditure, service volumes and average costs for these types of care compares to the budgets set for 2018/19 in the 2018-21 Medium Term Financial Plan. Actual volumes and average costs to date are also shown, which can be compared to the latest forecast for the year to show the changes planned to meet the latest forecast. Finally, the latest 2019/20 budget plans for each type of care are set out and compared to the current 2018/19 forecast to show the changes planned / required to deliver next year's budget. These 2019/20 budget plans take into account the available funding for ASC to ensure that the Council is financially sustainable and ASC's transformation plans to change practice within available resources.

## Health, Wellbeing & Adult Social Care - Adult Social Care

### Older People Nursing Care

	Gross Budget MTFP 2018/19	Latest Forecast 2018/19	Variance 2018/19	% Variance 2018/19	Latest Gross Budget 2019/20	Change planned from 2018/19 forecast	
Gross expenditure	£61.2m	£59.4m	-£1.7m	-2.9%	£61.3m	£1.8m	+3.0%
Average number of services across the year	1,461	1,408	-54	-3.7%	1,430	22	+1.6%
Average weekly cost of services	£803	£810	£7	+0.8%	£822	£12	+1.4%

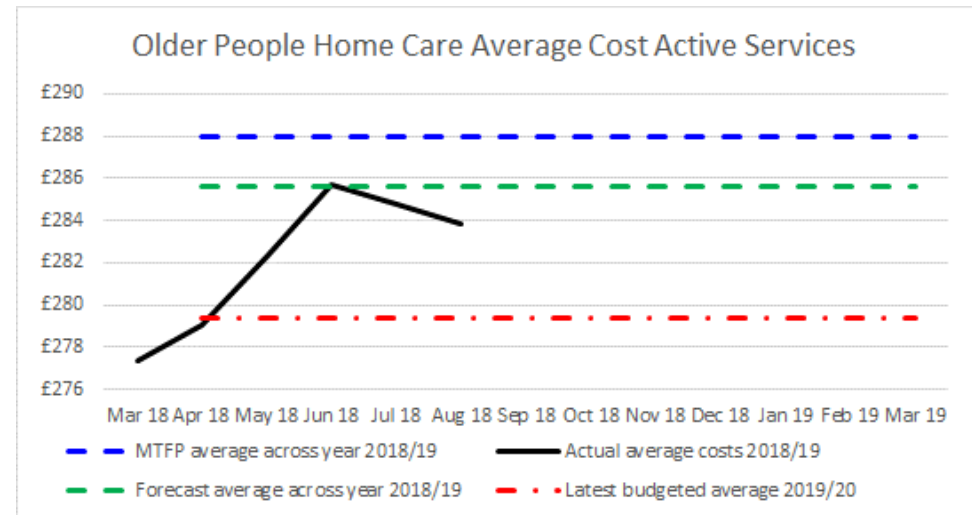
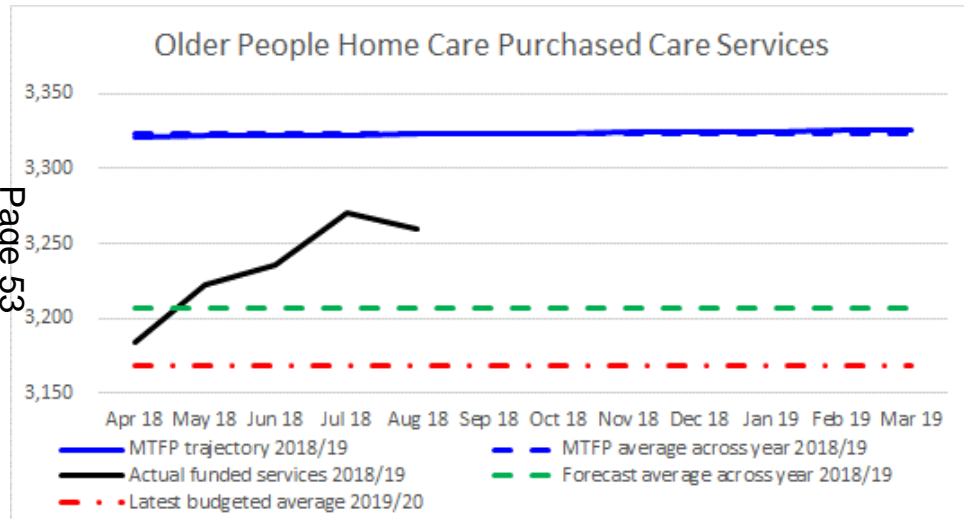
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## Health, Wellbeing & Adult Social Care - Adult Social Care

### Older People Home Care

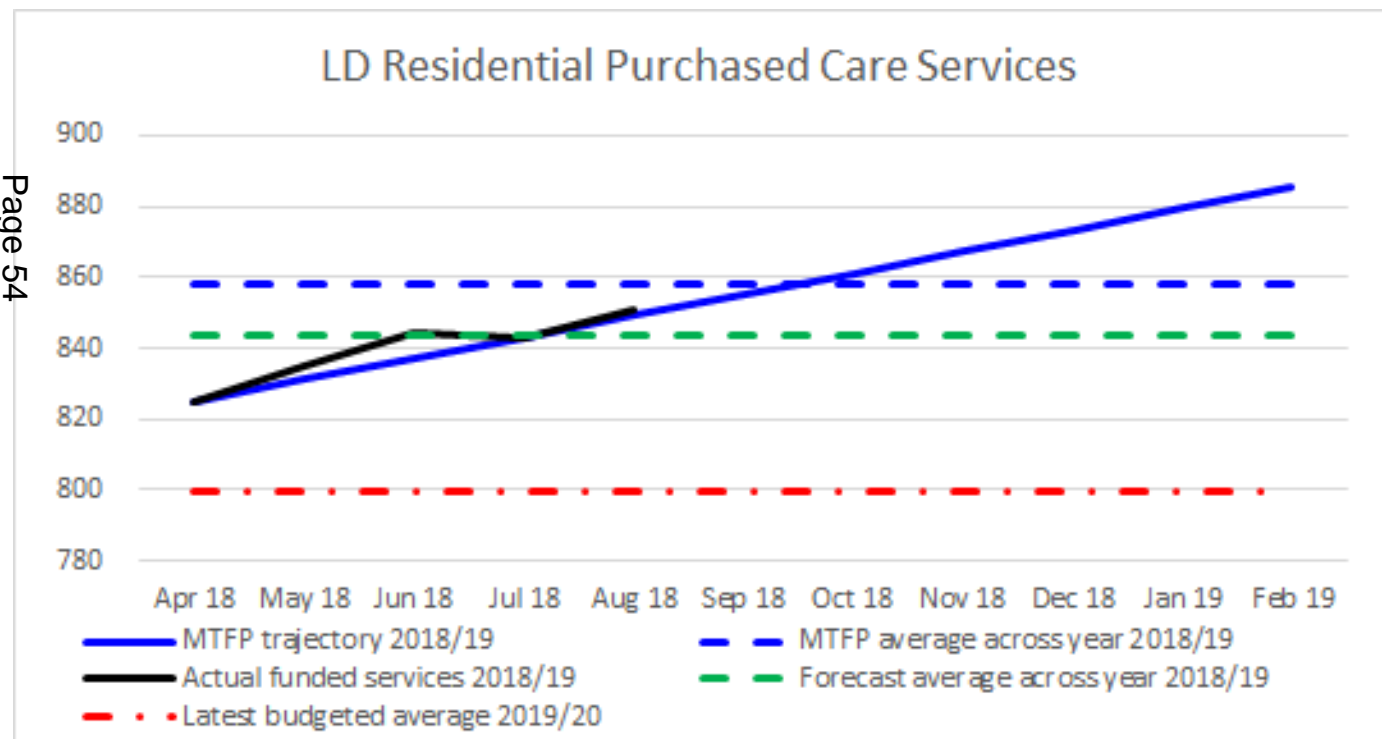
	Gross Budget MTFP 2018/19	Latest Forecast 2018/19	Variance 2018/19	% Variance 2018/19	Latest Gross Budget 2019/20	Change planned from 2018/19 forecast	
Gross expenditure	£50.0m	£47.7m	-£2.2m	-4.4%	£46.1m	-£1.6m	-3.4%
Average number of services across the year	3,324	3,207	-117	-3.5%	3,168	-39	-1.2%
Average weekly cost of services across year	£288	£286	-£2	-0.8%	£279	-£6	-2.2%



### Health, Wellbeing & Adult Social Care - Adult Social Care

#### Learning Disabilities 18-64 Residential Care

	Gross Budget MTFP 2018/19	Latest Forecast 2018/19	Variance 2018/19	% Variance 2018/19	Latest Gross Budget 2019/20	Change planned from 2018/19 forecast	
Gross expenditure	£70.7m	£69.5m	-£1.2m	-1.7%	£63.3m	-£6.1m	-8.8%
Average number of services across the year	858	844	-14	-1.7%	799	-45	-5.3%
Average weekly cost of services across year	£1,579	TBC*	TBC*	TBC*	£1,520	TBC*	TBC*

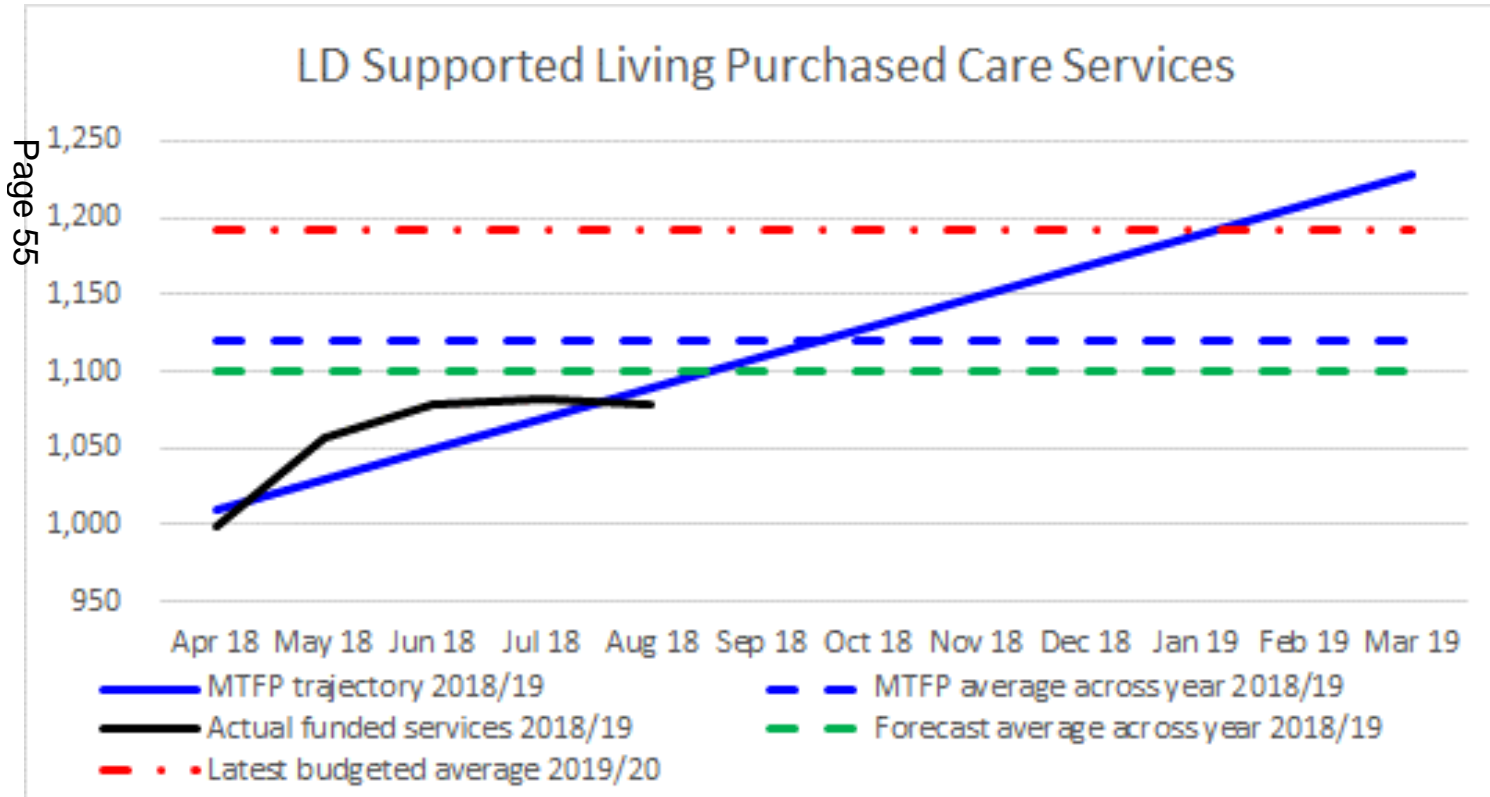


\* ASC is currently in the process of implementing a new pricing structure for Learning Disability residential and supported living care services including fee uplifts backdated to April 2017. It is not currently possible to accurately assess current average costs until the new pricing structure has been implemented, which in light of the ongoing review of sleep in rates following the Court of Appeal ruling in July 2018 is not now likely to be completed until towards the end of the current financial year.

Health, Wellbeing & Adult Social Care - Adult Social Care

Learning Disabilities 18-64 Supported Living

	Gross Budget MTFP 2018/19	Latest Forecast 2018/19	Variance 2018/19	% Variance 2018/19	Latest Gross Budget 2019/20	Change planned from 2018/19 forecast	
Gross expenditure	£48.0m	£47.2m	-£0.8m	-1.7%	£50.7m	£3.5m	+7.4%
Average number of services across the year	1,120	1,101	-19	-1.7%	1,191	91	+8.2%
Average weekly cost of services across year	£823	TBC*	TBC*	TBC*	£817	TBC*	TBC*



\* ASC is currently in the process of implementing a new pricing structure for Learning Disability residential and supported living care services including fee uplifts backdated to April 2017. It is not currently possible to accurately assess current average costs until the new pricing structure has been implemented, which in light of the ongoing review of sleep in rates following the Court of Appeal ruling in July 2018 is not now likely to be completed until towards the end of the current financial year.

## Highways, Transport and Environment

Revenue -£0.8m underspend and -£1.4m management action remaining

Financial position as at 31 August 2018

Service	Gross £m	Income £m	Net £m	Forecast £m	Variance £m	Mgmt action £m	Revised variance £m
Highways & Transport	56.9	-11.7	68.6	66.7	-1.9	-0.6	-2.5
Environment	97.3	28.4	68.9	69.2	0.3	-0.3	0.0
Surrey Fire & Rescue Service	45.4	13.9	31.5	31.3	-0.3	0.0	-0.3
Trading Standards	3.9	2.1	1.8	1.7	-0.1	0.0	-0.1
Communities Support function	0.8	0.0	0.8	0.5	-0.3	0.0	-0.3
Emergency Management	0.5	0.0	0.5	0.5	0.0	0.0	0.0
<b>Total</b>	<b>204.7</b>	<b>32.6</b>	<b>172.1</b>	<b>169.9</b>	<b>-2.2</b>	<b>-0.9</b>	<b>-3.1</b>

Ongoing savings

Service	MTFP savings £m	Savings forecast £m	Savings variance £m	High risk £m
Highways & Transport	1.7	1.7	0.0	0.0
Environment *	-0.1	-0.5	-0.4	0.0
Surrey Fire & Rescue Service	0.7	0.7	0.0	0.0
Trading Standards	0.1	0.1	0.0	0.0
Communities Support function	0.0	0.0	0.0	0.0
Emergency Management	0.0	0.0	0.0	0.0
<b>Total</b>	<b>2.5</b>	<b>2.1</b>	<b>-0.4</b>	<b>0.0</b>

\* Negative target due to roll forward of previous year's target

Environment service budgets as at 31 August 2018

	Net budget £m	Forecast £m	Variance £m
Waste Management & Reduction	64.4	64.4	0.0
Countryside	1.3	1.4	0.1
Place & Sustainability	0.0	0.0	0.0
Planning Group	2.3	2.2	-0.1
Other Environment costs	-0.1	0.2	0.3
<b>Environment</b>	<b>67.9</b>	<b>68.2</b>	<b>0.3</b>
Directorate costs	1.0	1.0	0.0
<b>Total</b>	<b>68.9</b>	<b>69.2</b>	<b>0.3</b>



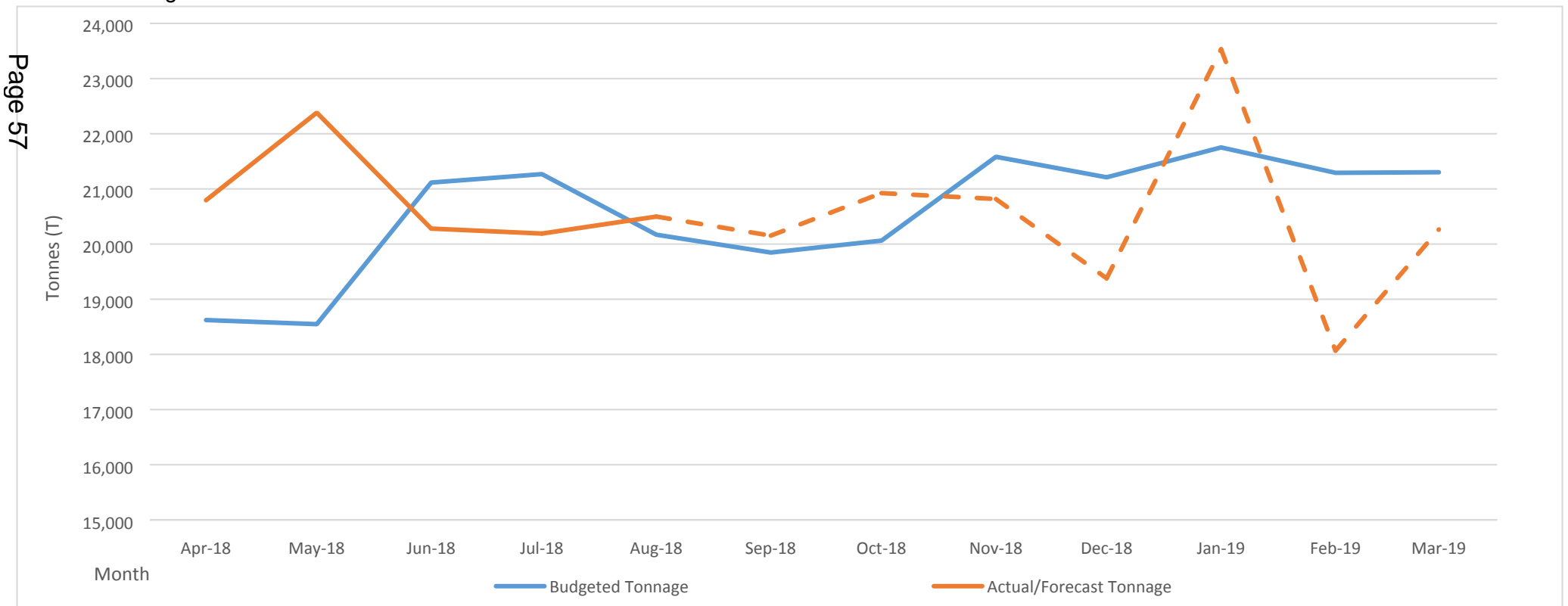
## Highways, Transport and Environment – Waste Management and reduction

### Eco Park

Construction of the Eco Park, while progressing, is delayed. Under the terms of the council’s waste contract with Suez, the council does not start to pay for the Eco Park until the facility is operational, at which point the construction cost will be spread over the remaining life of the contract. The current construction delay will therefore lead to a reduced cost this year, and increased costs in future years. The Eco Park is a major construction project spanning a number of years. The council manages changes in the timing and level of costs (such as those caused by delay) through the Waste Sinking Fund, using it to smooth cost variations across years. The forecast outturn position therefore assumes that reduced costs this year due to the delay will result in a contribution to the Sinking Fund, in order to meet those costs when they arise in future years. This is currently estimated at £11.7m, although the final amount will depend on a number of factors principally the actual length of the delay. Cabinet approval will be sought.

### Waste tonnages

Residual tonnage estimates 2018/19



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**SURREY COUNTY COUNCIL****CABINET****DATE: 30 OCTOBER 2018****REPORT OF: MR DAVID HODGE, LEADER OF THE COUNCIL****LEAD OFFICER: JOANNA KILLIAN, CHIEF EXECUTIVE****SUBJECT: ORGANISATION STRATEGY, PRELIMINARY FINANCIAL STRATEGY, TRANSFORMATION PROGRAMME, AND 'OUR PEOPLE' STRATEGY****SUMMARY OF ISSUE:**

This report sets out how the council plans to contribute towards achieving the outcomes in the Community Vision for Surrey in 2030 (Community Vision for Surrey) over the medium term, which is covered across four strategic documents that are annexed to this report. Surrey County Council's Organisational Strategy (Annex 1) sets out how the council will work with residents and partners and direct our resources to where they will have the most impact. The Preliminary Financial Strategy (Annex 2 and Appendix 1) and Transformation Programme (Annex 3) will not only secure the council's financial sustainability but will also reform the function, form and focus of the organisation. 'Our People 2021' (Annex 4) is our plan for the council's current and future workforce and sets out how we will develop our capacity and capability to contribute to the Community Vision for Surrey, achieve our priority strategic outcomes for residents, ensure the effectiveness and efficiency of the council, drive wholesale transformational change and create a high performance culture.

**RECOMMENDATIONS:**

Cabinet are asked to make the following recommendations to Council on 13 November 2018:

1. Approve the Surrey County Council Organisation Strategy 2019 – 2023 (Annex 1), which sets out how the council will work with residents and partners to contribute to the achievement of the Community Vision for Surrey in 2030. It sets out priority areas the council will focus on over the next four years.
2. Approve the Preliminary Financial Strategy (PFS) 2019 – 2024 (Annex 2 and Appendix 1), which sets out a draft balanced budget for 2019/20, without the use of reserves, subject to the outcome of consultation, engagement and equality impact assessments.
3. Approve the Transformation Programme (Full Business Case, Annex 3) subject to the outcome of consultation, engagement and equality impact assessments. The programme will be delivered through six delivery themes: Service Transformation, Partnership and Integration, New Ways of

Working, Commissioning, Investment & Income and Technology and Digital Innovation.

4. Approve the 'Our People 2021' strategy (Annex 4), which is the council's plan for the current and future workforce and sets out how we will develop our capacity and capability to contribute to the Community Vision for Surrey in 2030, achieve our priority strategic outcomes for residents, ensure the effectiveness and efficiency of the council, drive wholesale transformational change over the next few years and create a high performance culture.
5. Note the planned engagement and consultation activity (referenced in paragraph 27 & 28) related to the savings proposals contained within the PFS and Transformation Programme. These have been initiated under the formerly agreed delegated authority of senior officers. Cabinet is further asked to note that the outcomes of this activity will be brought back to Cabinet on 29 January 2019, where Cabinet will be asked to make recommendations to the Council meeting in February 2019 on the revenue & capital Budget and the council tax precept for 2019/20.

#### **REASON FOR RECOMMENDATIONS:**

By approving the suite of documents in the annexes to this report the Cabinet is supporting a new financial and strategic direction for the council, endorsing the priorities, key objectives and draft directorate budget envelopes for the medium term.

The Organisation Strategy, Preliminary Financial Strategy, Transformation Programme and 'Our People 2021' strategy provide a clear sense of the council's direction for staff, members, residents, partner organisations and businesses. As part of the council's Policy Framework (as set out in the Constitution) the Corporate Strategy (called the Organisation Strategy in this report) must be approved by Council.

#### **DETAILS:**

##### **Background**

1. The council sets a Corporate Strategy and revenue & capital Budget each year as standard practice. The latest versions approved earlier in 2018 were the [Surrey County Council: Corporate Strategy 2018-21](#) and [Revenue and Capital Budget 2018/19 to 2020/21](#). These gave the council clear strategic priorities and resources to support them.
2. We also have a strong track record in transforming services to improve performance and reduce costs. The [Public Value Review programme](#), which ran from 2009 to 2012, identified and delivered £279m of savings. We have also continued to make savings year on year through the budget planning process, totalling over £540m since 2010/11.
3. Since 2010, the council has planned for reductions in funding from central government. Reserves were built up to mitigate this loss of income, however, continued reductions in local government funding, and delays in the Fair Funding review, have meant that this period has lasted for longer than could

have been foreseen. The council's strategy to build up reserves was prudent as it has had to draw down on them since 2014 to help balance the budget.

4. The council also makes sure it responds to the challenges and opportunities for Surrey's workforce so residents continue to receive good quality services and the council is an attractive employer to work for. The most recent example of this was the [Human Resources and Organisational Development Strategy 2017 – 2019](#), approved by the People, Performance and Development Committee (PPDC) in November 2017.

### **Surrey County Council's Contribution to the Community Vision for Surrey in 2030**

5. Surrey as a place and the context within which the council, other public and voluntary, community and faith (VCF) sector partners and businesses operate has significantly changed over the last decade and will continue to do so. Recent reports to Council on 22 May 2018 ([Developing a Vision for Surrey in 2030](#)) and 9 October 2018 ([A Community Vision for Surrey in 2030](#)) set out some of the main challenges, including population changes, rising demand for services and support, government policy changes, funding reductions and the impact of continued financial constraints. These reports also outlined how, while many residents and businesses thrive in Surrey, not everyone has the same opportunities to flourish. Surrey is an affluent county and this image often masks the problems that some residents face, such as domestic abuse, homelessness and mental health issues.
6. On 9 October Council endorsed a new Community Vision for Surrey in 2030 ([A Community Vision for Surrey in 2030](#)), informed by extensive stakeholder engagement. The Community Vision for Surrey recognises the need for, and value of, a shared set of outcomes to focus on - to inspire public services, the VCF sector, businesses, residents, staff and members - as we collectively strive to improve the lives of everyone who lives in the county. The Community Vision for Surrey describes the kind of place we all want Surrey to be, and includes ten outcome-focused ambition statements.
7. The fast changing, and continually evolving, context within which the council is working, coupled with development of a new Community Vision for Surrey, means the council needs to build on its strong track record. The council has developed the following documents:
  - An Organisation Strategy (Annex 1) that sets out how the council will work with residents and partners and direct our resources to where they will have the most impact. It is our plan for how, over the next four years, we will work towards achieving the outcomes in the Community Vision for Surrey, and focus on making a real difference to residents' lives.
  - A Preliminary Financial Strategy (Annex 2 and Appendix 1) that sets out the overall framework within which the council will manage its financial resources and supports the delivery of the council's priorities and the Community Vision for Surrey in 2030. Reserves are now back at the low levels they were in the 2009/10 financial year, and the council needs a revised strategy. The PFS will drive the five year Medium Term Financial Plan, the revenue budget and the capital programme. It also sets out a draft balanced budget for 2019/20,

proposing a budget envelope for each of our service areas to achieve outcomes to meet residents' needs, without the use of reserves, except for in the most extreme circumstances. The proposals contained within this draft budget will impact on service delivery in future years and the savings proposals are required in order to deliver a balanced budget for the next year, as well as ensuring a sustainable budget in future.

- A Transformation Programme (Annex 3), shaped around six thematic areas, which will reform the function, form and focus of the organisation to help us deliver the Community Vision for Surrey. The impact of the Transformation Programme on the council will be significant. Activities that do not add value will be decommissioned, processes will be simplified, communities will have a greater role and commercialisation will be an operating principle in much of what we do.
  - The 'Our People 2021' strategy (Annex 4) is our plan for the council's workforce (current and future) and sets out how we will develop our capacity and capability to contribute to the Community Vision for Surrey, achieve priority strategic outcomes for residents, ensure the effectiveness and efficiency of the council, drive wholesale transformational change and create a high performance culture.
8. This suite of documents aim to respond to the new context, and our approach to the planning process this year means they are more integrated than ever before. The new documents are interdependent – the aims of one will struggle to succeed without the others - and will support the council to achieve improved outcomes for residents and develop a more sustainable, effective organisation and services in future years.
  9. In particular, the council is taking a new approach to setting the statutory budget and council tax for the forthcoming financial year. On 29 January 2019 Cabinet will be asked to make recommendations to the Council meeting in February 2019 on the revenue and capital budget and the council tax precept for 2019/20. We are making public the draft budget strategy, and the proposals that underpin it, much earlier than we have done in previous years, and the approval of the PFS is an important milestone in that process.
  10. The PFS sets out a draft balanced budget for 2019/20 and, subject to the outcome of consultation, engagement and equality impact assessments (detailed further in paragraphs 16 to 32 and 46 to 52) is the blueprint that will inform the statutory budget. Starting the process earlier will enable us to better plan for the future, carry out thorough engagement and consultation with residents and stakeholders over the coming months, make any necessary adjustments to how residents' needs will be met - for example as a result of consultation feedback - and ensure we have everything in place to begin to make savings from 1 April 2019. In addition, the council will fully consider the impact of the upcoming Local Government Financial Settlement in setting the statutory budget and council tax, both for 2019/20 and in to the medium term.
  11. The PFS sets out how we plan to achieve financial sustainability, including through the following activity:

- A Transformation Programme (Annex 3) which focuses on reforming the way we deliver outcomes and changes the way we work to ensure we are doing the very best we can for our residents within a sustainable budget.
  - Delivering in-year additional savings where required. A £40m cost reduction plan has been put in place for 2018/19 to reduce the need to use reserves and manage costs. If this reduction can be achieved, this will mean the council will not have to use any reserves this year. We will regularly monitor and scrutinise achievability and progress of this plan.
  - The production of draft directorate budget envelopes for 2019/20 (in Appendix 1), within which we will manage expenditure in order to ensure budget sustainability. These have been informed by broad strategic principles (in Annex 2) and have been developed to enable demand containment and cost savings plans, service transformation, and further efficiency savings that will impact on service delivery in future years.
  - Maintaining sound financial management policies and controls to ensure value for money in our use of resources.
  - Implementing budget assurance statements to establish clear budget responsibility and accountability. Budget managers have always been charged with effective management of resources but this revised accountability for delivering within more defined budget envelopes is now contracted for in individual budget accountability statements. Cabinet Members will also be held to account appropriately against the agreed budget envelopes.
12. The PFS forecasts our total funding for 2019/20 to be £890m (see Annex 2 and Appendix 1).
  13. At its Budget and Council Tax meeting on 6 February 2018, Council approved a Flexible Use of Capital Receipts Strategy. This enables the council to use capital receipts to fund the revenue costs of service reform projects. At its meeting on 22 May 2018, Council approved £5m for capacity for the Transformation Programme, and highlighted further investment of up to £15m. It is currently anticipated that the total cost of the Transformation Programme will be £20.2m over the three years to 2020/2021. Without this investment it will be impossible to secure the savings and benefits.
  14. The benefits anticipated to be delivered through the Transformation Programme are £82m in 2019/20, rising to £124m in 2020/21. Benefits will start to be delivered from 2018/19 with full realisation of most savings by 2020/21. As we progress our transformation journey, additional projects are likely to be identified and through robust governance will be added to the Transformation Programme over time.
  15. The council will develop a range of supporting strategies and business plans, including outcome-focused service plans and individual performance objectives for all staff, to support the new financial and strategic direction.

## **CONSULTATION:**

### **Organisation Strategy**

16. Over the summer the council facilitated the most systematic and extensive engagement exercise of residents and partners it has ever done to inform the development of the Community Vision for Surrey. This feedback has also been used to shape the focus of the Organisation Strategy (Annex 1). The strategy is also underpinned by evidence of need, drawing on a range of sources including the [Vision for Surrey evidence base](#).
17. The Cabinet, supported by the Corporate Leadership Team, have been central in defining the council's key priorities included within the Organisation Strategy, and identifying the drivers of change to transform and become a very different organisation.
18. In addition, members have been more widely engaged in the shaping of the Organisation Strategy, including through Corporate Overview Select Committee (COSC) reviewing the Community Vision for Surrey and corporate Full Business Cases at their meeting on 20 September 2018, and are scheduled to review the Organisation Strategy on 25 October 2018.

### **Preliminary Financial Strategy**

19. The council needs to be financially stable, sustainable and resilient, whilst demonstrating that it provides value for money in the services it delivers. The PFS (Annex 2) sets out the overall framework within which the council will manage its financial resources and support the delivery of the council's priorities and the Community Vision for Surrey 2030.
20. As mentioned in paragraph 9, the council is taking a new approach to setting the statutory budget and council tax for the forthcoming financial year, which will enable us to better plan for the future and carry out thorough engagement and consultation with residents and stakeholders over the coming months. This can be considered in full as part of our budget decision making process in early 2019, and any necessary adjustments or changes accommodated.
21. This section details the consultation and engagement activity that has already taken place and sets out our plans for further stakeholder engagement and consultation.
22. On 26 and 29 October 2018, two participatory budgeting workshops were held with 98 residents to gain some initial insight into where they would invest the council's budget and manage the difficult competing demands with constrained resources. Residents were recruited to attend the events to reflect the diversity of Surrey's population, for example, using a quota for a broad mix of ages, sexes, disability and whether they had dependents or not.
23. The initial feedback from engagement activity to date has been used to help shape the proposals for change and transformation. There is further engagement and consultation planned so feedback can be considered as part of the decision making on the final revenue & capital budget for 2019/20. This will include, in addition to any service specific and/or statutory consultations, completing face-to-face interviews with a statistically representative sample of 1,100 residents to gather views.



24. Officers are scheduled to meet with the Surrey Equality Group (which includes representatives from a range of VCF organisations in Surrey, chaired by Councillor Denise Turner-Stewart, Cabinet Member for Community Services) on 24 October 2018 to talk to them about the council's budget challenges and associated consultation activity. We will also arrange consultation meetings with stakeholders in Surrey, including business rate payers, the VCF sector and trade unions, and will provide members of the public opportunities to give us their feedback, for example through the council website.
25. Members have also been briefed and updated throughout development of this process, including a briefing for all members on 15 October 2018 and a Corporate Overview Select Committee (COSC) meeting on 25 October 2018.
26. The council is considering a range of measures to achieve the savings it needs to make to deliver a sustainable budget for the long-term. A number of public consultations will launch on 30 October 2018 (from paragraphs 27 & 28). Residents' and other stakeholders' views will be central to the decisions members need to take, and consultation results will be reported to Cabinet and Council in early 2019 to inform decision making around the revenue and capital budget for 2019/20.

### **Transformation Programme**

27. Due to the nature of the policy changes being proposed by some of the transformation business cases a number of public consultations will be required. Initially, these will cover the following service areas:
  - Children's centres
  - Libraries and culture
  - Special educational needs and disability (SEND)
  - Community recycling centres
  - Concessionary travel funding
28. These consultations will be launched on 30 October 2018 and the feedback, together with the potential equalities impacts of the proposals under consideration, will be presented to Cabinet on 29 January 2019, where Cabinet will be asked to make recommendations to the Council in February on the revenue & capital budget and the council tax precept for 2019/20. This will enable services to take the resulting feedback into account when finalising their proposals and allow members to take all relevant matters into account when deciding on them, in accordance with their statutory duties.
29. Consultation will be completed where necessary across all of the business case proposals.
30. Members have also had the opportunity to feed into the development of the Transformation Programme including:
  - Cabinet and Corporate Leadership Team away days to identify and prioritise the required changes
  - Lead Members scrutinising and helping to shape individual business cases with officers

- COSC reviewing the emerging Outline Business Cases on 23 July 2018 and subsequently scrutinising the corporate Full Business Cases at their meeting on 20 September 2018
- Briefings for all members which took place on 16 July and 15 October 2018. Also specific briefings on Family Resilience on 10 September, and Practice Improvement Adult Social Care on 1 October 2018.

### **‘Our People 2021’ Strategy**

31. The ‘Our People 2021’ strategy (Annex 4) has been developed in consultation with members and senior officers of the council. PPDC reviewed the strategy at their meeting on 20 September 2018 and COSC will review it at their meeting on 25 October 2018. The final draft will be presented to PPDC on 7 November 2018 for approval. If approved by Council on 13 November, work will continue with staff across the organisation, as well as with partner organisations, to ensure the aims and objectives of the strategy are embedded into all workforce related activity going forward.

### **RISK MANAGEMENT AND IMPLICATIONS:**

32. The plans set out in the appendices to these report are wholesale and significant. There is a risk that the scale of change needed to implement and deliver these plans is too complex, and the pace too fast. The council is intentionally taking an integrated approach to planning and delivering this change, as demonstrated by the integrated nature of this report and annexes, and this approach should help to mitigate this risk.
33. The ‘Our People 2021’ strategy (Annex 4) also states that as an organisation we need to move from a culture of risk aversion, to one of risk awareness, which should further help us effect radical cultural change, driving a culture of innovation, accountability and agility.
34. The PFS (Annex 2) sets out a number of funding risks and actions taking place to mitigate these where we can, including:
- A high degree of uncertainty about a significant element of funding for the council due to the government’s intended changes to the Business Rates Retention scheme
  - The potential that the government decides to implement a funding policy which would see us losing a further £17m so called ‘negative RSG (revenue support grant)’. The PFS is based on the assumption that the government acts to remove negative RSG in the upcoming Local Government Finance Settlement, as it has said it is minded to do
  - Insufficient clarity on the Parliamentary time due to be allocated to, and therefore progress of the Fair Funding review, creating a significant challenge in setting budget envelopes for 2020/21 onwards
  - The need to formally consult on some savings proposals, and understand the impact on staff, partners and residents, before delivery plans for savings can be finalised

- Regularly reviewing the appropriate level of reserves and balances to ensure that these are appropriate for the levels of risk that we take.

35. A number of assumptions and risks to the Transformation Programme are included in Annex 3 and these will be tracked and managed through the delivery of the programme.

#### **Financial and Value for Money Implications**

36. The council is taking an integrated approach to its financial and strategic planning. The Organisation Strategy, Transformation Programme and 'Our People 2021' strategy have been developed alongside the PFS, and therefore are in line with budget planning.
37. Taking a more integrated approach to our financial and strategic planning will enable us to better target our resources, be more efficient, contain the demands which our services are under, and transform the council in order to deliver improved value for money.
38. The development of an outcomes based performance management framework to monitor our progress in delivering the Organisation Strategy will also help us demonstrate that we are providing value for money in the services we deliver.
39. We will work with all our partners, including district and borough councils, other public bodies, the VCF and businesses to create the best value for every pound we spend. The council understands how important it is to work alongside partners and our commitment to a refreshed approach to working in partnership is outlined in the Organisation Strategy (Annex 1).

#### **Section 151 Officer Commentary**

40. The council is required in law to ensure that its expenditure in any year does not exceed its resources. Following years of cuts to government funding and rising pressures and costs, the council now faces a significant budget shortfall in 2019/20 and beyond. The council's reserves and balances are at a safe minimum level given the risks it faces and therefore it is no longer prudent to continue to use one-off sources of funding, such as reserves, to fund on-going expenditure.
41. The PFS supports the council's organisational objectives and sets out the steps for a balanced and sustainable budget. For 2019/20, this requires an estimated £85m of on-going savings, which is a significant total, and is a high risk to achieve. The council will be required to closely track and monitor the actions to achieve this level of savings.
42. From 2020/21 a new funding regime is due to be in place for local government in England. The PFS sets out possible scenarios of the council's funding up to 2024. However, given the uncertainties on future funding, the Executive Director of Finance cautions against any optimism bias in future business and financial planning.

### **Legal Implications – Monitoring Officer**

43. This report seeks approval for four strategies that will contribute towards the achievement of the Community Vision for Surrey. These set a direction of travel but do not entail any specific budget or service decisions at this stage.
44. The report acknowledges that as this work progresses there will be a need for significant engagement and, in appropriate cases, consultation with residents and other stakeholders, together with ongoing review of the potential equality impacts of the proposals under consideration.
45. This will enable services to take the resulting feedback into account when finalising their proposals and allow members to take all relevant matters into account when deciding on them, in accordance with their statutory duties.

### **Equalities and Diversity**

#### **Organisation Strategy**

46. There are no direct equality implications arising from the Organisation Strategy. A key strategic principle at the heart of the Organisation Strategy is to 'focus on ensuring no one is left behind'. This commits the council to working with some of the most vulnerable people in Surrey, and their communities, to help them break down the barriers they face and access opportunities that improve their quality of life. The council also intends to refresh its Equality, Fairness and Respect Strategy in 2019 to align with the Organisation Strategy.
47. When setting a budget, including savings plans, and an Organisation Strategy, the Cabinet and Council must comply with the Public Sector Equality Duty as set out in section 149 of the Equality Act 2010 (Equality Act) which requires it to have due regard to:
  - “eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
  - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
  - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.”

#### **Preliminary Financial Strategy**

48. This report does not in itself define any firm proposals for service changes, so there are no equality implications arising from this report for residents and staff. However, as proposals for the budget are further developed and consulted on, officers will be required to complete Equality Impact Assessments (EIAs) where there are likely to be material changes to service design and delivery.
49. To inform decision making, a combined impact analysis for the budget proposals, which will include consultation feedback and equality analysis, will be presented to the Cabinet meeting on 29 January 2019 and the Council meeting on 5 February 2019. This will summarise the potential positive and negative impacts of proposals on residents and staff with one or more of the

protected characteristics identified by the Equality Act, and the actions in place to mitigate any negative impacts.

50. The analysis will include full assessments of new savings proposals, including those linked to the Transformation Programme, and refreshed EIAs for initiatives carried over from the MTFP 2018-2021. It will also map the cumulative effects of these changes on different people with protected characteristics.

### **Transformation Programme**

51. Some of the transformation business cases identify the need for an EIA, and these are in development. Where the projects entail changes that could adversely impact residents or staff, full EIAs will be completed. The first will be presented with the budget to Cabinet on 29 January 2019 and the Council meeting on 5 February 2019. EIAs for any additional projects that are linked to the business cases, such as any fees and charges, may follow at subsequent Cabinet meetings depending on the timing of their implementation.

### **‘Our People 2021’ Strategy**

52. An EIA has not been undertaken in relation to the ‘Our People 2021’ strategy as there is no evidence to suggest it will have any adverse impact on individuals with protected characteristics. EIAs will be undertaken in respect of identified activities where there is potential for an adverse impact on such individuals.

### **WHAT HAPPENS NEXT:**

53. The Organisation Strategy, PFS, Transformation Programme and ‘Our People 2021’ will be presented to the Council at its meeting on 13 November 2018.
54. All four documents will be published on the council’s website. An outcomes based performance management framework will be developed to enable progress to be monitored, with annual reports being presented to Council.
55. If approved at the Council meeting on 13 November delivery of the Transformation Programme will commence, subject to the outcome of consultation, engagement and equality impact assessments.
56. The ‘Our People 2021’ strategy will be the foundation for a number of workforce related plans, programmes and strategies, the key elements of which will be held in the ‘Our People’ Strategic Work Programme, against which progress will be measured on an ongoing basis. This work programme is not intended to be a static document; it should and will have the ability to adapt in response to changing organisational need and emerging workforce related priorities. We will continue to measure delivery of the strategy using existing data, and new outcome based measures will also be identified (for example, the impact of people development activity as opposed to the number of people attending training courses). Progress against the strategy will be reported to PPDC on a six monthly basis.

57. Internal communications to staff and members are already taking place to raise awareness of, and engage them in, the council's new financial and strategic framework and Transformation Programme. This work will continue. Alongside this, we will continue to make residents and partners aware of our plans and the changes taking place, provide engagement opportunities and involve them in consultation activity.
58. If Council approve the business cases, officers will work with Select Committee chairmen to develop forward work programmes to enable effective scrutiny of these projects to take place.

**Contact Officer:**

Joanna Killian, Chief Executive

**Consulted:**

Cabinet Members  
Corporate Leadership Team and other staff  
People, Performance and Development Committee  
Corporate Overview Select Committee

**Annexes:**

Annex 1 Surrey County Council Organisation Strategy 2019 - 2023  
Annex 2 Preliminary Financial Strategy 2019 – 2024

- Appendix 1 2019/20 Budget Envelope Proposal

Annex 3 Full Business Case 2021  
Annex 4 'Our People 2021'

**Sources/background papers:**

Vision 2030 consultation feedback

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# ORGANISATION STRATEGY

## 2019 – 2023

October 2018

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# OUR ORGANISATION STRATEGY IS OUR RESPONSE TO AND CONTRIBUTION TOWARDS THE COMMUNITY VISION FOR SURREY IN 2030

We share in the long term vision for Surrey, and we will work alongside residents and partners to realise it. This is our plan for how, over the next four years, we will work towards achieving the outcomes in the vision, and focus on making a real difference to residents' lives.

## OUR PURPOSE AND ROLES

Everyone has a role in delivering the Community Vision for Surrey. Collectively as partners we need to work better together, and each of us has an individual responsibility to contribute to achieving the outcomes in the vision – this includes us at Surrey County Council. We have a democratic mandate to represent and be a champion for all residents, and to deliver the best possible outcomes we can. We will focus on supporting the most vulnerable people in our communities, and those who do not have the means or resources to help themselves. This will involve truly understanding residents' needs, involving them as early as possible in service design and decision making, and using our resources in the most effective and efficient way. But as the resources available to us become more and more stretched, the way we will deliver will need to take multiple forms:

- Sometimes we will be the organisation delivering a service
- Sometimes we will do this alongside other agencies
- Sometimes we will pay another organisation or business to deliver services
- And sometimes we will make resources and support available for communities to help themselves.



Against each outcome in the Community Vision for Surrey in 2030 we have set out our priority deliverables - centred on the themes of People and Place - and a section about the Council, and we will be held to account for our contribution to the vision. We have also set out our strategic principles, themes that are important to us, and will drive our focus and approach over the next four years.

## A COMMUNITY VISION FOR SURREY IN 2030

In the summer of 2018 many people provided their views about what they wanted Surrey to be like as a place to live in 2030. Residents, council staff, businesses, universities and organisations from the public, voluntary, community and faith sectors talked about what they valued, and what their hopes were for the future. This extensive engagement activity produced a shared Community Vision for Surrey in 2030

**By 2030 we want Surrey to be a uniquely special place where everyone has a great start to life, people live healthy and fulfilling lives, are enabled to achieve their full potential and contribute to their community, and no one is left behind.**

**We want our county's economy to be strong, vibrant and successful and Surrey to be a great place to live, work and learn. A place that capitalises on its location and natural assets, and where communities feel supported and people are able to support each other.**

**Our ambitions for people are:**

- **Children and young people are safe and feel safe and confident**
- **Everyone benefits from education, skills and employment opportunities that help them succeed in life**
- **Everyone lives healthy, active and fulfilling lives, and makes good choices about their wellbeing**
- **Everyone gets the health and social care support and information they need at the right time and place**
- **Communities are welcoming and supportive, especially of those most in need, and people feel able to contribute to community life**

**Our ambitions for our place are:**

- **Residents live in clean, safe and green communities, where people and organisations embrace their environmental responsibilities**
- **Journeys across the county are easier, more predictable and safer**
- **Everyone has a place they can call home, with appropriate housing for all**
- **Businesses in Surrey thrive**
- **Well connected communities, with effective infrastructure, that grow sustainably**

# OUR FOCUS FOR THE NEXT FOUR YEARS - STRATEGIC PRINCIPLES

Surrey the place and the context within which the council, other public and voluntary, community and faith sector partners and businesses operate has significantly changed over the last decade and will continue to do so. Some of the main challenges include population changes, rising demand for services and support, government policy changes, funding reductions and the impact of continued financial constraints.

Evidence tells us that while many residents and businesses thrive in Surrey, not everyone has the same opportunities to flourish. Surrey is an affluent county and this image often masks the problems that some residents face, such as domestic abuse, difficulty finding appropriate housing or homelessness, and mental health issues. As we respond to these challenges we will:

- **Focus on ensuring no one is left behind**

We know that some residents experience a poorer quality of life than their neighbours, and this isn't good enough. We want to work alongside people and their communities to help break down the barriers they face and support them to access opportunities that will improve their quality of life. This means focusing our support on the most vulnerable people in communities, and those who do not have the means or resources to help themselves.

- **Take a fresh approach to working in partnership**

The Community Vision for Surrey in 2030 is a shared one – the council has a key role to play but cannot deliver it alone. Partnership provides the key to unlocking the strengths inherent in communities, businesses, public and civic life through sharing skills, insights and experiences to enable us to make changes. All of us will increasingly face volatility, uncertainty and complexity and our services are becoming more integrated, our resources shared or pooled and our staff deployed more flexibly. This is a significant moment to re-affirm a collective commitment to build on existing partnerships and extend and enhance them for the benefit of Surrey residents. As partners we will work together to articulate a renewed commitment and focus to delivering the best possible outcomes for people in Surrey. This will involve joining up and innovating in new ways and taking a fresh, place-based approach to leadership.

- **Support people to help themselves and each other**

Individuals and communities lead better, more fulfilling lives the more they help themselves and each other and remain independent for as long as possible. There is a huge voluntary, community and faith sector in Surrey doing much good work, but there is an opportunity for more people to be involved in these groups, as well as being 'good neighbours' to the

more vulnerable people in their communities. We will explore ideas with residents about how they can help themselves and each other more. There is also an opportunity for public sector organisations, voluntary, community and faith sector bodies and other stakeholders to work in partnership to build a new type of relationship between residents, communities and organisations focused on who is best placed to deliver outcomes for people in Surrey. With partners, we will explore the idea of 'deals' to develop a shared sense of responsibility for delivering the vision and achieving the best outcomes for residents.

- **Involve and engage residents earlier and more often in designing and delivering services, and responding to challenges**

Residents have told us that they want public sector organisations in Surrey to be better at listening to their needs and concerns through more meaningful engagement with local communities in decision-making processes. We want to design services so that the right people, including residents, come together to first understand the issues and then work together to decide what we can do collectively to improve outcomes.

# OUR CONTRIBUTION TO THE COMMUNITY VISION FOR SURREY IN 2030: STRATEGIC ACTIVITY

To be able to contribute to making the Community Vision for Surrey in 2030 a success, our role has to fundamentally change. We do not expect a major injection of funding from Government any time soon, so it is clear that we will be unable to do all the things we have done to this point. We need to prioritise those services that matter most to residents, and will have the biggest impact on improving people's quality of life. We will focus on carrying out a smaller number of activities, but in a more effective way.

Our contribution also does not mean we will simply deliver services - our democratic mandate and leadership role for the county puts us in a unique position. We can use this to support communities to help themselves and increase their responsibility for making their own lives better, or to work with Government and local partners to develop solutions together to improve life in the county. Given the limits on our resources, we also need to work smarter and put ourselves on a sustainable footing. We will organise our money, people and other resources in ways which improve outcomes for residents and focus on where it makes sense for us to do so. We will also make our decisions based on the best evidence available, so we are able to maximise the benefits for residents from every single pound of income we get.

# CHILDREN AND YOUNG PEOPLE ARE SAFE AND FEEL SAFE AND CONFIDENT

We have a key role in supporting children, young people and families to get the best outcomes in life. Our services haven't always lived up to our aspirations, and we are taking steps to address this. Our priority is that children and young people are safe and feel safe and confident. The key to success is to make sure the voices of children, young people and families are heard so they can shape how we work with them to get the best results. This means providing accessible help and support, as timely as possible, to ensure they are resilient, independent and confident in their future. Our services include safeguarding vulnerable children and young people and providing early help to identify and address problems before they escalate.

We will:

- Work in partnership to strengthen protection and safeguarding and use the full spectrum of services to intervene as early as possible
- Work with partners to better our universal services and early help offer to promote and improve the wellbeing and welfare of children and young people
- Focus on earlier intervention and prevention to offer help and meet needs at the earliest opportunity, reducing the demand on high cost, high need interventions
- Provide practical advice that builds resilience for children, young people and families, enabling them to make positive choices and resolve their own difficulties before accessing services
- Improve our caseload management to ensure practitioners have the capacity to support and meet the needs of children and young people
- Improve the quality of foster care and its availability to ensure looked after children and young people are able to remain in Surrey and experience the support and stability they need

# EVERYONE BENEFITS FROM EDUCATION, SKILLS AND EMPLOYMENT OPPORTUNITIES THAT HELP THEM SUCCEED IN LIFE

We will:

- Work with schools to support all children and young people to achieve their full potential
- Support improvement of educational outcomes for children and young people with special educational needs and disabilities
- Collaborate with partners to help prepare people of all ages for employment through offering and supporting volunteering, work experience and apprenticeship opportunities
- Work with partners to improve access to careers and training information, advice and guidance
- Promote and inspire science, technology, engineering and maths (STEM) training and career opportunities to fill future gaps in key sectors of Surrey's economy

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Surrey is fortunate to have a well-educated working age population - over half are qualified to degree level - a range of high performing schools and a good employment rate. These good news stories can mask the experiences of some people in Surrey who have fewer opportunities, and are less likely to be employed or doing well at school. We are committed to supporting all residents to maximise their education and employment opportunities so no-one is left behind.

# EVERYONE LIVES HEALTHY, ACTIVE AND FULFILLING LIVES AND MAKES GOOD CHOICES ABOUT THEIR WELLBEING

Helping residents to stay healthy and well is a priority for us. We work closely with partners to address health inequalities in the population. We commission services based on evidence, targeting the greatest health and wellbeing needs to secure better health outcomes for the population. Our services are likely to be well recognised by residents, such as stopping smoking services, programmes to promote physical activity, responsible drinking and our sexual health services.

We will:

- Work with partners to address the wider determinants of health such as housing, the built environment, air quality and healthy workplaces that impact on the physical and emotional wellbeing outcomes of residents
- Provide public health information to enable people to make decisions about their health and emotional wellbeing that are based on what is effective and what is available locally to support them
- Improve the life chances of our residents with a key focus on the most vulnerable by supporting them to make healthier lifestyle choices, reduce loneliness and help them actively contribute to their communities



# EVERYONE GETS THE HEALTH AND SOCIAL CARE SUPPORT AND INFORMATION THEY NEED AT THE RIGHT TIME AND PLACE

Surrey's population is growing rapidly, with more people living longer, consistently high birth rates and high migration levels. We have a responsibility to respond to the growing shared health and care needs that come with these population changes while taking into account increasing resident expectations. To ensure residents can stay as healthy and independent as possible we support those with social care needs and work closely with partners to provide effective, integrated health and social care services. This is centred on ensuring people receive care as soon as they need it and are able to move smoothly through health and care services while using the resources available to them.

We will:

- Reduce the number of people unnecessarily entering and re-entering our services by changing the conversation we have with individuals, families and communities at our 'front door', so they can make better use of all the resources available
- Develop new models of community care to support the independence and well-being of residents
- Work with residents and partners to develop shared prevention projects that encourage lifelong, healthier lifestyle choices
- Help people to help support themselves, where appropriate, including through digital innovations such as online referrals and accounts and greater support to self-assess and self-serve
- Work with all health partners, including acute hospitals, GPs, community services and mental health, to deliver integrated models of health and social care that reduce the need for people to go into hospital wherever possible, and facilitate returning home

# COMMUNITIES ARE WELCOMING AND SUPPORTIVE, ESPECIALLY OF THOSE MOST IN NEED, AND PEOPLE FEEL ABLE TO CONTRIBUTE TO COMMUNITY LIFE

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We will focus our support on the most vulnerable people in communities, and those who do not have the means or resources to help themselves, to ensure no-one is left behind. Residents feel a strong sense of community in their local area, with people from different backgrounds enjoying their communities together. We see our role as supporting communities to help themselves, and together with partners and residents, we all share a responsibility to maintain the community feeling by fostering an inclusive and secure place for everyone.

We will:

- Work better with public, voluntary, community and faith sector partners to help support local communities and the well-being of residents
- Support communities to be resilient by providing them with information and resources to be responsive to their local needs and issues
- Encourage communities to be inclusive and give them the ability to support the vulnerable and those who could be left behind

# RESIDENTS LIVE IN CLEAN, SAFE AND GREEN COMMUNITIES WHERE PEOPLE AND ORGANISATIONS EMBRACE THEIR ENVIRONMENTAL RESPONSIBILITIES

Residents say they value living in Surrey as it is clean, has a number of open, green spaces, including some Areas of Outstanding Natural Beauty, and feels safe. They are clear that they want these aspects of Surrey to be preserved for future generations, pollution to be minimised and for Surrey to continue being a county with a low crime rate. People and organisations in Surrey are individually and collectively responsible for being mindful of their impact on their local environment and helping their communities feel safer.

We will:

- Work with partners and residents to continue minimising the amount of waste sent to landfill
- Improve access to the countryside, conserve and protect its biodiversity and work towards making it financially sustainable, while encouraging residents to use green spaces, increase physical activity and improve their mental health and emotional well-being
- Reduce our carbon footprint through rationalisation of our operational and non-operational estates, and supporting new, agile, ways of working across our workforce
- Collaborate closely with leaders on community safety, such as Surrey Police, to help communities feel safer and focusing on priority areas such as domestic abuse, serious organised crime, modern slavery, human trafficking, counter terrorism and road safety
- Work with partners to reduce the impact of emergencies such as fire and floods on communities

# JOURNEYS ACROSS THE COUNTY ARE EASIER, ARE PREDICTABLE AND SAFER

Surrey has some of the busiest transport infrastructure in the country. We are responsible for 3,300 miles of roads, which are well used, with a rising trend of vehicles registered within the county, rising volumes of traffic and higher than average daily traffic flow. While 62% of residents commute by car, Surrey is well served by a busy rail network, with main and branch lines connecting London to the South East and South West running through Surrey.

We have a role in maintaining Surrey's transport infrastructure to enable residents to travel as freely and easily as possible. This includes working within partnerships, such as Transport for the South East and Local Enterprise Partnerships, to influence and support investments in infrastructure.

We will:

- Encourage our workforce, partners and residents to use low-carbon and environmentally sympathetic means of transport across the county wherever possible
- Maintain Surrey's highway network, and work with third party utility companies who work on Surrey's roads, to minimise their disruption to residents
- Engage with key stakeholders to help people travel within the county quickly, easily, safely and efficiently
- Collaborate with partners, including public transport providers, district and borough councils and the voluntary, community and faith sector, to help support those who are physically and financially unable to provide their own transport

# BUSINESSES IN SURREY THRIVE

We will:

- Help to ensure that Surrey's young people and adults have the qualifications and skills required by local businesses and employers, particularly in growing sectors, to enable them to have successful and stimulating careers now and in the future
- Maintain Surrey's established reputation as a place for businesses to invest and prosper, while supporting them and their employees
- Work with Local Enterprise Partnerships, districts and boroughs, universities, businesses and other partners to promote economic growth. In particular, establish a positive strategic context for growth, make the case for additional investment in the county and develop support for business growth and enterprise
- Encourage businesses to use their resources to create social value in the communities where they work
- Work with Surrey Police and wider partners under the Modern Slavery Act 2015 to boost awareness of, and identify and defend against, workplace exploitation within our organisation, our sub-contractors and supply chains

Surrey has a strong economy with highly skilled residents contributing more to the national economy than the South East and England averages. The county is attractive to business, with a high proportion of active enterprises providing higher than average earnings and disposable household income. Surrey is uniquely positioned between international airports, Heathrow and Gatwick, and hosts some of the world's leading companies. Whilst Surrey's economy is strong, it has above national average skills gaps and skills shortages, and without some investment and interventions Surrey's growth pattern will slow down significantly.

Economic growth in Surrey will improve both the health and wellbeing of residents, as well as general living standards. An important part of our strategy is to encourage everybody to think about how to deliver social value, which means people using their own resources to make positive changes to the lives of others in the local area. We will encourage businesses to use their skills and time to deliver social value to communities.

Alongside partners, we want to play our part in targeted strategic development, helping to upskill residents and continuing to attract, incentivise and grow high growth industries within the county. We also have a responsibility to safeguard people against workplace exploitation through our duties to work with partners to tackle modern slavery.

# EVERYONE HAS A PLACE THEY CAN CALL HOME, WITH APPROPRIATE HOUSING FOR ALL

Surrey is a growing county and people value the opportunity to live here. Everyone deserves to have a place to call home and residents are clear that the county needs more affordable and social housing, while maintaining its green spaces and natural assets. Alongside partners, we help provide housing for vulnerable residents, such as accommodation with care and support. By working with partners, our role is to help facilitate the county's housing needs – which means enabling housing growth, developing the infrastructure to support this and maintaining spaces that residents cherish.

We will:

- Make better use of available land and property, where possible, to help deliver appropriate housing for residents
- Work with partners to deliver more housing options for key sector workers
- Work with Surrey's one public estate team and other partners to deliver new affordable and social housing for residents, contributing to Surrey's growing communities

# WELL-CONNECTED COMMUNITIES WITH EFFECTIVE INFRASTRUCTURE THAT GROW SUSTAINABLY

Surrey is home to a mix of different communities, some of which are more connected – physically and digitally – and possess more available infrastructure than others. As the county grows, we have a responsibility to develop Surrey’s communities - ensuring they all experience modern connectivity and accessible infrastructure that supports them; including schools, transport, retail and health services. This will ensure communities can continue to prosper and have the support to enable them to develop. Where communities are being regenerated, we will work with everybody in the area to create opportunities for people to both contribute and benefit from the changes in a way that makes the growth sustainable. At the same time, we will work to preserve the distinctiveness of individual communities.

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We will:

- Work with industry leaders and partners to ensure communities have the available opportunities to contribute and benefit from the changes that growth brings
- Ensure better digital connectivity and facilitate accessible infrastructure across rural areas
- Work better with partners to develop existing infrastructure such as community facilities, schools, retail, transport, health services and other public sector services
- Work with developers, partners and funding bodies to improve and grow Surrey’s transport and digital infrastructure so that it meets the needs of growing communities

## HOW WE WILL TRANSFORM AS A COUNCIL:

To successfully deliver our contribution to the Community Vision for Surrey in 2030 with the resources we have available, we need to transform our organisation and its culture. We have some experience to draw on as we have already made changes to the way services are delivered, and made £540 million of savings since 2010. But now the size and scale of the challenges and opportunities facing us mean an accelerated, systematic and coordinated approach is needed. We are purposefully redesigning the council and how things are done so there is the capacity and capability to succeed now and in the future.

Our focus areas are:

- **Financial management**

We will spend public money in the most efficient and effective way so that we can have the greatest impact on improving people's quality of life. Over the last eight years we have worked hard to contain the pressures on our budget but we've also had to make use of our reserves. Like most other councils, we're facing unprecedented increases in demand for services and rising costs, and we need to balance our budget without having to use our savings. We will put in place robust, resilient and effective financial management to support the council's transformation and achieve a sustainable financial position.

- **Our culture**

The organisational culture directly affects our performance and ability to deliver the best possible outcomes and value for residents. The culture of the organisation has evolved over many years. As the council's role and impact changes, how we think and behave as an organisation also needs to adapt and develop. We know from surveys, analysis and member and staff feedback that we need to change the course of our present culture towards one that is agile, outward-looking, collaborative, open and focused. We will develop new patterns of thinking and working that reflect the modern society in which we operate and enable the organisation to effectively adapt, change and perform sustainably, in line with the



Community Vision for Surrey and this strategy. This will involve and require the contribution of every single person leading and working for us.

- **Our people**

Our staff are our ambassadors and are crucial to the successful delivery of the priorities our residents have articulated. We will share the Community Vision for Surrey so we all understand our role in achieving it. As we transform as a council we will have a smaller, highly productive and motivated workforce which is flexible and mobile. We will foster honest, open and constructive conversations that enable all staff to be involved in shaping the council and its work. Staff at all levels of the organisation will focus on working collaboratively - internally and externally with partners - to deliver outcomes within the budgets available.

- **Digital council**

To keep up with the digital demands of society we need faster, quicker and better public services, available through multiple channels and devices, and available any time. We will exploit these digital advances to the benefit of residents and staff. We will invest in digital technologies that will drive service transformation, reduce costs and enable us to become a truly digital council. We will use digital technology to innovate and reshape how local services are designed and delivered to help meet the challenges of the future.

- **Customer experience**

We will get better at seeing things from a resident's perspective, giving customers a more consistent experience while reducing costs. Currently, customers have to transact, interact and get information from us a number of times in different ways. We will create an improved customer experience by streamlining and simplifying this to a single point of contact where appropriate. We will also make better use of technology to improve online self-serve options, so people can access and use our services at times and places that suit them. We know that some of the most vulnerable residents and customers may not be able to make use of these digital options so people will still be able to use other communications channels so they are not excluded.

- **Commissioning**

We believe commissioning - how resources are used to meet residents' needs - should be about the right people coming together to first understand the issue (what's the need and what are the capabilities of the people or place) and then working together to decide what we can do collectively to improve outcomes. It is about how we bring together all possible resources around an identified need including communities, the council and partner organisations, and the organisations providing the services. We will develop a single approach to how we use resources to meet residents' needs (an integrated commissioning framework) across the council, lead on developing and implementing a joined up approach for delivering public services across Surrey to deliver improved outcomes for residents (a commissioning hub for public services), and work with partners to support an ambitious health and social care devolution agenda.

- **Data and insight**

We will improve the way we use our data. Currently there are significant gaps in our approach to performance management and insight – hindering our decision making and the achievement of improvements and savings. We will improve our performance management and analytical capabilities by adopting a shared single view of our performance and activity, accompanied by data and insight that is easily available and can be used in decision making across all levels. We will use these improvements to target services and support more effectively to meet residents' needs and increase transparency so it's easier for people to understand what the council is doing. This will drive the council's transformation work, decision making, commissioning and continuous improvement. We will develop strong links between this work and the development of a Surrey-wide data and information hub.

- **Property**

We own buildings to deliver services to residents, run the council, and generate income that can be re-invested back into services. Our use of buildings will change as we take opportunities to provide services in different ways with, for example, more online services. Many of the buildings we currently operate from are not modern and do not reflect the way in which the design of future services will develop. We will

review our property needs so that we create an estate that is multi-use, better supports modern ways of working, and will create income revenue, homes and jobs in Surrey. Our strategy will enable our staff to be more mobile and work flexibly, services will be better located and more accessible to residents, and where possible, co-located with district and borough and other community services.

- **Governance**

We want to adopt a fresh approach to governance which replaces the current traditional models and processes in favour of processes that support swift and effective decision making. We will minimise the levels of bureaucracy and stop those processes that slow down decision making – making sure the right people are involved at the right time, producing better outcomes in decision making. This involves providing officers at all levels with greater autonomy accompanied by more accountability. As a democratic organisation we will increase transparency by fostering genuine and meaningful involvement from residents and partners in decision making processes.

## MEASURING SUCCESS

Success is determined by the collective ability of public sector organisations, the voluntary, community and faith sector, businesses and residents to achieve the outcomes set out in the Community Vision for Surrey. Each individual organisation has a responsibility to contribute towards achieving the outcomes but success will be a result of our combined efforts. Knowing if we are making the progress we all want to see will rely upon transparent and accountable performance monitoring.

Annually we will publish success measures which clearly track our performance and delivery towards the vision outcomes. We will develop an outcomes-based performance framework with indicators that will track and monitor our progress. Every individual in the council should be able to link their daily work back to the deliverables set out in this strategy and the Community Vision for Surrey.

Scrutiny will be an important part of the process to ensure we remain on track. This will be internal through the council's scrutiny processes but also through the inclusion of partners and residents in our performance monitoring process to ensure a comprehensive evaluation of progress.

# PRELIMINARY FINANCIAL STRATEGY

## 2019 – 2024

October 2018



# FOREWORD

The County Council (the council) has endorsed the 'Community Vision for Surrey 2030'. This sets out the vision for Surrey after talking with residents, council staff, businesses, universities and organisations from the public, voluntary, community and faith sectors about what they value, and their hopes for the future. To achieve this vision, working in partnership with others, the council needs to be financially stable, sustainable and resilient, whilst demonstrating that it provides value for money in the services it delivers.

In common with the rest of local government, Surrey County Council has seen a steady and sustained reduction in its core funding, putting increased pressure on Council Tax. This has been exacerbated through disproportionately lower grant funding for Public Health, Learning Disabilities and Unaccompanied Asylum Seeking Children. The council has worked hard to contain the costs and volume pressures, and made significant on-going savings over the last eight years totalling over £540m.

Despite the levels of savings, in recent years the council has had to use its reserves, and in 2018/19 additional one off measures, to balance the budget. It has been able to do this due to a deliberate strategy to build up reserves in the early part of the decade.

However, continuing austerity and even sharper reductions in government funding in recent years has meant the scale of the budget challenge going forward has increased significantly. Coupled with uncertainty over government funding for local government, this approach is no longer sustainable and as a result the council is undertaking a significant transformation programme to ensure that it delivers vital services within its resources.

This strategy sets out a preliminary balanced budget for 2019/20, without the use of reserves. The proposals contained within this budget will impact on service delivery in future years and the savings proposals are required in order to deliver a balanced budget for the next year, as well as ensuring a sustainable budget in future.

Some of the saving proposals still need to be consulted upon and delivery plans are currently in the early stages of development. The actions necessary to develop these plans and understand the impact on staff, partners and residents should be seen as a priority. As consultation and delivery plans develop, the level of risk around the achievability of these proposals will reduce.

The funding arrangements for local government will change from 2020/21 and the details of this will not be known until well into 2019. This strategy includes a scenario modelling the possible level of funding for the Council in the years up to 2023/24.

# OUR PRELIMINARY FINANCIAL STRATEGY SUPPORTS THE COMMUNITY VISION FOR SURREY IN 2030

We share in the long term vision for Surrey, and we want to work alongside residents and partners to realise it. This preliminary financial strategy is our plan to ensure the council delivers good outcomes for our residents, remains financially stable and resilient, and demonstrates value for money as we work towards achieving the outcomes in the vision, and focus on making a real difference to residents' lives.

## THE PURPOSE OF OUR PRELIMINARY FINANCIAL STRATEGY

Our financial strategy sets out the overall framework within which the Council manages its financial resources and supports the delivery of the council's priorities and the Community Vision for Surrey 2030.

The financial strategy drives the five year Medium Term Financial Plan, the revenue budget and the capital programme. It is supplemented by a number of other documents including:

- financial regulations
- the reserves policy
- the fees and charges policy
- the capital strategy
- the treasury management strategy

This financial strategy aims to ensure three primary objectives:

- Financial sustainability

- Financial management
- Great services and outcomes for our residents

## **DELIVERING THE VISION EFFECTIVELY AND EFFICIENTLY**

The financial strategy is key to ensuring we deliver the vision and that Surrey County Council transforms into a high performing council within the next five years. Alongside this will be the new 'Our People 2021' strategy supporting our new target operating model.





# THE NATIONAL FINANCIAL CONTEXT

## Funding since 2010/11

The UK Government started its policy of public sector spending austerity and deficit reduction in 2010. Since then, local government has borne the brunt of this policy with central government funding support forecast to have fallen 56% by 2019/20. At the same time, total government spending is expected to rise about 20% over the same period. Many local authorities have partially mitigated this reduction in government support through rising Council Tax, although this has been constrained by government policies of offering time limited grants to freeze any increases, and the need to hold a referendum above a centrally set threshold.

At the same time local authorities have had to contend with a significant rise in the need for its services. This is illustrated below.

- 11% increase in the numbers of looked after children.
- 10% increase in those in need aged 18-64.
- 14% increase in those in need aged 65+.

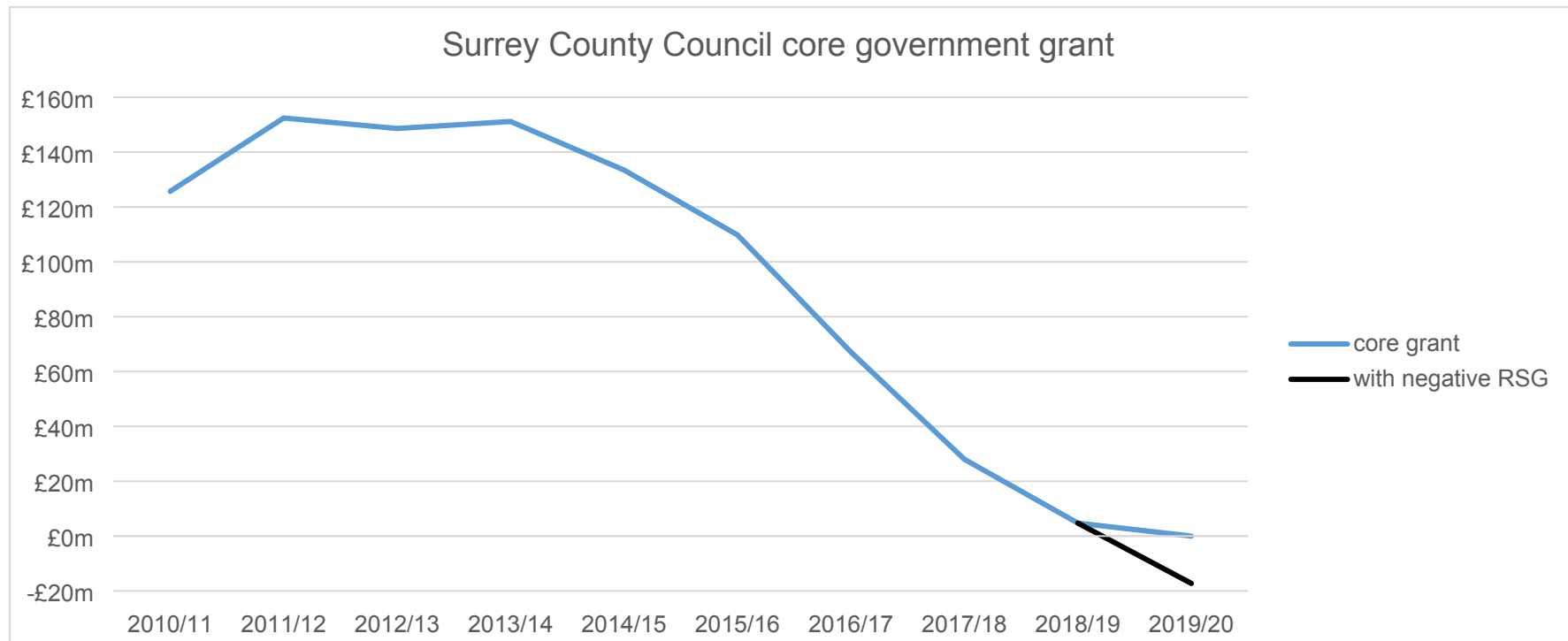
Councils have had to cut other services substantially to manage the twin pressures of reduced government funding and rising demand and costs for their services.

## Funding prospects

The prospects for more government funding for councils are low, given the promise of £20bn a year extra funding for the NHS by 2023. The Government has announced a Fair Funding Review for local government and changes to the distribution of receipts raised from Business Rates. However, this only helps local government as a whole if the quantum of funding increases and is not just a redistribution. In the meantime, this all adds to the uncertainty of local government finance.

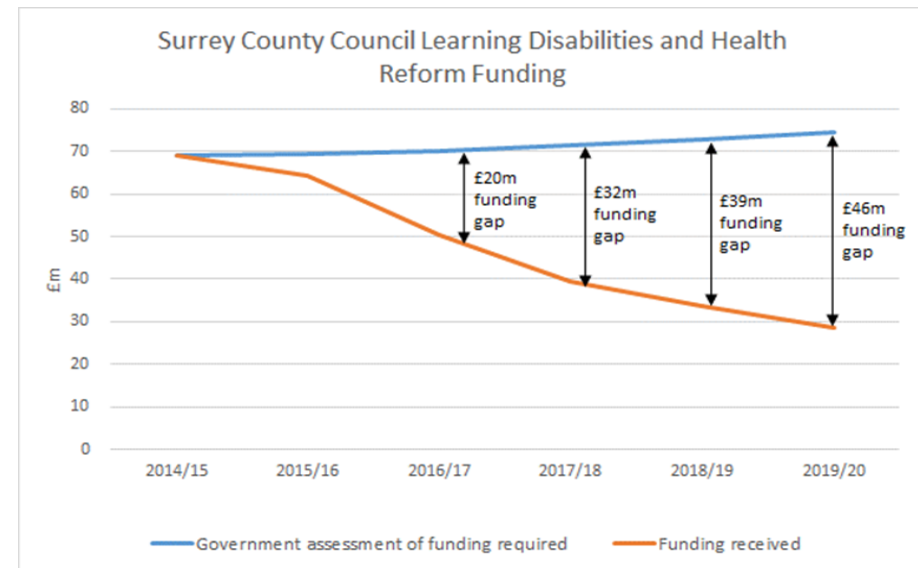
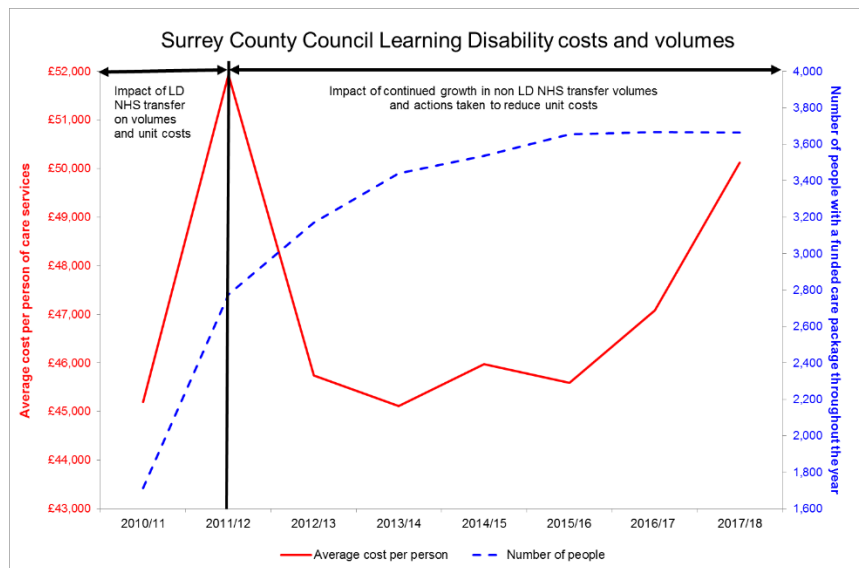
# OUR FINANCIAL CONTEXT

For us, one impact of the national funding changes since 2010 has been that the Government has taken away all of our £152m core grant funding, known as the Revenue Support Grant (RSG). In 2019/20, the Government had planned to implement a funding policy which would have led to us losing a further £17m so called 'negative RSG' and a reduction of £170m core funding in total. However, at present the Government is minded to amend the policy so that Surrey County Council and the other 167 authorities facing the prospect of negative RSG receive no less than nil core grant. This plan is therefore based on the assumption that the Government acts to remove negative RSG in the upcoming Local Government Finance Settlement, as it has said it is minded to do.



We have also been consistently underfunded by government in areas such as Learning Disabilities (LD), Public Health and Unaccompanied Asylum Seeking Children. For example, in April 2011 we became responsible for almost 900 people with severe LD who transferred from the NHS with £65m of initial annual funding. As shown in the graph on the left, this increased our unit costs significantly. We subsequently reduced our unit costs by 12% by 2015/16. However, huge demand growth of 36%, which also affected unit costs, has increased total LD spend by £40m.

As shown in the graph on the right, instead of following this demand growth, our funding has reduced.

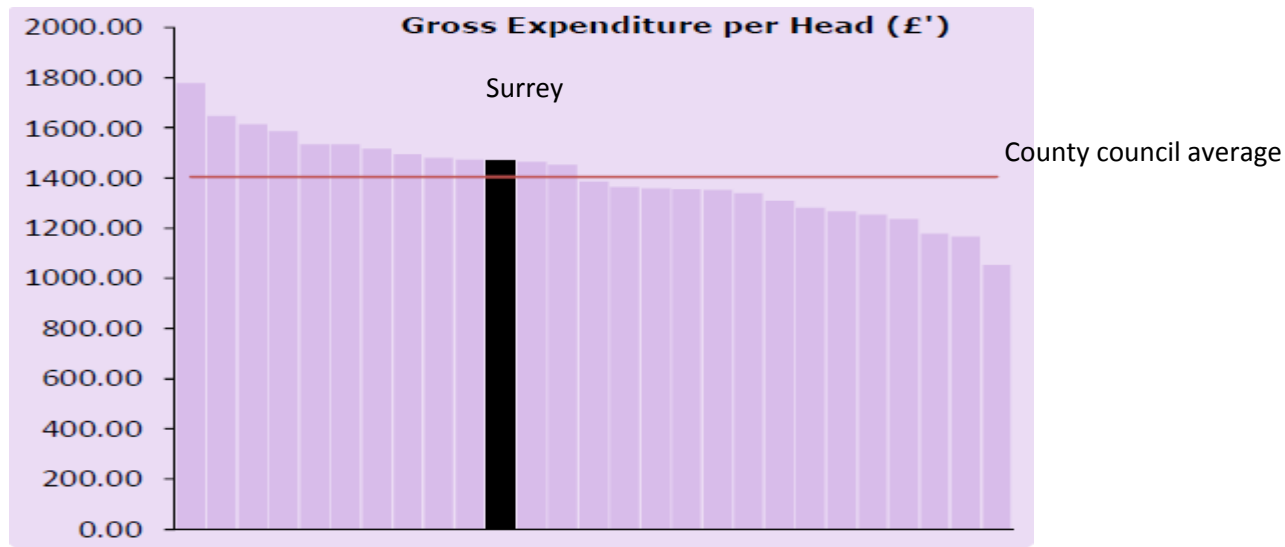


As a result of our historically low grant funding, we have had to rely increasingly on Council Tax and much more so than other local authorities. In 2018/19, 84% of our core spending power is from Council Tax, compared to averages for all county councils of 72% and all local authorities of 59%. While this means we have some financial resilience through low reliance on government grant, our ability to raise income through tax increases is effectively capped and there remains significant uncertainty about the new business rates retention system and

how the fair funding review will take account of resources. It also means our reliance on local people for funding services is among the very highest in the country.

### How we compare with other county councils

In recent years, we have been relatively more successful in protecting service provision from cuts in government funding, partly due to the high Council Tax base in Surrey and the decisions to decline Council Tax Freeze Grant (CTFG) in the years 2012/13 to 2015/16 and make modest incremental changes to Council Tax. Through this we have accumulated around £250m extra funding for services for the period up to 2018/19, than if we had accepted CTFG. This includes an additional £59m in 2018/19. This has led to us having higher spending per head than the average county council shown in the graph below.



Source: CIPFA Local Authority Expenditure Comparative Profile; 2016/17 Tier Report (2016/17 is the most recent year for which confirmed spending statistics are available).

## Use of reserves and one-off funding

As a local authority, we are not permitted to allow spending to be more than the available resources we have. We hold a level of reserves and balances as a part of our overall resources. We hold these reserves and balances for three reasons:

- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary borrowing;
- a contingency to cushion the impact of unexpected events or emergencies, and
- a means of building up funds to meet future known or predicted liabilities.

From 2010, we built up reserves to provide a cushion against cuts in government funding. Since 2014, we have had to use £88m of reserves to help support the revenue budget, whilst in 2018/19 we used a further £36m of other one-off sources of funding to support the budget.

Compared to other county councils we now have a relatively low level of reserves and balances, as shown in the graph opposite.

With such low levels of reserves, any further depletion to support future budgets would more than likely impair our financial resilience and could only be justified as a last resort.

# OUR FINANCIAL RESILIENCE PLAN - STRATEGIC PRINCIPLES

To ensure we are financially resilient and sustainable, we have some broad strategic principles.

- **A balanced revenue budget without the use of reserves and balances.** This is to ensure that our reserves are not further diminished and we remain financially resilient to any unexpected events. We will only plan to use one-off sources of funding where there is a strong business case, such as investing to save and for the transformation of services.
- **Level of reserves and balances.** We will regularly assess our level of reserves and balances to ensure that it is appropriate for the levels of risk that we face.
- **Budget envelopes.** Each of our service areas will have a budget envelope within which to achieve outcomes to meet our residents' needs.
- **Cost and demand containment.** We will look to manage cost and demand volume pressures within services' budgets envelopes. Our service budgets will only be increased for exceptional movements in inflation and service need and this must remain affordable.
- **Robust savings plans.** Each of our savings proposals will have a robust plan. We will regularly track and monitor progress.
- **Council Tax.** We will only consider increases to Council Tax where costs and demand pressures cannot be managed within the budget envelope or when it is clear that agreed outcomes and priorities will not be met.
- **Partnership working.** We will work with all our partners, such as other councils, other public bodies, the voluntary, community and faith sector organisations and businesses to create the best value for every pound we spend.

- **Budget accountability.** Our managers will be responsible and accountable for their budgets, within a clear budget accountability framework, maintaining transparency in how we use Council Tax payers' money.



# OUR FINANCIAL RESILIENCE PLAN - STRATEGY ACTIVITY

Achieving financial sustainability, by which we mean being able to set a balanced budget for the next year and one which is sustainable into the future, requires strong leadership from members and officers in keeping to plan and taking the tough decisions to deliver our agreed priority outcomes.

Our financial sustainability will be delivered by:

- our transformation programme which focuses on reforming the way we deliver outcomes and changes the way we work to ensure we are doing the very best we can for our residents within a sustainable budget.
- developing and delivering in-year additional savings programme where required. A £40m cost reduction plan has been put in place for 2018/19 to reduce the need to use reserves and manage the costs of additional needs. We will regularly monitor and scrutinise achievability and progress of this plan.
- the production of budget envelopes for 2019/20, within which we will manage expenditure in order to ensure budget sustainability. These are shown in Appendix 1.
- maintaining sound financial management policies and controls to ensure value for money in our use of resources.
- implementing a Budget Assurance Statement to establish clear budget responsibility and accountability.
- regularly reviewing and updating the constitution and financial regulations.
- developing the monthly budget monitoring process to include key activity data alongside monitoring of service expenditure and the delivery of savings proposals.
- managing investment and borrowing decisions within the Treasury Management Strategy Statement, which ensures compliance with CIPFA's Prudential Code & Treasury Management Code of Practice.
- providing training and ongoing advice and support to budget holders and officers on financial management

- reviewing the appropriateness of our policy on fees and charges and our investment strategy.

## OUR FINANCIAL RESILIENCE PLAN – 2019/20 REVENUE BUDGET

The 2019/20 financial year will be the final one of the Government's current Comprehensive Spending Review and the four year Local Government Financial Settlement. Our assumptions for funding in 2019/20 are as follows:

### Council Tax

When costs and demand pressures cannot be managed within the budget envelope or when it is clear that agreed outcomes and priorities will not be met, we will have to consider increasing Council Tax.

In the Local Government Settlement for this year, the Government announced that its intention was to permit local authorities to increase Council Tax by up to 2.99% without a referendum, provided that inflation continued at its current level. Inflation is currently at around the same level it was last year, so we expect the Government to continue to allow this level of increase.

We are facing increasing demand for our services, especially those in need of social care and for children with special educational needs and disabilities. Whilst we are managing to absorb some of these increases, to ensure that provision of services is maintained and vulnerable people are cared for appropriately, we are assuming that we need to increase council tax by 2.99% in 2019/20.

The Government have also given local authorities with responsibility for adult social care the flexibility to raise a further precept, or additional Council Tax, to fund the growing cost and volume pressures. This flexibility was for

a precept totalling 6% over the three years 2017/18 to 2019/20. We have already raised a precept of 3% in the past two years, so we will not raise this again in 2019/20.

The number of houses in Surrey continues to grow and collection rates are very high. We expect this to lead to increased income from Council Tax.

In total we forecast our income from Council Tax to be **£737m** in 2019/20.

### **Business Rates**

In 2018/19 we successfully applied to become a pilot for the 100% Business Rates Retention Scheme with our 11 borough and district partners. This scheme allows Surrey as a place to keep the full proceeds of the growth in business rates, which we expect to amount to £28m. The County Council's share of that would be £20m. However, this is only a one-year benefit.

For 2019/20, the Government are inviting bids from groups of local authorities to apply to be business rates pilots for a 75% scheme. That means keeping three quarters of any growth in business rates. We are applying to be a pilot, but are not making any financial assumptions that we will be successful.

We are forecasting our total income from business rates to be **£120m** in 2019/20.

### **Government Grants**

We receive grants from government that are either service specific or more general. The service specific grants are included in the relevant service's budget, while the general grants form part of the council's total funding. For 2019/20 we forecast these grants to total **£33m**. Our assumption for 2019/20 is that the Government's original proposal to impose a negative RSG of £17.3m will not occur. This is based on their consultation on the Local Government Financial Settlement in July 2018.

Our total funding for 2019/20 is forecast to be **£890m**.

## Other income

To build financial resilience, we will seek to increase and diversify our income sources locally, by reviewing our approach to fees and charges for services, and through making a growing return on our capital investments in property.

## Budget Envelopes

Each of our services has a budget envelope, within which to deliver their agreed outcomes and priorities. These are summarised by Executive Directorate in the table below and shown in more detail in Appendix 1.

	<b>Current 2018/29 Budget £m</b>	<b>Revised 2018/19 Budget Envelopes £m</b>	<b>Revised 2019/20 Budget Envelopes £m</b>
Health, Wellbeing & Adults	382	372	366
Children, Families, Learning & Culture	229	223	223
Highways, Transport & Environment	172	170	163
Customer, Digital & Transformation	59	52	49
Economy, Growth & Commercial	22	20	20
Finance, Legal & Coronial	13	11	12
Corporate Income and Expenditure	49	41	57
<b>Total</b>	<b>926</b>	<b>889</b>	<b>890</b>

Appendix 1 also shows the forecast pressures and target savings for our services. We will consult and engage about these proposed savings as appropriate over the coming months, before setting the final budget in February 2019.

# OUR FINANCIAL RESILIENCE PLAN – FUNDING 2020 TO 2024

Our Financial Strategy must enable us to attain and maintain a sustainable financial position. The period beginning 1 April 2020 will be the first year under the new Business Rates Retention System (BRRS). Under the new BRRS, councils will retain 75% of local business rates. There will also be a reset of the BRRS in 2020 and a new distribution of funding among local authorities. Both of these changes will follow the new fairer funding system that the Ministry of Housing, Communities and Local Government (MHCLG) is developing with the local government sector. These changes could have a significant effect on our funding. While MHCLG has promised transition arrangements for councils most severely affected by the changes brought in by the new BRRS, there is a high degree of uncertainty about a significant element of funding and therefore a risk for us and other county councils.

Given our low levels of reserves and fast rising service need, we have little room to manoeuvre should our funding position turn out to be worse than reasonably anticipated. So, for us to continue our progress to attaining a sustainable, resilient financial position, we will take a realistic, yet prudent view of our prospective funding from 2020 onwards.

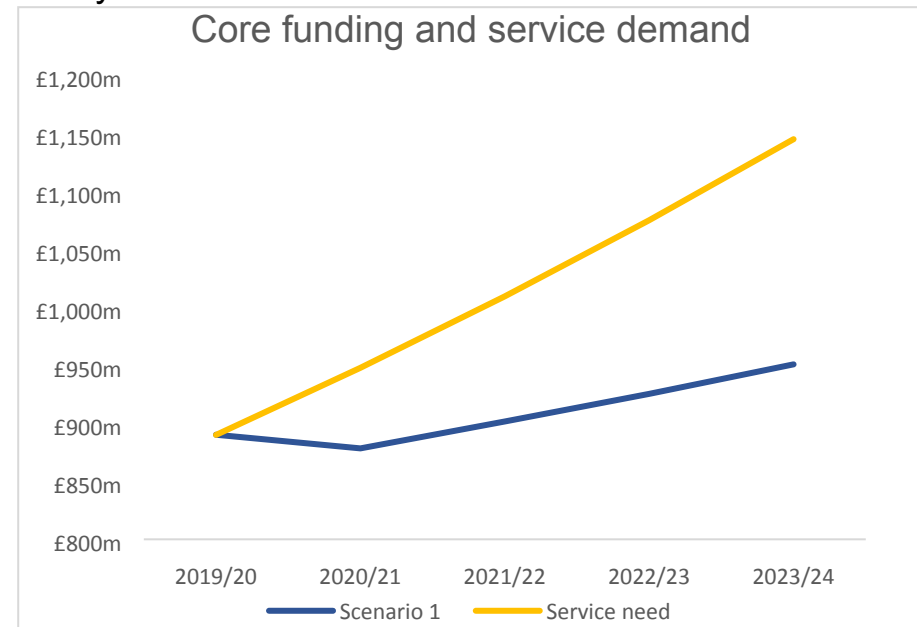
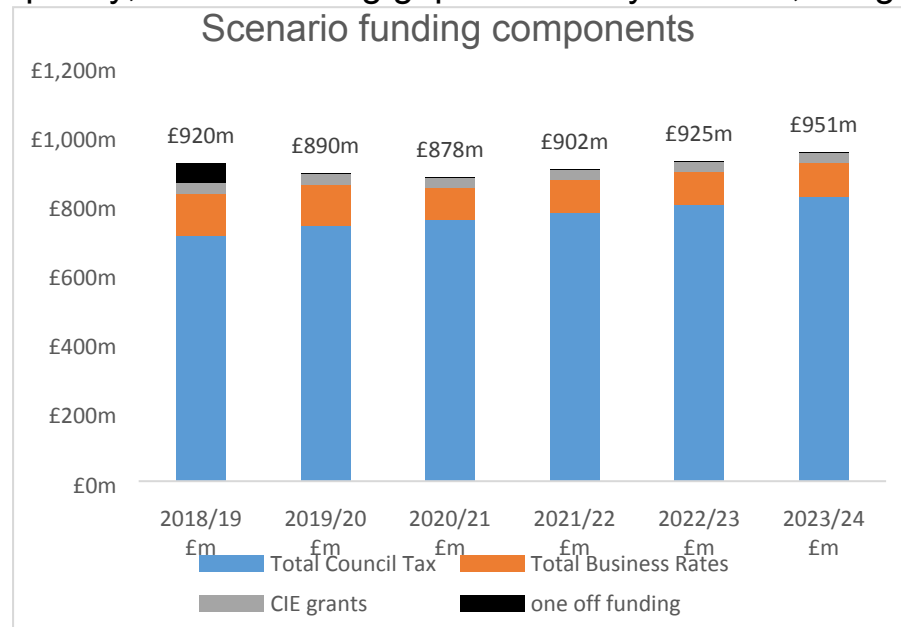
We have developed a model to make projections about prospective funding that would support our net budgets from 2020/21 onwards. The model uses assumptions about the following factors.

- **Council Tax** - including tax base growth rates, standard precept rises and collection fund surplus.
- **Business Rates Retention (BRRS)** including: growth rates; the split between county and district councils; rolled in grants; our new fairer funding share of local business rates; and the impact of re-setting retained business rates growth.
- **Other Government Grants** are those not rolled into BRRS. These are general grants.

## Summary funding scenario 2020 to 2024

The overall context for the scenario is one in which local government has taken the most severe funding reductions of any sector and the prospects for more government funding for councils are low, given the promise of £20bn a year extra funding for the NHS by 2023 and expected continued protection of the Government's defence, schools and international development budgets.

The first graph below shows the funding components for that scenario. The second graph compares funding levels from the scenario to annual underlying service need growth from the 2019/20 base net budget. In the model, while funding falls between 2018/19 and 2019/20 through ceasing one off funding, it grows steadily each year from 2020/21, primarily due to our high Council Tax base. However, underlying service need grows more quickly, so the funding gap widens. By 2023/24, the gap is nearly £200m.



## NEXT STEPS

Over the last eight years, we have continued to strive to provide the best value services to our residents in the face of cuts to our funding from government, rising costs and rising need for our services. We have made annual savings of over £540m in that time. We will continue to put the case to our MPs and to government that the current funding of local government is inequitable and that Surrey and its residents lose out.

From 2020/21 the Government have promised a new system of funding for local government, whereby local authorities can keep and invest a greater share of the proceeds from business rates and economic growth. Currently businesses in Surrey pay over £500m in rates but only £150m of this is retained in the county to fund local services. Whilst we recognise the national requirement to ensure all areas of the country are properly funded and there needs to be some redistribution, this has to be fair. We have successfully applied to be a pilot for the new model of funding from business rates during 2018/19 and are proactively working with government to ensure we all learn and develop a better system for the future. We are also seeking to extend this pilot for 2019/20.

Funding for adult social care nationally is inadequate, and the Government is consulting on a new model of providing and paying for this. We want to ensure that all vulnerable adults are considered in the review, whether they are young adults with learning disabilities or older people who need support to remain active and independent. We will work with government and other partners to ensure a fair distribution of funding.

We recognise that we cannot just look to government to ensure we are financially stable and sustainable into the future. We are taking action across all of the council, through a programme of transforming our services and a Financial Improvement Plan to ensure we provide the best value for money to our residents.

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# Appendix 1: 2019/20 DRAFT BUDGET ENVELOPE PROPOSAL

	CFLC £'000	HWA £'000	EGC £'000	HT E £'000	Fin £'000	CDT £'000	CIE £'000	Total £'000
<b>Prior year budget</b>	<b>223,157</b>	<b>371,515</b>	<b>19,453</b>	<b>169,801</b>	<b>11,439</b>	<b>51,574</b>	<b>40,837</b>	<b>887,776</b>
<b>PRESSURES:</b>								
<u>Pressures before mitigating transformational activities</u>								
Prices	700	22,247	935	5,728	267	909	0	<b>30,786</b>
Impact of Demography	0	6,370	0	0	0	0	0	<b>6,370</b>
Other service pressures	16,100	1,957	0	2,829	110	0	1,364	<b>22,360</b>
Funding Changes	0	4,279	0	0	0	0		<b>4,279</b>
Service improvements	0	0	0	1,004	0	320		<b>1,324</b>
Removal of one-off savings / funding within the Revised 2018/19 budget	0	0	3,643	2,035	1,111	7,963	26,418	<b>41,170</b>
<b>Total Pressure before mitigating transformational activities</b>	<b>16,800</b>	<b>34,852</b>	<b>4,578</b>	<b>11,596</b>	<b>1,488</b>	<b>9,192</b>	<b>27,782</b>	<b>106,288</b>
Transformational activities to mitigate pressures	0	-19,393	0		0	0		<b>-19,393</b>
<b>Total budgeted pressures</b>	<b>16,800</b>	<b>15,460</b>	<b>4,578</b>	<b>11,596</b>	<b>1,488</b>	<b>9,192</b>	<b>27,782</b>	<b>86,896</b>
<b>SAVINGS &amp; INCOME</b>								
Transformation projects	-24,150	-17,879	-150	-12,362	0	-8,537		<b>-63,078</b>
Efficiency savings	0	-1,924	-2,804	-930	-346	-1,439	-826	<b>-8,269</b>
Policy Savings	0	-1,472	-600	-384	-700	0	-3,199	<b>-6,355</b>
Savings to be identified				-3,088				<b>-3,088</b>
Financing Savings							-4,182	<b>-4,182</b>
<b>Total savings and income</b>	<b>-24,150</b>	<b>-21,275</b>	<b>-3,554</b>	<b>-16,764</b>	<b>-1,046</b>	<b>-9,976</b>	<b>-8,207</b>	<b>-84,972</b>
<b>Proposed 2019/20 budget at directorate level</b>	<b>215,807</b>	<b>365,699</b>	<b>20,477</b>	<b>164,633</b>	<b>11,881</b>	<b>50,790</b>	<b>60,412</b>	<b>889,699</b>

**2019/20 BUDGET ENVELOPE PROPOSAL**

9

Directorate for:

Children, Family Learning &amp; Community

This Directorate covers:

Schools &amp; SEND (now included Cultural Services) , Safeguarding &amp; Family Resilience, Corporate Parenting, Quality Assurance, Commissioning

**Movements****£k****Prior year budget****223,157****Pressures:***Pressures before mitigating transformational activities***Prices**

Inflationary increase for Childrens placements and transport	700
--	-----

Total Prices

700

**Other demand pressures**

Children's Services - legislative and contractual	1,000
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SEND High Needs Funding Sustainability	12,100
--	--------

SEN Transport	3,000
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Total Other demand pressures	16,100
------------------------------	--------

<b>Total Net Pressure</b>	<b>16,800</b>
---------------------------	---------------

*Transformational activities to mitigate pressures*

<b>Total Transformational activities to mitigate pressures</b>	<b>0</b>
--	----------

**Total budgeted pressures****16,800**

Transformational savings

Family Resilience	-19,450
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Review of Cultural Services - libraries, heritage, arts and registration services	-4,000
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SEN transport savings	-700
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Total Transformational savings	-24,150
--------------------------------	---------

<b>Savings</b>	<b>-24,150</b>
----------------	----------------

**Draft Net Budget****215,807**

**2019/20 BUDGET ENVELOPE PROPOSAL**

Directorate for:

Health, Wellbeing &amp; Adult Social Care

This Directorate covers:

Adult Social Care,  
Public Health

9

**Movements****£k****Prior year budget 371,515****Pressures:***Pressures before mitigating transformational activities*

## Prices

ASC cost of care pressures prior to mitigating actions 22,247

---

Total Prices 22,247

## Impact of Demography

ASC demographic pressures prior to mitigating actions 6,370

---

Total Impact of Demography 6,370

## Other service pressures

Service delivery pressures beyond prices and demography 1,957

---

Total Other service pressures 1,957

## Funding Changes

End of Adult Social Care Support Grant 2,497

Reduction in Improved Better Care Fund Grant 817

Reduction in Public Health grant 965

---

Total Funding Changes 4,279**Total Pressure before mitigating transformational activities 34,852***Transformational activities to mitigate pressures*

Mitigation of ASC cost of care pressures -16,200

Mitigation of ASC demographic pressures -3,192

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**Total Transformational activities to mitigate pressures -19,393**

---

**Total budgeted pressures 15,460**

---

## 9 Savings:

Transformational savings	
Reviews of existing care packages	-7,075
Manage down care package volumes	-3,971
Cost of care renegotiation savings	-3,222
ASC workforce review including digital and mobile working	-2,097
Personalised strategic shift from residential to community provision	-1,000
Wider contracts and grants savings	-515
<b>Total Transformational savings</b>	<b>-17,879</b>

## Efficiency savings

Resolution of significant outstanding CHC disputes / assessments	-750
Sexual health (non-contract eg. out of area spend)	-428
Surrey Choices efficiency programme	-300
Substance misuse integrated service	-200
Planned change in Healthy Child Programme (0-19) contract value	-227
Other Public Health savings	-19
<b>Total Efficiency savings</b>	<b>-1,924</b>

## Policy Savings

Completion of Housing related support decommissioning	-151
Increased assessed fees & charges income	-1,200
Completion of Closure of Surrey Information Hubs	-121
<b>Total Policy Savings</b>	<b>-1,472</b>

<b>Total budgeted savings</b>	<b>-21,275</b>
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<b>Draft Net Budget</b>	<b>365,699</b>
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**2019/20 BUDGET ENVELOPE PROPOSAL**

Directorate for:

Economy, Growth &amp; Commercial

This Directorate covers:

Economic Growth, Managed on behalf of Orbis -  
Property Services

9

**Movements****Prior year budget****£m**  
**19,453****Pressures:***Pressures before mitigating transformational activities*

Prices 935

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Total Prices 935Removal of one-off savings / funding within the Revised 2018/19  
budget

2018/19 additional one-off savings 3,643

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Total Removal of one-off savings / funding within the Revised  
2018/19 budget 3,643**Total Pressure before mitigating transformational activities 4,578***Transformational activities to mitigate pressures*

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**Total Transformational activities to mitigate pressures 0****Total budgeted pressures 4,578**

Transformational savings

Cleaning &amp; grounds maintenance contracts -150

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Total Transformational savings -150

Efficiency savings

Building repairs and maintenance -1,960

External fees for building project feasibilities -627

Building rates -117

Printing contract -100

---

Total Efficiency savings -2,804

Policy Savings

Budget for utilities at low usage -600

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Total Policy Savings -600**Savings -3,554****Draft Net Budget 20,477**

**2019/20 BUDGET ENVELOPE PROPOSAL**

9 Directorate for:

Highways, Transport and Environment

This Directorate covers:

Highways and Transport, Place Development &amp; Waste, Fire Service, Trading Standards, Community Support, Emergency Management

<b>Movements</b>	<b>£m</b>
<b>Prior year budget</b>	<b>169,801</b>
<b>Pressures:</b>	
<i>Pressures before mitigating transformational activities</i>	
<b>Prices</b>	
Specific Contract Inflation (Highways, Waste & Transport)	4,138
Other	1,590
<b>Total Prices</b>	<b>5,728</b>
<b>Other service pressures</b>	
Waste Sinking Fund	2,829
<b>Total Other service pressures</b>	<b>2,829</b>
<b>Service Improvements</b>	
Member Local Highways Fund, Local Committee Highway Fund & Member Community Fund	1,004
<b>Total Service Improvements</b>	<b>1,004</b>
<b>Removal of one-off savings / funding within the Revised 2018/19 budget</b>	
HTE - One off savings 2018/19	2,219
HTE - One off changes	-184
<b>Total Removal of one-off savings / funding within the Revised 2018/19 budget</b>	<b>2,035</b>
<b>Total Pressure before mitigating transformational activities</b>	<b>11,596</b>
<i>Transformational activities to mitigate pressures</i>	
<b>Total Transformational activities to mitigate pressures</b>	<b>0</b>
<b>Total budgeted pressures</b>	<b>11,596</b>

**Transformational savings**

Environment - Changes to the waste charging scheme	-350
Environment - Further Changes at CRC's	-250
Highways - Changes to Local Bus Contracts	-3,586
Highways - Changes to Concessionary Fares	-400
Highways - Changes to Concessionary Fares	-583
Highways - Local Committee Highway Fund Schemes	-2,000
Highways -Members Local Highways Funding	-202
Highways - Members Community Fund	-202
Highways -Local Committee Revenue Schemes	-466
Highways - Bus Subsidiary Operators Grant Draw Down	-1,900
Environment - Directorate Initiatives	-323
Across HTE - Directorate Restructure	-1,000
Across HTE - Contract Renegotiation	-500
Across HTE - Additional Income	-600
<b>Total Transformational savings</b>	<b>-12,362</b>

**Efficiency savings**

Highways - Savings to be identified (Marginal Gains)	-178
Environment - Countryside review	-200
Environment - Waste - Kerbside recycling performance	-155
Environment - Waste - Recycling management	-57
Environment - Waste - Materials Management	-13
Environment - Savings to be identified (Marginal Gains)	-250
Trading Standards - Further savings (Marginal Gains)	-44
Trading Standards - Additional income generation	-33
<b>Total Efficiency savings</b>	<b>-930</b>

**Policy Savings**

HTE Income Inflation	-384
<b>Total Policy Savings</b>	<b>-384</b>

Savings to be identified

Across HT E	-3,088
<b>Total Savings to be identified</b>	<b>-3,088</b>

**Savings** -16,764**Draft Net Budget** 164,633

**2019/20 BUDGET ENVELOPE PROPOSAL**

9 Directorate for:

Customer, Digital and Transformation

This Directorate covers:

Customer Services, Strategic Leadership, Strategy &amp; Performance, Communications, Orbis, Managed on behalf of Orbis Services

**Movements**

<b>Prior year budget</b>	<b>£m</b> <b>51,574</b>
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**Pressures:***Pressures before mitigating transformational activities*

Prices	909
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Total Prices	909
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Restructure to support Council-wide transformation	320
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Total Restructure to support Council-wide transformation	320
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Removal of one-off savings / funding within the Revised 2018/19 budget

2018/19 additional one-off savings	7,963
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Total Removal of one-off savings / funding within the Revised 2018/19 budget	7,963
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<b>Total Pressure before mitigating transformational activities</b>	<b>9,192</b>
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*Transformational activities to mitigate pressures*

<b>Total Transformational activities to mitigate pressures</b>	<b>0</b>
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<b>Total budgeted pressures</b>	<b>9,192</b>
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Transformational savings

Digital	-1,000
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Orbis VFM	-3,537
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Spans of control	-1,500
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Mobile/agile workforce	-1,000
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Channel Shift	-500
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One front door	-1,000
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Total Transformational savings	-8,537
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Efficiency savings

Removal of one-off Orbis Investment	-1,316
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Customer Services & Communications	-123
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Total Efficiency savings	-1,439
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<b>Savings</b>	<b>-9,976</b>
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<b>Draft Net Budget</b>	<b>50,790</b>
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**2019/20 BUDGET ENVELOPE PROPOSAL**

Directorate for:

Finance, Legal and Coronial

This Directorate covers:

Managed on behalf of Orbis - Finance, Legal,  
Democratic and Coroner

9

<b>Movements</b>	<b>£m</b>
<b>Prior year budget</b>	<b>11,439</b>
<b>Pressures:</b>	
<i>Pressures before mitigating transformational activities</i>	
Prices	267
<hr/>	
Total Prices	267
Other service pressures	110
<hr/>	
Total Other service pressures	110
Removal of one-off savings / funding within the Revised 2018/19 budget	
2018/19 additional one-off savings	1,111
<hr/>	
Total Removal of one-off savings / funding within the Revised 2018/19 budget	1,111
<b>Total Pressure before mitigating transformational activities</b>	<b>1,488</b>
<i>Transformational activities to mitigate pressures</i>	
<hr/>	
<b>Total Transformational activities to mitigate pressures</b>	<b>0</b>
<b>Total budgeted pressures</b>	<b>1,488</b>
<u>Efficiency savings</u>	
Reduce contribution to council's insurance self-fund	-223
Reduce Legal, Democratic Services and Coroner spend	-123
<hr/>	
Total Efficiency savings	-346
<u>Policy Savings</u>	
Reduced Members Allowances	-246
Reduce demand on Legal Services by remodelling service delivery	-300
Reduce cost of agency, expert witnesses and stop use of external venues	-100
Democratic Services restructure	-54
<hr/>	
Total Policy Savings	-700
<b>Savings</b>	<b>-1,046</b>
<b>Draft Net Budget</b>	<b>11,881</b>

**2019/20 BUDGET ENVELOPE PROPOSAL**

9

Directorate for:

Central Income &amp; Expenditure

This Directorate covers:

Central Expenditure

**Movements**

	<b>£m</b>
<b>Prior year budget</b>	<b>40,837</b>
<b>Pressures:</b>	
<i>Pressures before mitigating transformational activities</i>	
Other service pressures	1,364
<b>Total Other service pressures</b>	<b>1,364</b>
Removal of one-off savings / funding within the Revised 2018/19 budget	26,418
<b>Total Removal of one-off savings / funding within the Revised 2018/19 budget</b>	<b>26,418</b>
<b>Total Pressure before mitigating transformational activities</b>	<b>27,782</b>
<i>Transformational activities to mitigate pressures</i>	
<b>Total Transformational activities to mitigate pressures</b>	<b>0</b>
<b>Total budgeted pressures</b>	<b>27,782</b>
Revised borrowing strategy	-826
<b>Total Efficiency Savings</b>	<b>-826</b>
Policy Savings	
Deferred Contribution to Reserves	-3,199
<b>Total Policy Savings</b>	<b>-3,199</b>
Financing Savings	
Investment income	-4,182
<b>Total Financing Savings</b>	<b>-4,182</b>
<b>Savings</b>	<b>-8,207</b>
<b>Draft Net Budget</b>	<b>60,412</b>

# Full Business Case

## Surrey County Council 2018

Version 3.0

# Structure

Executive Summary

Vision & Landscape

Page 124  
Strategic Direction

Projects

Impact

This document is structured as follows:

- Executive Summary Summarises the pack and sets out the process we have been through
- Vision & Landscape Sets out the challenges we face and where we are aiming to get to
- Strategic Direction Sets the targets for 2021 and what needs to be in place to make it happen
- Projects Summarises the projects, by theme and what they aim to achieve
- Impacts Summarises impacts on stakeholder groups and the communication approach

**The Surrey County Council 2018 Full Business Case**, will be delivered through six themes; Service Transformation, Partnership & Integration, New Ways of Working, Commissioning, Investment & Income and Technology & Digital Innovation.

# Executive Summary

The cumulative impact of inflation and demand growth, alongside a reduction in central government funding resulted in the medium term financial plan identifying a budget gap of between £210m and £250m by 2021.

The impact of the Surrey Transformation Programme on Surrey County Council will be significant. Activities that do not add value will be decommissioned, processes will be simplified, communities will have a greater role and commercialisation will be an operating principle in much of what we do

The key to SCC's successful transformation will be its leadership. Everything that will be different in the future organisation has an impact on how it will need to be led. Transformation will only happen if leaders at SCC fully embrace change management roles.

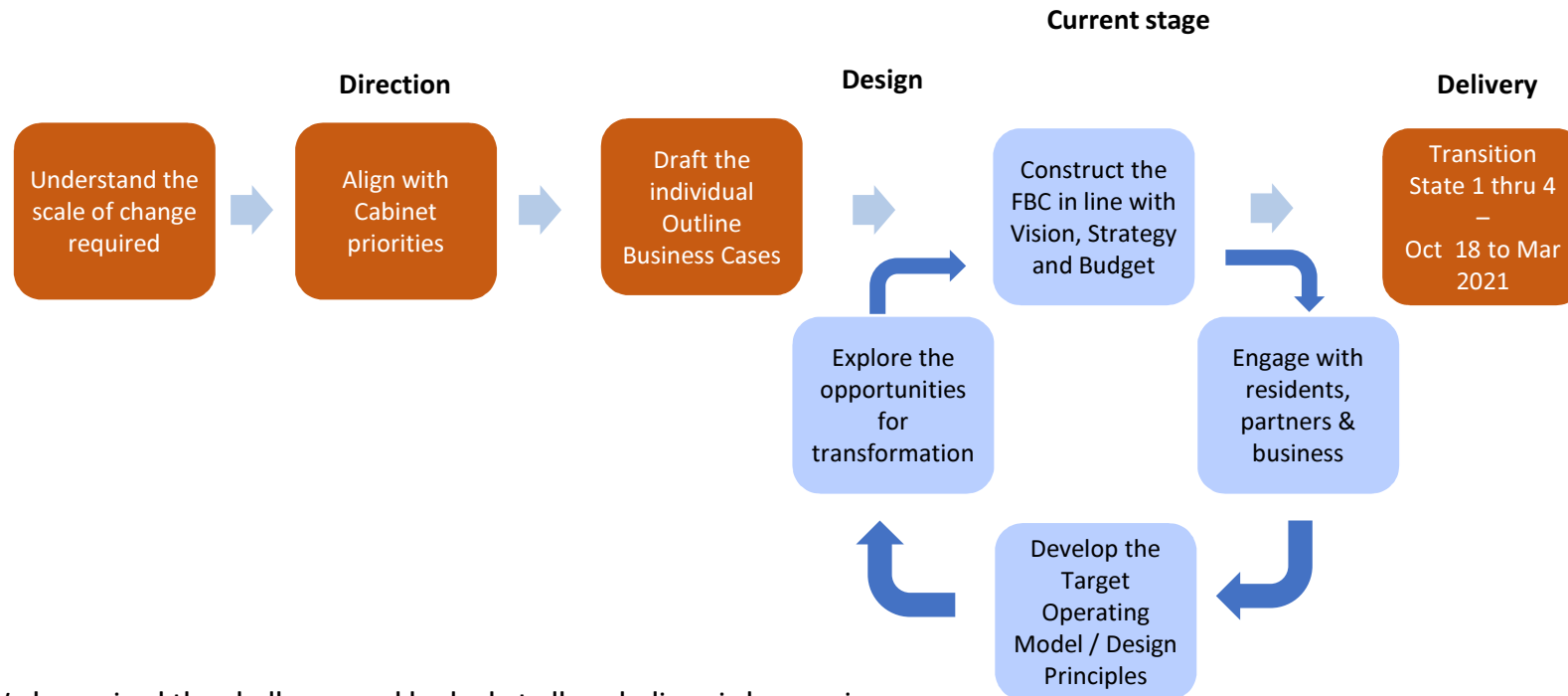
The post-Business Case phase will be different for each delivery theme; SCC will need to accept an agile and flexible approach to the maturity of a programme operating in a complex and fast-changing environment.

The benefits anticipated to be delivered through the transformation programme are £82m in 2019/20, rising to £124m in 2020/21. Anticipated investment costs are well-developed and subject to further refinement ahead of being presented to Council as part of the budget setting process in February 2019. Benefits will start to be delivered from 2018/19 with full realisation of most savings by 2020/21.

Some of the revenue costs (£6m) relate to the opportunity costs in respect of employees already working for the Council being used to deliver these projects, the remaining £20m will require investment.

# Executive Summary – Our Approach

We have followed a robust process to build the Full Business Cases:-



1. We have sized the challenge and looked at all we believe is happening
2. We have heard what is important to members and Corporate Leadership Team and grouped our projects into their themes
3. We
  - a. Have worked up the opportunities into business cases to confirm scope, benefits and resource/funding needs
  - b. Will continue to engage with stakeholders including residents and partners to align our change activity
  - c. Are building a set of principles with which we will influence solution design
4. We are in a position to present a fully costed programme plan and Business Case that has been validated against the Vision & Strategy and inform the Budget

# Vision - Policy context and drivers

## Welfare, health and social care reforms

- Early help and prevention increasingly important (demand management)
- Increasing inequality and polarisation changes expectations on local government

## Housing

- Constraints on land use and funding affect:
- the supply of a mix of housing tenures and sizes to meet needs
  - extent of local discretion to influence/deliver

## Economic development

How far proceeds of growth stay in the local area affects balance of national and local investment in infrastructure, skills and employment, innovation, inward investment and trade

## Changing resident expectations

- Increased expectations around responsiveness – 24/7 culture of self-serve - and access to information
- Increased co-design and co-production of services
- Extent to which family, friends and communities can step in / up

## Local Government funding and sustainability

- Significant changes to local government funding mechanisms
- Increased reliance on local tax bases

## Public service systems and funding

- Local partner organisations experiencing major policy and funding changes
- Ongoing downward pressure on budgets, increasing expectations around efficiency
- Opportunities/requirements for fundamental service integration

## Digital transformation/automation

- Balance of high touch and high tech services
- Extent to which public services can take advantage of tech changes, at pace
- Potential to harness benefits of e.g. 5G, automation technologies

## Future local government debates

- Greater devolution only through reorganisation
- Choices over numbers, size, governance (e.g. Mayors) and consequent changes to responsibilities

	2018	2019	2020	2021 - 2025	2026 - 2030	
<b>Surrey specific</b>		2018/19 100% Business Rates Retention pilot		2021 County Council elections	2025 County Council elections	2029 County Council elections
<b>National</b>	After summer recess Social Care Green Paper	March 2019 Brexit	2020/21 75% Business Rates Retention & New Local Government funding allocation system (derived from the Fair funding review)	2022 General election	2027 General election	

# Community Vision for Surrey in 2030

By 2030 we want Surrey to be a uniquely special place where everyone has a great start to life, people live healthy and fulfilling lives, are enabled to achieve their full potential and contribute to their community, and no one is left behind.

We want our county's economy to be strong, vibrant and successful and Surrey to be a great place to live, work and learn. A place that capitalises on its location and natural assets, and where communities feel supported and people are able to support each other.

Our ambitions for **people** are:

- Children and young people are safe and feel safe and confident
- Everyone benefits from education, skills and employment opportunities that help them succeed in life
- Everyone lives healthy, active and fulfilling lives, and makes good choices about their wellbeing
- Everyone gets the health and social care support and information they need at the right time and place
- Communities are welcoming and supportive, especially of those most in need, and people feel able to contribute to community life

Our ambitions for our **place** are:

- Residents live in clean, safe and green communities, where people and organisations embrace their environmental responsibilities
- Journeys across the county are easier, more predictable and safer
- Everyone has a place they can call home, with appropriate housing for all
- Businesses in Surrey thrive
- Well connected communities, with effective infrastructure, that grow sustainably



# Landscape – Financial Challenge

## Key Financial Assumptions in 2018-21 Medium Term Financial Plan (MTFP)

The scale of the transformation ambition is driven by a forecast financial ‘gap’ in the 2018-21 Medium Term Financial Plan. The cumulative impact of inflation and demand growth, alongside a reduction in central government funding resulted in the medium term financial plan identifying a budget gap of between £210m and £250m by 2021.

The ‘gap’ is based on a number of assumptions in the 2018-21 Medium Term Financial Plan and have been refreshed in the Preliminary Financial Strategy 2019/24 (PFS):

### Current income assumptions

#### Council Tax:

- Council tax will be increased to the referendum threshold (2.99% for 2019/20 and assumed to be 1.99% thereafter)
- Council Tax base will increase by 1% (i.e. no. of properties)
- No further adult social care precept rises

#### Business Rates:

- The business rate retention pilot will be for 2018/19 only
- Business rate growth is assumed to be 1.7% per annum

No negative Revenue Support Grant (RSG) has been assumed

### Current expenditure assumptions

#### Inflation:

- |                                |  |
|--------------------------------|--|
| • Pay inflation (Surrey pay)   | Pending outcome of pay and reward review |
| • Pay inflation (national pay) | 1% per annum                             |
| • Non-pay inflation            | 2.5% per annum                           |

# The Organisation Strategy

## Purpose

- Medium term plan for how we will use reducing resources to contribute to Community Vision for Surrey
- Focused set of priorities with clear deliverables
- Set a level of ambition and tone
- Allows us to distinguish our role(s) in support of the vision

## Content

Four strategic principles:

- No one left behind
- Fresh approach to working in partnership
- Support people to help themselves and each other
- Involve and engage residents earlier and more often

Priority deliverables – things we want to do – covering the themes of People and Place, as per Community Vision for Surrey

How we will transform as an organisation

## Monitoring

Outcomes based accountability framework to measure progress

We are developing a corporate performance scorecard and other performance management frameworks

# Transformation Programme

Six thematic areas have been identified to give shape to the required transformation to help us deliver the vision.

Projects that make up the totality of the transformation have been assigned to the themes. There is more detail on each of these projects over the subsequent pages.

## Assumptions

As work progresses there will be a need for significant engagement and, in appropriate cases, consultation with residents and other stakeholders, together with ongoing review of the potential equalities impacts of the proposals under consideration.

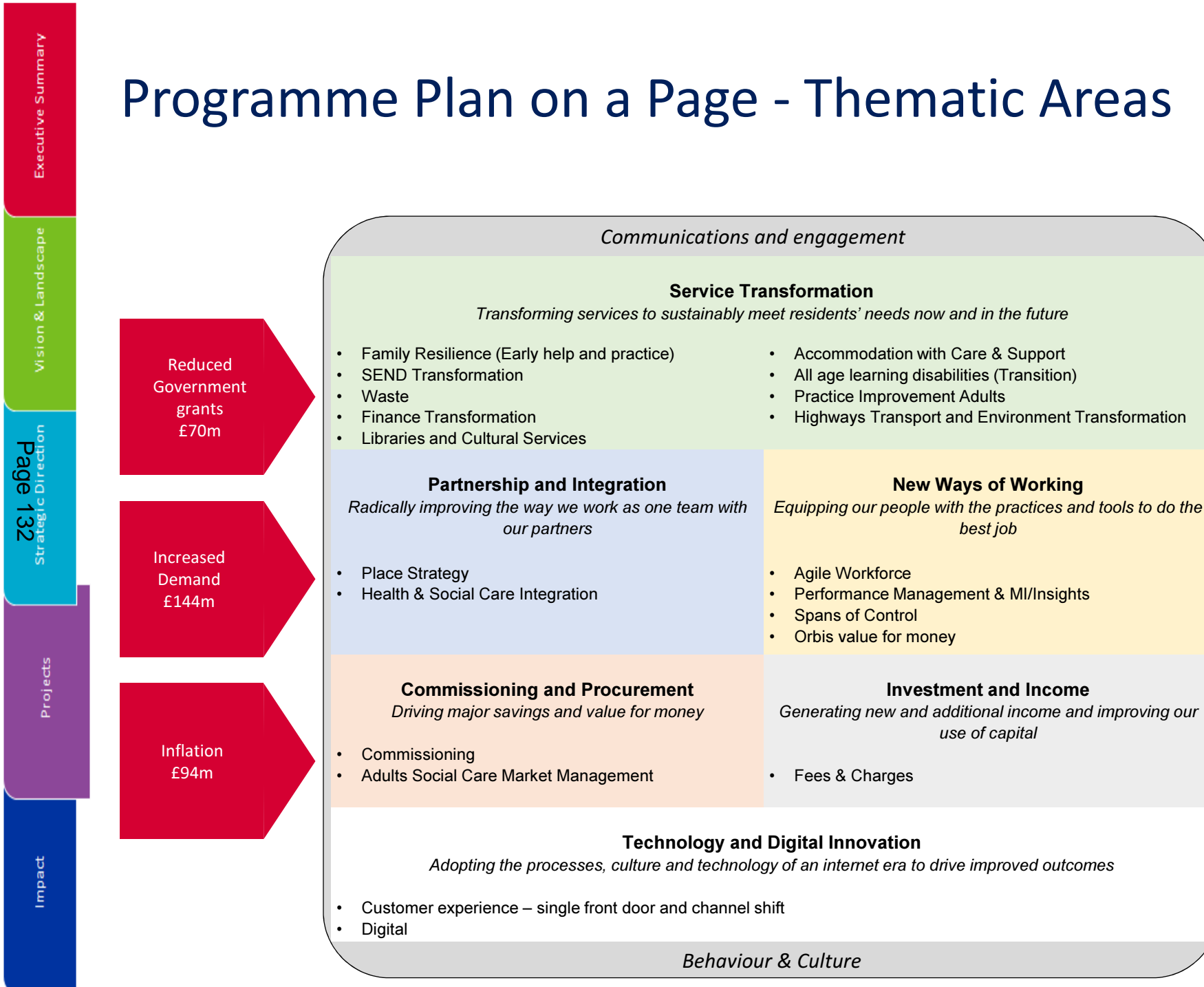
The projects set out are at 'Business Case' stage and will provide the basis for more detailed delivery plans, which, where appropriate, will reflect further work and take into account the feedback generated by consultation. As a consequence, some elements of the business cases presented are likely to change over time.

A whole-organisation view and approach will be taken to support the design of services and provide insight for future service integration with partners. There are many interdependencies between the projects so we will work consistently and collaboratively to deliver our change.

The co-operation of and collaboration with our partners (e.g. District and Borough Councils, Health agencies, voluntary and community bodies, Police, etc.) will be critical to the effective delivery of much of the change.

This is not an exhaustive, final list of projects. As we progress our transformation journey, additional projects are likely to be identified and through robust governance will be added to the Transformation Programme.

# Programme Plan on a Page - Thematic Areas



# Accommodation with Care & Support

(Service Transformation)

## Why is the change needed?

People are living both longer and with more complex health needs, putting the care and support system under unsustainable strain.

The balance of affordable accommodation does not meet resident demand, and the market needs shaping to create options and capacity.

## Implications

- Capacity will be provided through a mixture of market shaping, partner working and Council land use delivered through the Investment Strategy
- Individuals will have a greater sense of independence but with care and support on the doorstep
- The development of Extra Care housing could result in the closure of some existing care homes in the longer term

## What will change?

- An enhanced range and capacity of options of accommodation with care & support will be provided to enable adults to live and age well.
- People will enter nursing care at a later life stage.
- Surrey will have an extra 2,000 extra care units, 724 affordable, bringing the ratio of units to population in line with benchmarks.
- Benefits in diverting people away from residential care and ensuring a better home from hospital process.
- Residential and nursing commissioning strategy will ensure appropriate provision to meet demand, including in specialist areas.
- Learning Disability provision will promote a shift from residential care to supported living options.

## Key assumptions

- Provider interest will be sustained
- Suitable Council land is available & viable to use

## Anticipated benefits & outcomes

- Across Older People, it is anticipated that £2.6m in benefits could be realised by 2028. (Savings for Learning Disability are still to be confirmed, but ~ £ 2.5m over 2019/20-2020/21).
- Residents with care & support needs have an improved quality of life and retain independence for longer.

## Outline Plan with key milestones

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
	Design		Benefit realisation starts		Delivery (Residential and LD)	
◆ Cabinet Approval- extra care phase 1	Market Management					
Extra care Phase 1 Delivery Mobilisation		Extra Care phase 1 delivery			◆ Benefit realisation starts	

# Practice Improvement ASC

(Service Transformation)

## Why is the change needed?

By 2030 it is estimated that over 22% of Surrey residents will be aged 65 and over (compared to 19% in 2018), equivalent to an increase of c.40,000 people. This increase in population will see an increased demand and dependence on the adult social care system. The additional financial costs and flow of work is unsustainable. We need to find alternative ways of meeting needs whilst delivering statutory duties.

## Implications

- Significant behaviour change across social care and integrated partner services (i.e. Health).
- People will be encouraged to self-serve wherever possible, maintaining their independence.
- Resources will be targeted at those people most in need of support.

## What will change?

- The 'conversation at the front door' will focus on outcomes that draw on the person's strengths and assets to achieve the lives they want for themselves - reducing unnecessary referrals where appropriate. Reablement will maintain or increase independence.
- Resources will be targeted; practice and process improvement will result in a more efficient flow of work, better decision making and outcomes - reducing the dependence on services where appropriate.
- Workforce will be mobile.
- Case holding will reduce, moving to a task-based 'see and solve approach'.
- People will be encouraged to self-serve wherever possible.
- Statutory support will be provided via pre-paid card direct payments as the default option, reducing dependency on homebased care services.

## Key assumptions

- That the Green Paper on the future of ASC does not radically change the funding/direction for ASC.

## Anticipated benefits & outcomes

- £2.6m in 2018/19, £14.3m in 2019/20, £8.4m in 2020/21 = savings target £25.3m.
- Reduced demand from people unnecessarily re-entering system.
- Care packages reviewed regularly.
- Possible reduction in unit cost of care (peer/market comparison).
- Efficiency savings (process automation/mobile workforce and review of existing org and accountabilities structure).
- Better resident outcomes, more self-serve and improved resilience.

## Outline Plan with key milestones *Benefits realisation ongoing from now (quick wins LEAN and process automation)*

2018		2019		2020		2021		
H2		H1		H1		H2		
Design & Pilots		Delivery						
Practice Pilots	Practice Roll Out – front door conversation							
Procurement	Mobilisation	Package Reviews						
◆ Benefit realisation starts								

# Family Resilience (Early Help and Practice)

(Service Transformation)

## Why is the change needed?

Children's Services in Surrey are rated as inadequate by Ofsted and requires profound and rapid improvements so that all children in the county receive the right help and the right time to enable them and their families to develop resilience to face future life challenges independently.

The service also needs to be financially sustainable and operate within a restricted financial envelope.

## Implications

- Children and their families offered help at the earliest opportunity.
- Intervention only when necessary.
- Smarter utilisation of the full partnership network across all levels of need.

## What will change?

- A revised service and operating model with a fundamental shift to services that are driven by early support and prevention.
- A remodelled front door and the creation of family hubs. New approaches and models such as Family Safeguarding and No Wrong Door.
- A Surrey Academy to support and develop colleagues and our partners.
- Increased number of Surrey foster carers and innovative approaches to keeping children in our care locally.
- As part of the revised service and operating model we will be consulting on the future number and location of children's centres

## Key assumptions

- The connection and communication between practitioners throughout these levels of need will be critical.
- The early help offer and family hub model delivers the necessary reduction in demand and caseloads.

## Anticipated benefits & outcomes

- Improved outcomes for children and families.
- Achieve an Ofsted rating of at least Good within 5 years.
- Cost savings of £19.5m in 2019/20 and a further £7.3m in 2020/21

## Outline Plan with key milestones

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
Restructure Phases 1, 2a & 2b	<ul style="list-style-type: none"> <li>◆ New Academy in place</li> <li>◆ New Framework embedded.</li> </ul>	<ul style="list-style-type: none"> <li>◆ CSF Restructure complete (target)</li> </ul>	<ul style="list-style-type: none"> <li>◆ New Contract Commences</li> </ul>			
Design	<ul style="list-style-type: none"> <li>◆ Family Workbook system and training implemented.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Benefit realisation starts</li> </ul>				

# SEND Transformation

(Service Transformation)

## Why is the change needed?

Outcomes for SEND children in Surrey are lower than our peers and need to improve. Feedback from children, young people and families as well as our regulators also highlight that the service needs to improve.

Demand is increasing at much higher levels than funding. The service needs to be transformed to ensure it is financially sustainable in order to meet needs.

## What will change?

Through consultation and engagement develop:-

- A joined up and whole system approach to practice and support for children and young people.
- Focus on early support and prevention, including preventing the escalation to more complex needs.
- A whole system approach with Education, Health, Care and partners
- Commissioning to ensure appropriate sufficiency and cost effective local provision.
- A reduction in SEND transport costs through increased local placements.
- This will be enabled by improved data and insight as well as digital solutions.

## Implications

- More children's needs will be met through inclusive and local school provision.
- Financial sustainability will be achieved through meeting need earlier and more effectively.
- Needs are met through a graduated response and SEN support is more effective for children.

## Key assumptions

- Partners, particularly education settings, are committed to a whole system approach.
- Capacity of provision will be available when required.
- The current forecast annual deficits for the next 3 years, prior to achieving financial sustainability, can be mitigated and not carried forward.

## Anticipated benefits & outcomes

- Improved outcomes for children and families.
- Achieve financial sustainability over 3 years.

## Outline Plan with key milestones

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
	Design		Delivery			
Consultation	◆ Benefit realisation ongoing throughout programme					



# All Age Learning Disabilities (Transitions)

(Service Transformation)

## Why is the change needed?

By taking an All Age approach for service delivery for residents with a learning disability and/or autism, we can provide better quality outcomes through a more sustainable approach.

As with other areas throughout the UK, we know that the current split between children and adult services and health and social care hinders our collective ability to commission effectively for people with a learning disability throughout their lives.

## Implications

- Families are clear what they can expect from education, social care and health services.
- Residents will access personalised, local support at the right time.
- A whole system approach across education, care and health is required. In particular partnership working with Health will be critical.

## What will change?

- All age learning disability approach starting with services for 14-25 years moving on to other age segments (of the all age approach) thereafter.
- Improve local commissioning solutions e.g. introduce 'Local Offer Plus'.
- Residents will be involved in the development of local solutions and feedback collected from them at regular intervals through a new resident focussed performance dashboard.
- Support to other areas of the business to deliver their outcomes and priorities e.g. SEND post-16 work and embedding the Family Resilience model, and supporting the new approach for strategic commissioning.

## Key assumptions

- Partners are committed to the changes and the focus on operational practice improvement.
- Partners agree that we need to improve the commissioned service offer locally (Local Offer Plus).

## Anticipated benefits & outcomes

- Cost savings/Cost Avoidance of £3.5m over 3 years in this business case plus ~£6m counted in the SEND business case.

## Outline Plan with key milestones

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
Design	◆ New Model in place for transitions	Delivery	◆ Start of benefit realisation			
		◆ Review and agree next stages of work for new model.				

# Waste – Community Recycling Centres (CRCs)

(Service Transformation)

## Why is the change needed?

The amount of waste that CRCs deal with has fallen significantly in recent years; a 36% drop from 2015/16 to 2018/19. This is a result of new measures that have been introduced that has so far generated ~£2.5m in savings. There is an opportunity to introduce further changes that will provide even better value for money for the Surrey tax payer and important savings for the council at a time of unprecedented financial need.

## Implications

- Subject to consultation, potentially reduced CRC service provision
- Resident satisfaction could initially drop from 70% rating.
- Subject to consultation, some residents may have to travel further to reach their local CRC.

## What will change?

- Businesses will be allowed to advertise at some CRCs.
- Commence a trade waste service at Earlswood Transfer Station
- Delivery of a strategy to manage black bag waste.
- Opening of a fifth reuse shop at Shepperton CRC.

Through consultation develop:-

- A comprehensive review of CRC service provision to align with current reduced demand.
- A charging scheme for non-household wood and roofing felt where a charge is levied for disposal.
- A price increase of all materials in the current scheme.
- An application fee for an annual van permit.

## Key assumptions

- Support from Suez Surrey (contractor).

## Anticipated benefits & outcomes

- ~ £1m savings per annum including increased income generation at the CRCs.
- Reduced demand – waste tonnages and car visits reduce further.

## Outline Plan with key milestones

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
Design, consult & develop	Delivery					
	◆ Benefit realisation starts		◆ Change Completed			
Public consultation						

# Finance Transformation

(Service Transformation)

## Why is the change needed?

The council needs to have robust, resilient and effective financial management in place to deliver the transformation programme and a sustainable financial position going forward. The two key objectives are to:

- Address the financial challenges that the council currently face.
- Develop a more robust and sustainable culture of financial discipline across the council.

## Implications

- A requirement for additional headcount on a temporary basis to support the transition.
- Potential re-structuring of the Finance team and associated costs.

## Key assumptions

- Services act collaboratively and constructively to drive the changes required.

## What will be delivered?

The current business case covers stage 1 of this project, which will:

- Develop an operating model, drawing on best practice elsewhere, to ensure an effective finance function and financial management across the Council.
- Preparation of a suitable transition plan, implementation of the restructure and new ways of working.

## Anticipated benefits & outcomes

- Delivery of additional savings in 2018-19 to remove need to draw on reserves.
- A balanced and sustainable budget for 2019-20 and beyond, without relying on the use of reserves.
- Greater confidence in the financial estimates
- Dynamic finance team that raises standards of financial discipline and is a key driver of change across the council.

## Outline Plan with key milestones

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
	◆ Implementation of finance operating model	◆ Delivery of 19/20 Savings				
◆ Approval of implementation plan, allocation of budget allocations and 19/20 budget approval						

# Highways, Transport & Environment (HTE) Transformation

(Service Transformation)

### Why is the change needed?

HT&E provides a significant number of universal services for residents and businesses in Surrey. To ensure our services remain affordable we need to change. This change will include the creation of a visible affordable service offer to our residents, an increased focus on creating additional funding, reviewing fees and charges, empowering communities, the streamlining of our processes and a new contract strategy .

### Implications

- Our offer will balance residents needs with affordability.
- Communities and partners will self deliver some activities where appropriate.
- Residents will experience more effective access to services.

### What will change?

- We will complete consultation on changes to concessionary travel funding
- We will explore future possibilities around bus transport to develop options for consultation in early 2019
- We will maximise additional funding, fees and income
- We will have more effective customer services
- We will enable and empower communities and partners (including districts and boroughs and parishes) to self deliver local services.
- We will maximise the benefits of advances in technology.
- We will develop a new contract strategy.

### Key assumptions

- Additional investment may be required in key enabling areas such as digital.

### Anticipated benefits & outcomes

- ~ £12m ongoing savings.
- Outcomes for residents align to the Community Vision for Surrey.



# Health & Social Care Integration

(Partnership & Integration)

## Why is the change needed?

Surrey has an ageing and growing population with increasingly complex needs, putting demand on services. Surrey's health and social care system is fragmented which means patients don't always get the care they deserve. Financial constraints mean more has to be done with less.

## Implications

- Close partnership working across health and social care becomes more and more critical
- Care models are tailored to the local/community level
- Continuing increase in local control of, and accountability for, the health and care system

## What will change?

- We will develop a financially sustainable health and social care system that delivers improved outcomes for residents through the delivery of holistic services
- New models of care across health and social care teams will enable access to the right health and care, at the right time, in the right place
- Collaborative working will help prevent admission to hospital and support hospital discharge
- A move to a more preventative approach will help people live healthy, active lives, live independently and delay the need for care and support
- Enablers like devolution, financial planning and management, data will make full use of resources, partnership working and improve outcomes

## Key assumptions

- Partner collaboration is high priority across the system
- The supporting organisational integration is viable to enable step change in use of resources and outcomes

## Anticipated benefits & outcomes

- £2.8m in demand management 2018-21
- System wide savings, and utilisation of pooled budgets to invest in social care and preventative initiatives (e.g. £48m of the £85m Better Care Fund)
- Residents have access to the right health and social care at the right time

## Outline Plan with key milestones

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
Design	◆ Benefit realisation starts					
	Delivery					

# Place Strategy

(Economy, Growth and Commercial)

## Why is the change needed?

Surrey needs to grow. Although it is a wealthy, prosperous county, growth rates are slowing. Residents have identified a need for more affordable homes plus growth in jobs and skills, alongside the Council needing more revenue.

## What will change?

- A Surrey-wide Place Strategy will be developed with collaborative place shaping at its core. The strategy will use the Council's assets to drive investment in homes, jobs and infrastructure across Surrey as well as create revenue income streams to support services for the future.
- It will be developed in partnership with a wider group of stakeholders including the Local Enterprise Partnerships, Surrey Futures, districts and boroughs, business etc.
- The strategy will aim to leverage the Council's assets along with other public estate assets to increase outcomes for residents and to drive inward investment into Surrey.
- This will be developed over 6 months, and presented to Cabinet in Q1 2019/20, along with an implementation plan.
- The implementation plan will then need to be delivered to achieve the required outcomes. This will include options for re-modelling the County Council corporate offices and developing new delivery vehicles

## Implications

- Potential relocation of staff and services to a new, modern civic estate.
- Repurposing of existing assets for other uses.

## Key assumptions

- Effective joint working with District and Borough Councils and partners on use of assets and resources for service delivery and on plans for specific places across Surrey.

## Anticipated benefits & outcomes

- £25m additional revenue income stream to support services, by 2030
- New homes targets for Surrey are met
- Increased jobs and skills
- Improved infrastructure to support growth
- Increased inward investment in Surrey

## Outline Plan with key milestones

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
Design	◆ Cabinet Report					
◆ Cabinet Report				Delivery		
Strategy Development		Delivery planning				
	Engagement					

# Agile Workforce

(New ways of working)

## What does the change mean?

The ability to work almost anywhere, whenever, wherever, to collaborate and contribute without constraints. The agile workforce project will support; culture change within services, provision of equipment for smarter working, maximising use of property portfolio, reducing unproductive time for staff.

## Implications

- Will allow improved partnership working and integration
- Goes hand in hand with office space reductions and savings and culture change in the way we work

## What will be delivered?

- **Mobile Solutions:** An offer for all staff that enables them to undertake the majority of their work from an appropriate location, relevant to their role
- **Technology Infrastructure:** A core infrastructure that can support a greater proportion of mobile staff
- **Culture and Skills:** Teams are supported to work in an agile working manner by addressing some of the barriers to adopting this practice across; technology skills, property, support, policies
- **Digital Services:** Staff and managers are supported to adopt agile working by digitising procedures and services constrained by location
- **Information and Knowledge Management:** Staff are supported to adopt smarter working through greater amounts of information being available electronically with the ability to collaborate with colleagues in virtual spaces

## Key assumptions

- Benefits are realised by services
- Agile Workforce is key enabler for the property savings and new organisation design
- Reduced future headcount in new organisation design
- Costs for establishing new property IT infrastructure is not included in the business case

## Anticipated benefits & outcomes

- Services have greater capacity to manage demand
- Staff are more productive and effective
- Staff and teams can work from a variety of locations
- New working practices and digitised services
- Formation of multi-disciplinary teams is supported
- Enables the reduction of operating cost in property, organisation design and service overheads across the programme
- Additional savings to be realised by services beyond stated Transformation benefits through expansion of Agile Working (£1m for 2019/20 and a further £1m for 2020/21)

## Outline Plan with key milestones

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
	Design					
			Benefit realisation starts		IT Equipment Refresh	
			Delivery			

# Orbis Value For Money

(New Ways of Working)

## Why is the change needed?

The Orbis shared services arrangement needs to respond to the changing capability and capacity required by each 'sovereign' local authority, whilst ensuring services are provided in the most efficient way possible that delivers value for money.

## Implications

- The Orbis services can adapt/flex to meet the needs of three quite different Councils (including governance and leadership arrangements).
- Possibility of a changed approach to the Orbis partnership model
- Some non-essential Orbis services may need to be reduced or stopped in order to deliver the required savings.

## What will change?

- Services located in the Orbis arrangement capable of:
  - Delivering further efficiencies and savings
  - Supporting service departments through major organisational change
  - Bringing forward models and opportunities for new ways of working to lever transformational change
- A review of current Orbis model, assessing gaps and opportunities in each of the service areas, with a focus on:
  - **Strategic capacity:** Ability to see the bigger picture; stakeholder management;
  - **Professional Services:** Provision of quality advice; responsiveness; capacity and competency
  - **Transactional Services:** Reliability, processes, systems, efficiency location and effectiveness of service delivery

## Key assumptions

- Additional investment may be required in key enabling areas e.g. digital.
- Significant changes would need to be discussed with all Orbis partners.

## Anticipated benefits & outcomes

- Model able to support council transformation and provide effective ongoing support for front line service delivery.
- Savings £3.2m (Surrey proportion)

## Outline Plan with key milestones

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
Idea	Design	Delivery- TBC				



# Performance Management and MI/Insights

(New ways of working)

## Why is the change needed?

To develop a shared 'single view of the truth' across our data, giving a clear view of how well our activity is helping to achieve our ambitions for residents.

To ensure we have the data and insight required to drive effective decision making, improvement, transformation/service design and commissioning.

## What will change?

Phase 1 (to end of 2018/19)

- A performance framework which ensures robust governance, reporting and accountability routines and oversight.
- Inventory of critical insight requirements.
- Performance dashboards for critical measures (Corporate Strategy and Transformation Projects) (moving to Tableau as possible).
- Roadmap for 2019/20.

Phase 2 (based on 2019/20 roadmap)

- Stronger data and insight capabilities.
- Establish the people, skills, technology and processes to develop leading-edge performance management and insight (making it business as usual).

## Implications

- All service areas will support opening up of their data to a shared single analysis tool (replacing existing arrangements).
- Leaders and managers will use the data and insight produced.

## Key assumptions

- That the vision, council strategy and transformation programme projects provide clarity of what Key Performance Information (KPIs) will be required as part of a new performance management framework.
- That services are recording high-quality KPIs on stable and developed core systems and that it is possible to open up that data from our core recording systems to automated reporting and analysis tools.

## Anticipated benefits & outcomes

- Data and insight drives operational management, strategic decision making, commissioning and transformation - this leads to improved performance, productivity and service design [potential savings here to be aligned with other work to avoid double counting].

## Outline Plan with key milestones

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
Design Phase 1	Deliver Phase 1	◆ Benefit realisation starts				
	Design Phase 2	Deliver Phase 2				

# Spans of Control

(New ways of working)

## Why is the change needed?

The change aims to move Surrey towards an organisational design that has fewer layers and greater spans of control. This will in itself deliver direct savings by reducing the number of management/supervisory levels within all services. It will also deliver a more agile and effective organisation, enabling better engagement and facilitating faster decision making.

## What will change?

- Initially a set of ideal organisational design principles will be put forward.
- These will be applied to restructures (either transformational or BAU).
- Where there are no reorganisations taking place an audit/challenge will take place to apply the new principles.
- The Local Government Association (LGA) have been commissioned to support SCC using the Decision-Making Accountability (DMA) tool. 16 people in SCC will be trained as part of this programme.
- When these principles are implemented a new, leaner organisation will be designed. There will be fewer layers within services and decision making and reporting will be streamlined.

## Implications

- There is a major culture change from risk avoidance to a managed risk approach.
- Many processes will need to be redesigned to enable the benefits to be realised.

## Key assumptions

- That there is strong stakeholder buy in to the changes necessary and communications and engagement are effective and in place.
- Children's Families and Learning and Surrey Fire and Rescue Service will be excluded from the principles

## Anticipated benefits & outcome

- By de-layering, decision making is accelerated, communications and engagement are improved and ultimately services are either improved or maintained within a smaller financial envelope.
- Many of the savings will be realised via other directorate restructuring.

## Outline Plan with key milestones

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
Design, Data Cleanse, Principles agreed.	LGA Support Completed		Audit Completed, Lessons Learnt			
	Restructures Underway					

# Commissioning

(Commissioning & Procurement)

## Why is the change needed?

To re-imagine how the council and its partners think, plan and deliver commissioning to improve outcomes for residents.

The old paradigm of analyse, plan, do, review is not necessarily fit for purpose.

## What will change?

- Introduction of a new Strategic Commissioning Hub.
- Introduction of a consistent and innovation-led approach to commissioning across the council.
- There will be co-produced solutions in the communities of Surrey with need at the heart of this new approach.
- Design and adoption of new ways of working to enable joint commissioning across health and social care.

## Implications

- The new strategic commissioning approach will act both as an enabler and as a means of transforming services and reducing budget spend.
- Underpinned by a deep immersive understanding of need, leading to solutions that improve outcomes

## Key assumptions

- Not every major issue facing the Council will lead to a procurement and a contract
- Information governance issues can be clarified and partners will be able to share info and data to support joint working
- SCC will invest in suitable digital/technological solutions, allowing integration between systems and improvement in data quality and management.

## Anticipated benefits & outcomes

- Enables innovation and service transformation across the Council, taking a system-wide approach to complex issues and identifying efficiencies.
- Enabler to other business cases with input to approx. £24m savings forecast across Full Year 2019/20 and Full Year 2020/21.
- Enable the delivery of £2m social value benefits in Full Year 2019/20.
- Non-financial: improved integration with health to enable joint commissioning where appropriate, improved partner alignment (Single Commissioning Framework) to establish consistency of approach, measurable standards and better outcomes and improved visibility of strategic commissioning opportunities

## Outline Plan with key milestones

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
	Design and Develop		Delivery			
			◆ Benefit realisation starts			

# Fees & Charges

(Investment & income)

## Why is the change needed?

To reduce unintentional and avoidable costs for the council that are incurred by providing non-statutory services to residents.

There is no clear policy or governance for the issuing of fees & charges at present. This therefore needs to be developed to allow for consistency of application.

Opportunities for issuing fees & charges across the council need to be identified in line with this new policy to equip services with the ability to generate further income/savings.

## What will change?

- Subject to consultation, our approach to service provision will change in that it will be assumed, where it is legally permissible to do so, that a fee or charge will be levied for discretionary services, to make them cost neutral, unless stated otherwise.
- A number of discretionary services will no longer be provided without charge. Other services for which a charge is levied may be subject to an increase in charges.
- A clear policy and governance structure will be implemented which will standardise the approach for issuing fees & charges.
- Directorates will be enabled by the policy and initial identification of opportunities as a result of this project to implement fees & charges for provision of their services.

## Implications

- The fees charged to the public for some services may substantially increase (e.g. over the cost of inflation as already assumed in the MTFP) where this is justified in term of cost of delivery, subject to consultation as necessary
- Some services may cease or be subject to a reduction in demand if charges are introduced/increase.

## Key assumptions

- The project will act as an enabler for directorates across the council to implement fees & charges for the provision of services.

## Anticipated benefits & outcomes

- Reduction of unintentional subsidies.
- Demand management.
- Additional income generation.
- Identification of opportunities for introducing fees & charges across the council.
- Financial benefits will be realised and delivered by individual directorates.

## Outline Plan with key milestones

2018		2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2	
Design		Delivery					
		◆ Benefit realisation starts					

# Customer Experience – Single Front Door and Channel Shift

(Technology and Digital Innovation)

## Why is the change needed?

A single initial point of contact, or 'front door', for customers is needed because customers currently have multiple entry points to transact, interact and obtain information from the council which creates a prohibitively expensive and inconsistent model of customer service.

## Implications

- Reduced calls on routine transactions, leading to reduction in staff and increased capacity in service.
- Consistent and accurate information given to customer first time.
- Reduced duplication.
- Enhanced customer insight will be used across the council to drive change.
- Improved consistency across channels, including management and governance of design.

## What will change?

- A single front door for customers across multiple channels replicating a successful existing model for additional services.
- Enhanced online provision to encourage self service.
- Creation of single customer portal to simplify resident transactions.
- Automated processes and integration with back office systems.
- Customer insight tools and reporting.
- Enhanced insight to build a comprehensive overall customer view; used to improve customer experience and inform service delivery.

## Key assumptions

- With few exceptions, services across Surrey County Council (and potentially beyond) will use the front door model.
- Assumes investment in technology.
- Digital self-serve is the cheapest form of contact.
- Cashable savings realised in services.

## Anticipated benefits & outcomes

- Increased efficiencies achieved by economy of scale delivered by front door model.
- Increased customer satisfaction and self-serve.
- Improved insight into customer interactions and behaviour.

## Outline Plan with key milestones

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
Design	Delivery					
	◆ Benefit realisation starts					

# Digital

## (Technology & Digital Innovation)

### Why is the change needed?

Adopting the processes, culture and technology of an internet era and introducing new digital capabilities to deliver the various transformation programmes business cases. This will enable service enhancements, cost reduction and improved demand management.

### What will change?

- Establish cross-cutting digital solutions for staff, residents, and partners
- Implement technical solutions identified and co-designed with services which support the realisation of benefits detailed in other transformation business cases
- Exploit opportunities to join-up data, scale solutions and improve sustainability of services
- This will be enabled by developing a number of the capabilities and dimensions of a digital council;
  - online/web, automation/Artificial Intelligence/Robotics, Information and insights from data and analytics, Tech/app enabled new business, Tech-enabled services for residents, Social media platforms and content

### Implications

- Co-design with services is fundamental
- Service digital capabilities will be re-used
- Digital platforms will support future service design

### Key assumptions

- Digital is an enabler for other projects
- There is value in automating repetitive processes
- Revenue funding will be available to deploy scalable and supportable technology

### Anticipated Benefits and Outcomes

- Residents have a seamless public service digital experience
- Services benefit from increased capacity
- Real time data insights mean services can manage demand and support residents most at risk
- Enables operating cost reduction from demand management and automation across the programme.
- Additional savings to be realised by services beyond stated Transformation benefits through expansion of digital by design (£1m for 2019/20 and a further £1m for 2020/21 ).

### Outline Plan with key milestones

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
	Design		◆ Benefit realisation starts			
	Delivery					

# Libraries and Cultural Services

(Service Transformation)

## Why is the change needed?

There is a need to develop a new strategy for the delivery of cultural services to ensure that they can continue to be sustainable over the longer term. We aim to place libraries and cultural services at the heart of life long learning and stronger communities.

## What will change?

Redesign of libraries and cultural services based upon five key principles to underpin a new service strategy:

1. Libraries and cultural services provide and enable opportunities for everyone to learn, access information, acquire new skills, literacy and be involved in their communities.
2. There is a focus on the wellbeing and strengthening of communities, particularly the most vulnerable, to enable them to be resilient.
3. Libraries and cultural services are most effective and efficient when they work in partnership with the public, voluntary, community and private sectors, including through the creation of shared spaces.
4. New technologies, including digital, enable libraries and cultural services to reach new audiences, and existing audiences in new ways, and offer 24/7 access.
5. Volunteers are crucial community advocates and assets in libraries and cultural services, who also gain valuable skills and relationships through the work they do.

## Implications

- Innovation will drive a service that better fits with 21<sup>st</sup> century life and is more affordable.
- There will be different solutions for different places to meet local community needs.
- Digital and mobile approaches will bring services to residents.
- Resources will be better targeted to meet the needs of communities, particularly the most vulnerable.

## Key assumptions

- Public engagement and consultation will be key, with phase one to consult on strategy and phase two on detailed proposals.
- Corporate capacity and support will be available when required.
- We will be committed to a strategic transformation of the service.

## Anticipated benefits & outcomes

- Integrated services delivered in partnership with public, voluntary and community and private sectors.
- Strengthening communities and family resilience priority areas.
- Learning, access to information and skills at heart of approach.
- Getting close to the national average spend for cultural services.

## Outline Plan with key milestones *Benefit realisation ongoing throughout programme*

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
18/19 Savings						
Consult on principles	Consult and engage on proposals		Delivery			

# ASC Market Management

(Service Transformation)

## Why is the change needed?

Financial pressure from the costs of existing and new adult social care packages needs to be mitigated for ASC to remain within budget in coming years. Inflationary cost pressures must be limited to manageable levels. Prices in some areas, primarily learning disability, need to be brought closer to benchmarks.

An LGA peer review highlighted limited strategic commissioning capacity within ASC, and limited ability and approach to influence on the market.

## Implications

- There will be mutually beneficial working relationships between the council and the market
- A more centralised and disciplined approach to decision making and policies within the council
- Residents will be offered choice in accordance with our statutory responsibility

## Key assumptions

- No change in existing policy and legislation
- No immediate significant increase in demand

## What will change?

- The council will have improved commissioning capability and understanding of the market, improving ability to influence price and quality in the market
- The commissioning approach will complement health and other major buyers in the market
- Conversations with providers will involve appropriate commercial and contract management expertise, as well as social workers
- Better utilisation of council resources, and collaboration across areas of expertise

## Anticipated benefits & outcomes

- £19.4m in 2019/20, £14.2m in 2020/21 = target of £33.6m from avoiding cost increases and savings through renegotiation of care prices.
- Sufficient capacity in the market for the council to purchase care at an affordable price, enabling financial sustainability

## Outline Plan with key milestones *Benefit realisation ongoing throughout programme*

2018	2019		2020		2021	
H2	H1	H2	H1	H2	H1	H2
Priority Delivery			Delivery of benefits			
Design		Approach and Structural Change			◆ Achievement of 2020/21 benefits	



# Impact

**This programme will have multiple impacts on many stakeholders.**

Impacts on several areas have been considered and these are described as quotes from the future.

The impact areas considered are for our:

Residents

Partners

Members and Employees

# Resident Impact Statements

## A Mum

*"As a mum you want to get it right for your children, but sometimes it's hard to know what's the right thing to do. I've got a team who support me. They have this amazing way of understanding what might cause an issue for the family, and they help me come up with a way of managing it before it gets out of hand."*

## A resident with children and ageing parent

*"As a resident with children at surrey schools, ageing parents with care needs and all my own day-to-day stuff, there are various things I need to call the council about for help. I used to get so confused about where to find information or which number to call. Now it's easy to speak to someone, though quite often I don't have to as I can get the help I need and use the council's website to sort things out myself online."*

## An older adult with care needs

*"As an older adult with care needs, I thought I might have to go into a residential home. This would not be ideal as I want to maintain some independence, and only get 24/7 care when I really need it later on. The council provided a range of extra care options, and I know they negotiated a good deal. I am still independent and it's not costing anyone too much!"*

Service transformation

Partnership & Integration

New ways of working

Commissioning & Procurement

Technology & digital innovation

Investment & Income

# Partner Impact Statements

## Voluntary Sector Organisation

*"We join up. We're not just working together but coming together to in a way that creates collaboration between the voluntary sector and statutory sector. Engagement is improved. Ownership is taken."*

## Non-profit organisation focused on young people

*"We have developed a culture where we take care of each other and this builds community resilience."*

## CCG/ICS colleague in health

*"We come together around shared issues and long-term goals, talking to our residents and communities to understand where they can support each other and then working together to achieve the best outcomes we can. It's one approach where we jointly decide what's best for the whole system, which organisation we're from or how our different processes work just don't seem such a barrier anymore"*

## Housing Trust

*"We have more genuinely affordable housing. We made cheap land available for social providers. Older people live in adapted homes with the right services to keep them independent and healthy. We use smart technology."*

## Parent Carer Forum

*"There is early intervention for adults and children to avoid crisis management. Funding is increased at the bottom end to reduce high costs at crisis. Services collaborate to avoid duplication and save costs. We are a Surrey that responds and doesn't pass the buck."*

## Police

*"To protect the most vulnerable within Surrey we have come together to provide tailored support services working across statutory organisations and the voluntary sector."*

Service transformation

Partnership & Integration

New ways of working

Commissioning & Procurement

Technology & digital innovation

Investment & Income

# Member and Employee Impact Statements

## Adult Social Care - Team Member

*"We have the right equipment to visit clients and assess their needs at an early stage, we use online tools so people can complete forms either themselves or with a carer or family member on their behalf. We have good links to share information between ourselves and our NHS colleagues."*

## Adult Social Care - Team Member

*"We embrace technology and are out in the field most of the time. For example I used to visit people's homes with my pen and paper and carry out an assessment of need. I then have to return to the office and type up the assessment doubling the work! I now use an iPad/tablet and I can type up the assessment at the visit and go on to my next visit without the need to return to the office. I can do more visits a week and cut down on waiting lists for people."*

## Learning & Development – Team Member

*"I don't need to commute to a main office. I am in a team where we are trusted to do our job and are able to choose to work wherever is most suitable. I have the tools I need to be able to communicate so I can work from home if convenient so I don't need to travel and add to congestion on Surrey's roads so much."*

## Surrey Family Services – Team Member

*"We have streamlined working practices, for example data management – we now have one dashboard to record our work with young people and families and we share it with Police, CAMHS & Education."*

## Member of Council

*"As a Member I need to be able to demonstrate to my constituency how the council spends council tax and be clear about what impact it has. Now that I, and managers have easy access to the information and evidence we need to base decisions on, I am confident that money is being spent on the things that make the biggest difference."*

Service transformation

Partnership & Integration

New ways of working

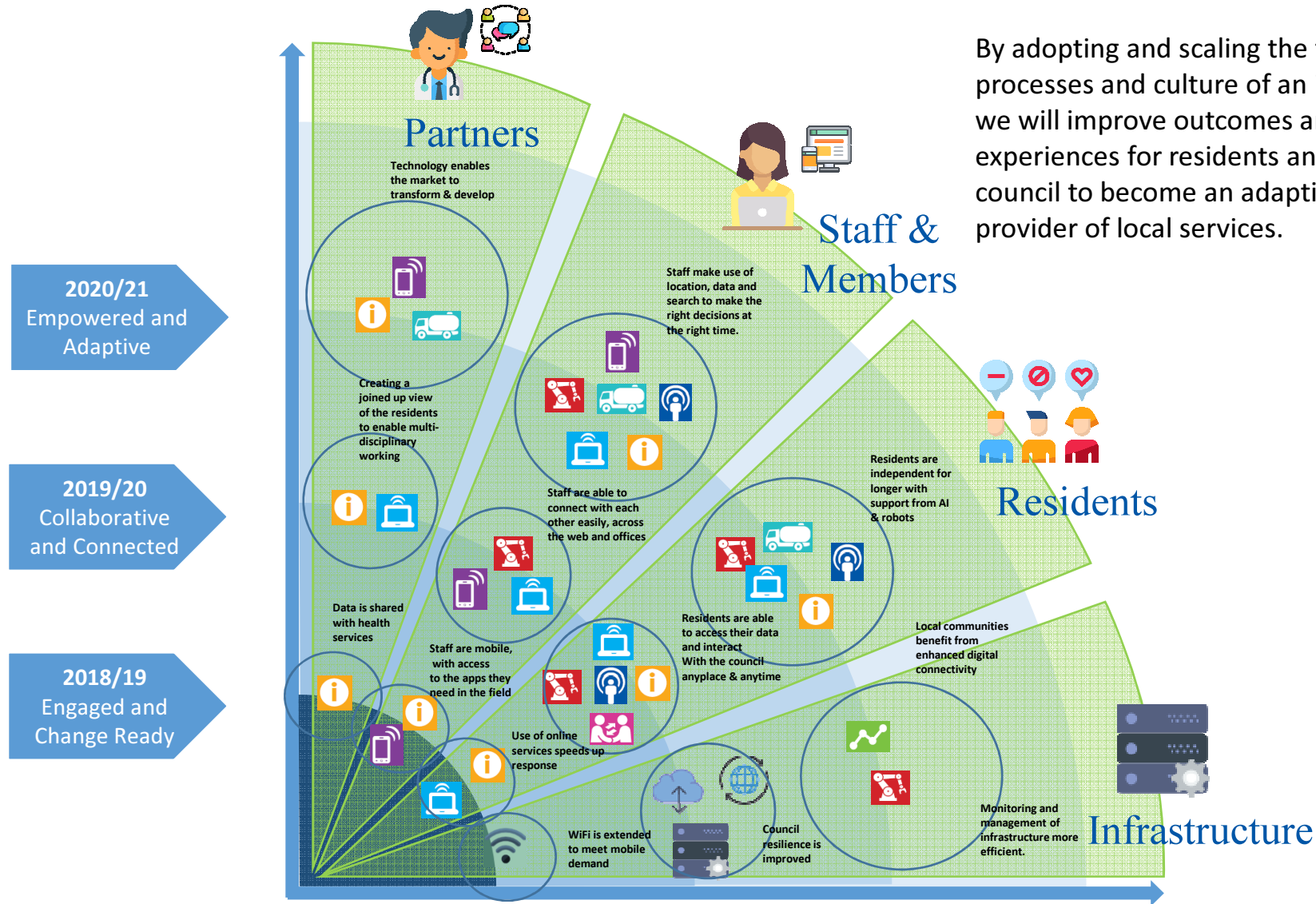
Commissioning & Procurement

Technology & digital innovation

Investment & Income

# Technology Roadmap

We anticipate the technology that is deployed to evolve through the life span of the programme as set out below.



By adopting and scaling the technology, processes and culture of an internet era we will improve outcomes and experiences for residents and enable the council to become an adaptive and smart provider of local services.

# Technology Roadmap

The technology deployed have positive impacts across a multitude of areas as detailed below.

**Social media: platforms and content** – Residents, staff and partners can have a choice of channels, including social media, through which to engage, cooperate and collaborate with the council.

**Tech-enabled services** – Residents can be supported to live well and independently by use of assistive technologies, sensors and wearables.

**Tech/app enabled new business models** – Technology can connect residents and partners with providers, in new and innovative ways.

**Online/web** – Residents can meet their own/their families needs through self-help, self-care and self-serve tools.

**Automation/AI/Robotics** – Staff time can be freed up for more high value tasks through automation.

**Macro infrastructure** can support the organisation in encouraging local economic growth.

**Agile workforce** – Staff will have the tools to enable them to work anywhere, at any time and with anyone.



**Information and insights from data and analytics** – staff and partners can use and access data and insight to support decision making, commissioning and better outcomes for residents.

# OUR PEOPLE 2021: WORKFORCE STRATEGY

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October 2018



# INTRODUCTION

Surrey County Council's Organisation Strategy sets out how the Council will work with residents and partners and direct its resources to where they will have the most impact to deliver the Community Vision for Surrey. The corresponding Preliminary Financial Strategy and Transformation Programme will not only secure the Council's financial sustainability but will also transform the function, form and focus of the organisation.

As part of this strategic agenda, 'Our People 2021' is our plan for the current and future workforce of the Council. Our staff are our ambassadors and are crucial to successful delivery of the Organisation Strategy and consequently, achievement of the ambitions for Surrey as set out in the Community Vision.

Page 160 'Our People 2021' sets out how we will develop the capacity and capability of our workforce to achieve our priority strategic outcomes for Surrey residents, ensure the effectiveness and efficiency of the Council, create a high performance culture and drive wholesale transformational change.



# CONTEXT & VISION

Feedback from staff is that their work is an important part of their lives, they believe they can make a valuable contribution to the success of the organisation and they love their job. But they are frustrated about the way the Council operates. Staff have said that they really want things to change and they see that, with the right leadership and support, along with a shared vision, there is hope for a different kind of organisational culture.

To become a successful and high performing Council with an enthused and engaged workforce we need to be a sustainable, outward looking, optimistic organisation that manages change really well, is achievement orientated, works collaboratively at all levels (internally and externally) and designs interventions that go to the heart of the matter.

Our challenges include the demographic make-up of our workforce:

- 4.9% of staff are under the age of 25 against a UK average of 14%
- 33% of staff have more than ten years service
- 40% of staff are likely to retire in the next ten years
- 1.7% of the workforce is undertaking apprenticeships, against a government target of 2.3%
- voluntary turnover is comparable with the UK average at 12.4%, but 25% of turnover takes place within the first year of employment
- 22% of our social work workforce is agency

Through the Transformation Programme we have identified important cultural implications. We need to:

- develop change leaders as opposed to organisational leaders.
- deduce hierarchies, break down silos and take a value add view of the way we design our work
- improve partnership working, overcoming real or perceived barriers to collaboration
- embrace our changing role in enabling and facilitating, as opposed to providing services
- effect radical cultural change, driving a culture of innovation, accountability, agility and risk awareness

Staff feedback from the Community Vision for Surrey roadshows echoes these aspirations, with people saying that we need to:

- improve how we work together, remove silos and strengthen external partnerships;
- remove bureaucracy, simplify processes and speed up decision making;
- be more open and transparent, set clear direction and improve communications within and between teams;
- simplify and make more equitable our pay and reward offer;
- improve development opportunities so that we retain good staff;
- manage change better; and
- improve our working culture and staff morale.

# STRATEGIC DIRECTION

'Our People 2021' uses the quantitative and qualitative data and insight summarised above to focus on the areas that our staff have told us are important to them and will have the greatest impact on the performance of the organisation. Strategic themes are:

## Organisational Design

The future design of the Council will have fewer layers and greater spans of control (applying a default six by six model in most cases), which will not only realise direct savings but will also help to create a more agile and effective organisation, enabling improved communications and engagement and facilitating faster decision making.

## Individual and Collective Leadership

With fewer management layers, the work and impact of leaders at all levels of the organisation will be critical and will focus on working collaboratively to deliver sustainable high performance and change. Clarity about the leadership the Council needs now and into the future will drive how we develop existing leader as well as attract and retain new ones with the qualities needed to deliver outcomes that make a real difference within the financial envelope available.

## **People Development**

Our focus will be on becoming an organisation with a strong reputation in local government for being “the place to work”. This will go far beyond additional training and development; we will design and develop the organisation and within it the roles, leadership, management and work itself that stimulates and enthuses talent.

## **Employee Engagement**

How we involve and engage with staff will be fundamentally different and reflect the organisation we need to be for the future. We will move to an approach where all forms of communication foster honest and open conversations that enable information to flow and staff to be truly involved and connected with delivering the Community Vision for Surrey, strategies and outcomes for our communities.

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## **Pay and Reward**

We will put in place pay and reward arrangements that are effective, affordable, simple, transparent and recognise and reward the impact, outcomes and behaviours needed to deliver organisational outcomes and cultural change.

## **Performance and Achievement**

Alongside reviewing the Council’s pay and reward strategy, we will design modern, progressive approaches that support honest performance discussions. We will invest time, focus and commitment to improving individual and organisational performance and delivering outcomes.

## **Work and Job Design**

Work, roles and objectives will be designed to focus on delivering outcomes as opposed to outputs and processes. This will encompass agile and digital working; the majority of our staff will be able to work anytime, anywhere, supported by the right technology and an outcome focused management style. Encouraging and enabling staff to innovate, make decisions and focus on what really matters will also be critical.

## **Human Resource Planning**

Forward planning for the Council's workforce of the future will be critical to the organisation's longer term success and so we will use data and insight to forecast the organisational capacity and capability needed for the future and develop strong succession planning strategies in response to this.

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## **People Management Practices**

Our focus on what's important for managing our people will be reflected within our people management policies and practices. We will design, plan and execute these to ensure they are effective, simple and reflect a whole organisation approach but also enable people and managers to perform effectively at a local level.

## **Individual and Organisational Resilience**

Individuals, teams and organisations with high levels of resilience are more confident, high performing and can deal more effectively with radical change. At 6.4 days per Full Time Equivalent (FTE), the Council's sickness absence levels are comparatively low (for the public sector) but as the organisation experiences huge transformation we will develop clear strategies for raising and stabilising our future resilience, with a focus on staff wellbeing through change.

# IMPACT

The ultimate aim of 'Our People 2021' is for the Council to have a reputation for being one of the best councils in the UK and a truly great place to work.

We will be resident and outcome focused, with faster and more effective decision making and work and job design that drives motivation and high performance. There will be an increased collective sense of purpose and high levels of collaboration. Our staff will have the confidence and skills to work more flexibly, building on existing and forging new partnerships to focus on delivering outcomes. We will work in a joined up and innovative way and take a fresh, place-based approach to leadership.

Page 166 We will co-design services, building new relationships between residents, communities and partner organisations and fostering a shared sense of responsibility. We will design services with the full involvement of all stakeholders, taking an evidence based approach and working together to improve outcomes for the people of Surrey.

# DELIVERING THE STRATEGY

‘Our People 2021’ is the foundation for a number of workforce related plans, programmes and strategies, the key elements of which will be held in the ‘Our People Strategic Work Programme’, against which progress will be measured on an ongoing basis. This Work Programme is not intended to be a static document; it should and will have the ability to adapt in response to changing organisational need and emerging workforce related priorities.

# MEASURING SUCCESS

Page 167 The statistics within this Strategy have been taken from workforce data currently collected, supported by qualitative data in the form of feedback from staff. We will continue to measure successful delivery of the ‘Our People 2021 Workforce Strategy’ using existing data and will continue to measure the “health” of the organisation through other relevant data, e.g. workforce demographics. This will need to be expanded to include new outcome based measures identified as we develop the Our People Strategic Work Programme, for example, the impact of people development activity as opposed to the number of people attending training courses.

Ultimately, the success of the Our People 2021 Strategy will be measured by Surrey’s success, aligned to the Community Vision for Surrey and the priorities within that. For example, our measures against the target of improving Children’s Services will include increasing retention of social workers and reducing the number of agency social workers.

‘Our People 2021’ measures will be managed by HR&OD but will be owned and delivered collaboratively with the Corporate Leadership Team. This will ensure that we only focus on the things that matter and also concentrate on the things that need to improve.

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**SURREY COUNTY COUNCIL**

**CABINET**

**DATE: 30 OCTOBER 2018**

**REPORT OF: MR COLIN KEMP, CABINET MEMBER FOR HIGHWAYS**

**LEAD OFFICER: TRACIE EVANS – EXECUTIVE DIRECTOR ECONOMY, GROWTH AND COMMERCIAL**

**SUBJECT: SURREY ASSET AND PLACE STRATEGY**



**SUMMARY OF ISSUE:**

Despite the financial challenges that we face, the County Council and its Districts and Boroughs are uniquely placed to use its significant resources and assets to influence growth in Surrey making it an even better place than it is already.

This report seeks approval to develop a Surrey Asset and Place Strategy with a delivery plan to 2030 which will be presented to Cabinet in April 2019. The strategy will seek to deliver, subject to significant scheme design and financial modelling:

For the Council:

- A re-modelled operational estate that will see **five larger town hubs and circa 20 smaller satellite hubs** with at least one satellite hub in each of the Districts and Boroughs **by 2025**.
- The Council already has an investment portfolio that is on course to deliver a target of £10m income by 2020. We believe that schemes can deliver an additional **£25m per year net income by 2030**.

For Surrey to be aligned to Borough and District Local Plans and LEP plans:

- **200 additional business spaces** in bespoke buildings. That is 50 units every 3 years to 2030.
- **4,000 units of housing**, especially truly affordable housing including keyworker and extra care homes by 2030.
- **400 new jobs** especially making full use of Apprenticeship Levies and supporting businesses to grow by 2030.
- **A Digital Skills Academy** in partnership with a Surrey University with a specific aim to reach young people who have difficulty in school settings by 2022.

Engagement and transparency throughout the development of the strategy is important. In order to provide technical challenge and insight, we are proposing that an Advisory Panel be set up to support and advise Cabinet on the direction of the strategy and the development of schemes. It is proposed that the Councils Asset Strategy Board which is chaired by the Leader, acts as the steering group for this work.

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The work to develop a delivery plan by April 2019 is highly complex and needs significant technical design and appraisal on each scheme to develop a financial and delivery model. The report seeks approval for a budget to ensure this technical work is adequately funded.

We are expecting to be highly ambitious in delivering this strategy, however it is important to note that we will not delay the delivery of schemes whilst developing the strategy. This includes the work being done by Shape and Surrey Futures. In fact, this work is likely to identify future work streams for these groups. Where appropriate and where there is an obvious benefit, we will continue to deliver schemes whilst the strategy is being developed.

This report is brought alongside the report on this agenda proposing the Council's Organisation Strategy, Preliminary Financial Strategy, People Strategy and Transformation Programme (i.e. the council's new integrated strategic and financial framework). The development of the Asset and Place Strategy forms part of the Council's Transformation agenda, to deliver the new Community Vision for Surrey in 2030.

#### **RECOMMENDATIONS:**

It is recommended that Cabinet:

1. Agree to the development of a long term Asset and Place Strategy and Delivery Plan to 2030 which will deliver a re-modelled operational estate and long term income for the Council and to use released assets to support growth in Surrey.
2. Agree that this work is led by the Council's Asset Strategy Board.
3. Agree the appointment of an Advisory Panel to support the Asset Strategy Board in its work composed of two Councillors and up to three outside advisers including the Chairman.
4. Authorise the Executive Director of Economy, Growth and Commercial (in consultation with the Leader) to appoint up to two further external advisers, and to agree the Advisory Panel's terms of reference and work programme.
5. Agree to provide support to the Programme which consists of,
  - a programme team to co-ordinate the strategy and delivery plan work and organise space planning workshops with partners.
  - high level design and feasibility studies for each scheme (at least 20)
  - social-economic-techno analysis (in support of the work already completed by Surrey Futures).
  - commercial financial modelling expertise to develop funding strategies for each scheme and validate future income streams.
  - legal support to advise on delivery models.
6. Approve a programme budget of up to £500,000 to enable the development of the strategy and the financial validation noting that this will be approved by full Council as transformation expenditure to be funded from capital receipts flexibility. This figure includes a previous decision by Council to allocate £275k.

## **REASON FOR RECOMMENDATIONS:**

This hugely ambitious plan for change needs extensive technical support and engagement with partners to develop a strategy and plan that is deliverable and has the support of partners. The technical work needs to be completed before we are able to have confidence that the outcomes in the strategy are deliverable.

This report seeks to secure an approval from Cabinet to draw down resources to help deliver complex technical modelling, feasibility and design studies, legal and programme support.

## **DETAILS:**

### ***Surrey – the economic case***

1. Surrey is a fantastic place to live and work. It is one of the most vibrant counties, with the highest number of large businesses and with residents that earn the highest average income per person in the country. At just over £40 billion, Surrey's economy is the largest in the South East. However, the rate of growth is slowing and businesses and residents have identified a number of challenges to supporting the economy. Surrey has some of the busiest roads in the UK. These are the transport arteries for significant amounts of goods travelling through the South, either to the ports on the south coast or to Gatwick and Heathrow airports which flank either end of the County. There is a need for more housing, both market and affordable, and there are particular challenges in providing for the increasingly numbers of elderly, with a need for extra care type accommodation. Surrey authorities currently project a need for 3,137 homes per year but at present anticipate delivering only 50% to 70% of that number.
2. House prices in the county are the highest in the country and there is not enough truly affordable housing available for key workers and young people. This means that organisations find it hard to attract staff across the full range of salaries and skills. Our businesses and residents need access to high end digital infrastructure to encourage new, high tech skills and business start-ups. This will also help to keep cars off the road as people use trustworthy digital conferencing facilities rather than travelling to meetings. The economic growth of Surrey, which contributes the highest amount to UK PLC than anywhere else is slowing and, in order to keep our place as the highest contributor to the UK economy, it is vital that we use our influence and resources to give our local economy a boost.
3. Additionally, the financial challenges for all local authorities over the last ten years have been well rehearsed. Surrey County Council is no different and even though it has made significant progress over the years in balancing the books, more still needs to be done to close the funding gap. Like many other councils across the country, Surrey County Council is transforming the way that it delivers its services. This is partly to meet the funding gap that faces all local government authorities and partly because there are different and new ways to meet the needs of our residents using the latest the latest methodologies and technology.
4. In spite of these difficult financial challenges, the County Council is ambitious about making Surrey even better.

### ***The County Council's assets***

5. The Council owns approximately 5, 818 registered assets both inside and outside Surrey. These cover a wide range of property types from farms and country parks through to the operational buildings such as schools, offices and fire stations.
6. The assets fall into three categories:
  - Operational assets
  - Non- operational assets
  - Investment assets
7. In total, the value of these in the Council's accounts amounts to c.£1.5 billion and given the Council's ambitions and the financial challenges it faces, it is timely to review the contribution that these assets can make both to the transformation of Surrey County Council services and to the development of Surrey's wider economy. This will build on the Council's existing Investment Strategy and provide a wider approach to the development and utilisation of the Council's assets, enabling the development of housing and employment space and a contribution to the wider Surrey economy.

### ***Transformation and re-modelling the Council's buildings***

8. The County Council is undergoing major transformation of the way it works and the way in which it delivers services to residents. Future services will be more about supporting people to make changes in their lives that will make them happier and healthier in their homes and communities and less about the buildings our staff are in. These programmes of service change are wide ranging and can be seen in more detail in the Organisation Strategy, Preliminary Financial Strategy, People Strategy and Transformation Programme.
9. It is clear that from the service perspective, the buildings we operate from are not modern and do not reflect the way in which the design of future services will develop. It is our intention that the Asset and Place Strategy proposed in this report will align all asset requirements to the new service models outlined in the transformation business cases. The Council has ambitious plans to re-model the buildings it uses so that they better support modern ways of working and are more accessible to residents. By doing so in collaboration with Districts, Boroughs, Health and other partners, we will be able to ensure that if residents do need to come to see us, they do not need to see us in a number of separate places. Our ambitions are to have smaller buildings nearer to the areas where our residents live. This re-modelling work will in effect reduce the number of buildings we use releasing land and buildings that can be re-used to build out much needed affordable housing and start up business units.
10. This report seeks approval to develop a Surrey County Council Asset and Place Strategy over the next six months which look to design a modern operational estate for use by services and, using the land released from this re-modelling work, we will seek to develop schemes that support the Surrey growth ambitions. The Strategy will look to deliver its whole plan by 2030 but will seek annual targets based on likely scheme delivery.

11. The development of the strategy is complicated and includes significant scheme design and financial appraisals in order to be specific about what is affordable and deliverable however our high level ambitions for the Asset and Place Strategy are:-

***For the Council***

- To re-model the Councils operational estate into around **five larger town hubs and circa 20 smaller satellite hubs** with at least one satellite hub in each of the Districts and Boroughs **by 2025**.
- The Council already has an investment portfolio that is on course to deliver a target of £10m income by 2020. We believe, subject to financial modelling over the next six months, that schemes can deliver an additional **£25m per year net income by 2030**.

***For Surrey and in line with Borough and District Local Plans and LEP plans***

- **200 additional business spaces** in bespoke buildings. That's 50 units every 3 years to 2030.
- **4,000 units of housing**, especially truly affordable housing including keyworker and extra care homes by 2030.
- **400 new jobs** especially making full use of Apprenticeship Levies and supporting businesses to grow by 2030.
- **A Digital Skills Academy** in partnership with Surrey University with a specific aim to reach young people who have difficulty in school settings by 2022.

***The development of the strategy***

12. It is vitally important that the development of the strategy is evidence based and that we engage our partners and residents in developing these plans in an open and collaborative way.

***Governance***

13. We are proposing that the Council's Asset Strategy Board, chaired by the Leader of the Council, will act as the body of members and officers who will be responsible for the direction of the strategy and agreeing the scheme proposals. We are also proposing to set up an Advisory Panel which will act as expert advisors to the Asset Strategy Board. This panel will be chaired by Robert Napier who has been the County's High Sherriff and Chair of the Homes and Communities Agency, as it then was, and has enormous experience and expertise in this area, and will have as members of the panel two councillors and up to two external experts. The Asset Strategy Board and the Advisory Panel will be supported by a Programme Team led by the Executive Director of Economy, Growth and Commercial along with financial modelling and property experts.

***Evidence gathering***

14. An early indicative draft of the key elements of the proposed Asset and Place Strategy is attached as Appendix 1.

15. It is important to note that the strategy must contribute to and be aligned with the emerging 'new Community Vision for Surrey in 2030', while also taking into account the Local Plans and ambitions of the Districts and Boroughs and other bodies such as the LEPs and Health STPs.
16. The Advisory Panel will:
- Understand policy and priority context
  - Identify opportunities for scheme development
  - Establish the future property requirements in particular examining the future of County Hall and other service locations.
  - Identify and examine opportunities for housing and employment and consider an approach to developing associated infrastructure.
  - Set out how this should be delivered in terms of delivery vehicles, resources and governance.
  - Create a practical and effective delivery plan that can be swiftly implemented.
17. Existing projects and key developments will not be stalled during this process. Indeed, part of the benefits of this approach is to link existing tactical projects to the strategic context. This includes the work of SHAPE and Surrey Futures which this work is intended to complement not replace.

#### *Timeline*

<b>Date</b>	<b>Tasks</b>
October 2018	Baseline Data review Current opportunities Understand Partner Objectives
November 2018	Partner workshops to establish priorities Socio economic impact assessment and evidence base
December 2018	Emerging target operating model and service delivery consideration Modern Council estate options including County Hall Initial option appraisal analysis and financial outputs
January 2018	Early draft strategy for sharing with stakeholders Delivery mechanisms review
February 2019	Stakeholder feedback Strategy draft and options analysis in detail High level delivery plan
March 2019	Consider updated draft strategy and detailed delivery plan
April 2019	Cabinet decision at April meeting

#### *Funding*

18. In recognition of the size and complexity of this enormous programme which is likely to deliver at least twenty large and different schemes across the whole of Surrey, this paper asks Cabinet to approve and recommend to Council that capital receipts flexibility is used to fund transformation expenditure of £500k,

This funding is required in order to provide programme support, high level design and feasibility studies for each scheme, socio-techno analysis, financial modelling and legal support. This work will lead to a delivery plan showing which sites will be delivered, when they will be delivered and the outcomes in terms of housing, employment space, regeneration and social benefits and income. This figure includes the interim programme resources of £275k previously agreed by Council.

#### **CONSULTATION:**

19. Early discussions have taken place with District and Borough Councils and other partners and they have given indications of support for this approach. This is important as successful delivery can only be achieved by policy alignment with them, and by working together in partnership to deliver all of our ambitions.
20. During October, November and early December 2018 a series of workshops will be held with partners to understand partner priorities and to find ways of achieving mutual benefit. The outcomes of these workshops will be fed into the strategy and delivery plan, with further feedback from partners on the draft strategy. Some of the scheme design work on some of the buildings has been completed as part of previous pieces of work by the Surrey authorities and it is our intention to bring everything together in one strategy. There will need to be a number of different delivery mechanisms to ensure that the scale of the plans are implemented at pace.
21. As the process develops, further consultation requirements for partners and residents will no doubt be identified and these will be programmed and put in hand as appropriate, either during the development of the strategy or as part of the proposed delivery plan.
22. Other partners will also be consulted including the Local Enterprise Partners and Health Colleagues, and we will use current mechanisms such as SHAPE and Surrey Futures for the purpose of developing ideas and formulating project delivery.
23. As part of the Transformation Programme and the response to budgetary pressures services are already following statutory consultation processes where required as part of changes to services. Legal advice will be sought to establish the Council's overall consultation requirements as a result of major changes that may be proposed to the Council's estate.
24. Depending on the options available, statutory housing consultations may be necessary in partnership with District and Borough Councils.

#### **RISK MANAGEMENT AND IMPLICATIONS:**

25. Risk issues for consideration arising from this report are as follows:
  - The timescales for development of this strategy are short in order to take advantage of potential opportunities at the earliest time. Delay to the development of the strategy or to decision making will hinder this and delay delivery of outcomes including establishing an income stream.

- Consideration of alternatives suggests that this approach or a variant of it is a critical component of the transformation strategy. Failure to establish a clear and measurable strategy will lead to an ad hoc approach to the use of the Council's assets and a resulting failure to achieve the preferred outcomes.
- Members will have the benefit of objective advice in formulating the policy and approach both from the Advisory Panel and from retained property advisers.

#### **Financial and Value for Money Implications**

26. The provision of temporary interim programme resources to do the necessary work to establish this strategy has already been approved by Council, and this is estimated at a maximum cost of £275,000.
27. In addition, there is a need for commercial financial modelling, scheme design and options appraisal for the Council's property portfolio as a whole and for specific sites and opportunities. This will include development appraisals together with analysis of the most financially beneficial options for delivering the Council's objectives. There will be a specific need to model the options for the relocation of County Hall and the emerging service delivery hubs, and value sites available as a result. This work will be completed by April 2019, and will specifically contribute to the delivery of the targeted £25 million income to be derived from this strategy. The work is estimated to cost £125,000.
28. At the same time, it is important that the economic aspects and the social benefits of this programme of work are clearly understood, particularly with regard to the possible relocation of County Hall and assessing the benefits of possible new locations. This work will appraise the benefits of this strategy to our residents and how significantly it can contribute to meeting the Council's objectives. It is estimated to cost £85,000 and will also be completed by April 2019.
29. These advisers will be procured following the Council's procurement rules and standing orders.
30. As detailed elsewhere in this report the Council is appointing an Advisory Panel to assist with the development of this strategy providing challenge and high quality insight. Expenses and modest payment for time spent on the project will be required for the members of this Panel, and this is estimated to cost a maximum of £15,000.
31. The expenditure detailed above will help unlock both the savings expected from an improved operational estate, and the income from potential developments involving housing or economic uses of the Councils land. The benefits from this may well begin to accrue from 2020/2021.

#### **Section 151 Officer Commentary**

32. The Section 151 Officer notes that the expenditure proposed is to be funded by making use of capital receipts flexibility and as such, will require the approval of Council at its meeting in November alongside other transformation business cases.
33. Proposals identified and developed by the Asset Strategy Board will require approval by Cabinet on the basis of a robust business case and any borrowing



required would need to be made in accordance with the conditions of the Prudential code, which includes the Council approving any changes required to the prudential indicators. The Code required borrowing to be affordable, sustainable and provide value for money. The return or savings delivered by capital investment would therefore need to be in excess of the capital financing costs of the borrowing.

#### **Legal Implications – Monitoring Officer**

34. The report sets out how the Council intends to develop a long term strategy for the Council's land and buildings that will support its transformation programme. Appropriate governance arrangements will be put in place to oversee the work and report back to Cabinet in April 2019. Consultation with residents and stakeholders will be undertaken where required, together with equality impact assessments, so that members can take the responses and feedback from these exercise into account in their decision making.

#### **Equalities and Diversity**

35. The Strategy and the process for its development will reflect the Council's Community Vision for Surrey to ensure everyone has the same opportunities including access to services.
36. Equalities issues, particularly in relation to any disabilities, will be given consideration in all relevant aspects of the strategy and its' proposed delivery plan.
37. Equalities Impact Assessments will be carried out wherever necessary and the report to Cabinet in April 2019 will have such an assessment attached.
38. Statutory consultations are due to commence in a number of areas such as libraries, SEND, Children and Families, and Community Recycling Centres. The outcome of these will have equalities implications and will affect the consultation requirements for operational buildings and schemes.
39. There are no further impacts arising from this report at this stage, but this will be subject to ongoing monitoring and review.

#### **Other Implications:**

40. The potential implications for the following council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	No significant implications arising from this report. However if the future strategy involves relocation of services then normal consultation will apply.
Safeguarding responsibilities for vulnerable children and adults	No significant implications arising from this report. However if the future strategy involves relocation of services then normal consultation will apply.
Environmental sustainability	It is intended that the strategy recommendations will take into account

	environment and sustainability and aim to provide environmental benefits.e.g. improved air quality
Public Health	It is intended that the Strategy recommendations will take into account the Sustainable Transformation Partnerships and other health organisations already operating in Surrey.

**WHAT HAPPENS NEXT:**

41. Subject to Cabinet approval the process of developing the Place Strategy will commence under the guidance of the Asset Strategy Board.
42. The Advisory Panel will be appointed and will commence work.
43. Partner workshops will commence to understand partner priorities and areas of mutual benefit
44. A final report to Cabinet setting out the draft strategy will be brought to the April 2019 Cabinet meeting.

**Contact Officer:** Julian Wain, Programme Director

**Annexes:**

Annex 1 Draft Strategy Headings

**Sources/background papers:**

None

# SURREY COUNTY COUNCIL

## ASSET AND PLACE STRATEGY

Draft structure

### Executive Summary

### BACKGROUND AND CONTEXT

#### Surrey – Background

- Geography
- Demography
- Economy

#### Policy Context

- Surrey Strategic Plan
- Strategic Infrastructure Plan
- Wider Surrey Growth Strategy
- Borough Planning Policies Vision and Context
- Statement of Common Grounds
- Green belt and land constraints

#### Future Vision

The Asset and Place Strategy will support the delivery of the New Community Vision for Surrey in 2030, aligned to Surrey County Council's contribution to the Vision for Surrey, and will focus on the key messages we want investors to hear and on the delivery of key resident outcomes.

#### Current Challenges

- Financial resources
- Transformation Programme
- Service delivery and location
- Housing
  - Numbers
  - Affordability
  - Extra care
- Jobs/ Growth/ Employment Land
- Inclusivity
- Digital
- Existing projects
- Current tactical issues
  - Vacant land and buildings
- Work of LEPS and other partners

### **The Council's land and assets**

- Types
- Purpose of holding
  - Operational
    - Fire
    - Leisure and countryside
    - Non-operational
  - Investment
- Cost of ownership
- Condition
- Values

### **District/ Borough and Partner priorities**

- What are they?
- How can we help?
- How can we achieve mutual benefit and enable partners' success?

## **ASSESSING THE STRATEGY**

### **Criteria for assessment**

- Priorities
  - Cash
  - Housing
  - Jobs and skills
  - Service delivery opportunity
  - Socio- economic benefits
  - Infrastructure
  - Digital
- Weighting
- Assessment matrix

### **The Council's proposed service delivery model**

- Target Operating Model
- Residents needs
- Statutory requirements
- Culture
- Children
- Adults
- Environment

### **Vision of the Council's future estate**

- Hubs and satellites
- Employer Requirements
- Digital

### **Financial Model of the land and assets as a whole**

- Including modelling of joint opportunities
- Council Tax
- New Homes Bonus
- Creating an investment

### **Opportunity sites**

- Development
- Disposal
- Co- Location
- One public estate

## **THE WAY FORWARD**

### **County Hall and service delivery locations**

- Potential Locations
- Existing space
- Co-location options
- Connectivity
- Impact on staff
- Socio Economic Impact
- Environmental Impact
- Future use
- Value
- Deliverability

### **Housing schemes**

- Numbers/ General needs
- Affordable/social
- Extra care

### **Employment opportunities**

- Employment sites
- Inward investment
- Skills agenda

### **Enabling Infrastructure Requirements**

- Developing critical infrastructure
- Funding approaches and bids

### **Consultation requirements and approach**

- Best value duty
- Statutory Consultations
- Resident Engagement

**Delivery vehicles**

- Places for People
- District and Borough vehicles
- Disposal
- Others

**Social and Natural Impact Delivery Mechanisms****Investment Portfolio**

- Advice from advisers on progress to balancing portfolio and achieving required results

**Governance**

- What would effective governance look like?
- Are delegations at the correct level?
- Member Engagement and Briefing

**Resources**

- Joint venture client
- Capacity
- Future Delivery -Property Partnership Managers
- Advice

**MAKING IT HAPPEN****Delivery Plan****Next steps****Appendices**

- Socio Economic Impact assessments
- List of schemes with high level appraisals

**SURREY COUNTY COUNCIL****CABINET****DATE: 30 OCTOBER 2018****REPORT OF: MRS MARY LEWIS, CABINET MEMBER FOR ALL-AGE LEARNING****LEAD OFFICER: DAVE HILL, EXECUTIVE DIRECTOR FOR CHILDREN, FAMILIES & LEARNING****SUBJECT: SURREY SCHOOLS & EARLY YEARS FUNDING 2019-20****SUMMARY OF ISSUE:**

The funding of all Surrey schools (including academies) and the free entitlement to early years nursery provision are funded from the council's Dedicated Schools Grant (DSG). Each local authority is required to consult on and maintain local formula arrangements to allocate DSG.

This report sets out the recommended funding formula for Surrey schools in 2019/20 and following a joint consultation with Early Years providers, this report also proposes the principles to be adopted in the funding of early years in 2019/20.

This year, increasing pressures in providing for pupils with Special Educational Needs and Disabilities (SEND) have necessitated requests for support from the Schools block which were not supported by the Schools Forum and the Cabinet is asked to consider an appeal to the Secretary of State.

**RECOMMENDATIONS:**

It is recommended that the proposals set out in Annex 3 be approved, namely that:

1. appeals be lodged with the Secretary of State for Education to overturn the decisions of the Schools Forum and:
  - a. permit the transfer of 0.5% of the Schools Block (£3.1m) to support High Needs SEND
  - b. enable the council to introduce a control mechanism on maintained schools' excessive balances to support High Needs SEND.
2. to ensure the future sustainability of the council's Additional SEN funding factor, the threshold for funding eligibility is increased and targeted to fewer schools. This recommendation is in the context of increased funding for Low Prior Attainment to many schools with high SEND pupil numbers.
3. the transition to the National Funding Formula (NFF) progresses at a steady rate to approximately 85% of published 2019/20 NFF values. This facilitates a move to 100% by 2020/21 when the full NFF funding is available.

4. the Council implement the DfE's recommended Minimum Per Pupil Level (MPPL) in full. However, should the appeal to the Secretary of State to transfer £3.1m to High Needs be approved, the full MPPL should be marginally reduced to ensure all schools contribute.
5. the Schools Forum's formula recommendations for Schools and Early Years funding as set out in Annex 3 be approved
6. authority is delegated to the Director of Education, Lifelong Learning & Culture in consultation with the Leader and the Cabinet Member for All-Age Learning to approve amendments to the schools and early years formulae as appropriate following receipt of the DSG settlement and DfE pupil data in December 2018. This is to ensure that total allocations to schools under this formula remain affordable within the Council's DSG settlement.

#### **REASON FOR RECOMMENDATIONS:**

To comply with DfE regulations requiring formal council approval of the local funding formula for Surrey's primary and secondary schools.

#### **DETAILS:**

##### **BACKGROUND**

1. Dedicated Schools Grant (DSG) funding is provided to the Local Authority (LA) in four blocks covering:
  - a. Schools
  - b. Schools' Central Services
  - c. High Needs: Special Educational Needs and Disabilities (SEND)
  - d. Early Years

The services provided within these blocks and 2018/19 funding are summarised below. Funding for 2019/20 will be published in December 2018.

- a) **Schools** £612.7m  
The Schools block provides the funding for all Surrey's mainstream schools, including academies. Individual schools' budgets are allocated on the basis of a formula currently determined locally, albeit within Department for Education (DfE) parameters.

From 2021 the DfE intends to introduce a National Funding Formula (NFF) for schools. During the intervening period local authorities are asked to manage this transition by adjusting their own local formulae in the direction of the NFF.

- b) **Schools' Central Services** £6.3m

This block funds local authorities for their strategic Education responsibilities for all schools (including academies). These responsibilities include whole service planning and leadership, school admissions, management of the capital programme, education welfare, and formula funding.



**c) High Needs SEND £141.9m**

The High Needs block caters for pupils with special educational needs and disabilities (SEND). It funds Surrey's special schools, SEND centres in mainstream schools, pupil referral units (PRUs), post 16 SEND provision and education to those pupils with complex or severe needs requiring support in a non-maintained or independent special school (NMI). It provides additional funding to primary and secondary schools for pupils with SEND statements or Education Health Care Plans (EHCPs). It also funds specialist support services (e.g. physical and sensory support, speech & language therapies). Continuing pressures in Surrey's High Needs block has necessitated transfers from both the Early Years and Schools blocks in recent years.

**d) Early Years £75.5m**

The Early Years block funds nursery education for two – four year olds in maintained schools, maintained nurseries, academies and private, voluntary and independent (PVI) settings. Funding for three – four year olds in 2018/19 was £70.5m, with £5m provided for two year olds.

**Focus of this report**

2. This report concentrates on Cabinet decisions relating to schools funding and early years. It does not address the pupil premium or sixth form funding as these are central government allocations, distributed via formula mechanisms determined by the DfE. Budgets for services funded by the High Needs and Central Schools Services blocks are subject to a separate Cabinet report in line with the Council's budgeting process.

**Schools Forum**

3. The Schools Forum is a statutory body which must be consulted on the allocation of Dedicated Schools Grant (DSG). Membership is prescribed by regulations, and comprises headteachers, governors, academy representatives and 'non-school' representatives from Early Years providers, diocesan bodies, teaching unions, post-16 providers and SEND representatives (Family Voice in Surrey). The Forum has a largely consultative role but with decision making powers in specific areas, including the transfer of funding from the Schools block. Forum members can vote only on issues impacting on their sector. For example, academies cannot vote on issues relating to maintained schools only.

**SCHOOLS FUNDING**

4. All mainstream schools (maintained schools and academies) are funded from the Dedicated Schools Grant (DSG). Funding is allocated to Surrey schools on a local formula that is reviewed annually by the council. Annex 2 details the funding allocated to each funding factor in 2018/19.
5. The DfE is in the process of phasing in a National Funding Formula (NFF), with full implementation currently expected by April 2021. This will replace the individual funding formulae of 150 local authorities. Overall, the NFF is expected to increase the funding of Surrey schools, although the full funding

will be phased, with an additional £14m received in 2018/19, approximately £11m expected in 2019/20 and £3m in 2020/21. The distribution of that funding is not consistent across all Surrey schools. In general, Surrey schools with higher levels of deprivation gain rather less. This is because Surrey's local formula allocates a higher proportion of funding to deprivation than the NFF.

6. Local authorities are expected to manage a smooth transition to the NFF that avoids unnecessary turbulence at individual school level by amending their local formula over time.

### **Consultation with Surrey schools on Changes from April 2019**

7. In July 2018 the DfE published its NFF funding rates and provisional allocations for 2019/20. During September 2018 all Surrey primary and secondary schools (including academies) were consulted on a number of options for the 2019/20 local funding formula.
8. The key issues for schools to consider were:
  - A. The local schools' funding formula - including consideration of the local authority's request to transfer 0.5% of the total Schools budget (£3.1m) to support High Needs SEND
  - B. De-delegated services: the services for which maintained schools would consider an automatic deduction from their school's budget

#### **A. The local schools' funding formula**

9. Schools were consulted on a number of proposed changes to the local formula. Annex 5 summarises the responses of schools and the Schools Forum to the consultation. Some proposals gained majority support from schools and the Schools Forum, whereas others were unsupported.
10. The following four proposals were not supported by Schools Forum.
  1. Reporting of schools' balances
  11. A proposal to amend the reporting of schools' balances whereby part of the net surplus balances would be used to underwrite the High Needs block deficit, was opposed by the majority of schools and the Schools Forum. It is therefore recommended that this proposed accounting change is not implemented.
  2. Transfer of 0.5% from Schools budget to High Needs SEND
  12. Pressures in the High Needs SEND block continue to increase, due largely to demographic growth and increased entitlements to SEND provision for young people aged up to 25. From January 2017 to January 2018, the number of children with Education, Health & Care Plans (EHCPs) has increased by 12.7% (37% since 2015).

13. Government funding levels have not reflected these pressures and the High Needs SEND block has been supported by funding transfers from the Early Years and Schools blocks totalling £32.1m in recent years (Annex 1). This is a national issue with 72 local authorities (out of 150) reducing their Schools Block by 0.1% or more as a result of transfers to other blocks in 2017/18. (Published data for 2018/19 is unavailable.)
14. Following overspends on High Needs SEND budgets in recent years, a cumulative deficit of £15m is anticipated by March 2019. In response, the council has developed the SEND Transformation Programme which was detailed in the Schools Funding Consultation and widely supported by schools. The strategy places the emphasis on early identification, support and early help, with new ways of working between the local authority and schools. To support the strategy, a £10m bid is to be made to the full Council in November 2018 for additional revenue investment comprising £5m for SEND, £3m for Family Resilience (Early Help) and £2m for All-Age Learning, with an additional £7m capital funding requested.
15. However, this strategy will take time to embed and short term pressures will require additional funds. The Schools Forum has the power to approve a transfer of up to 0.5% (£3.1m) from the total Schools Budget to High Needs SEND and the Schools Funding Consultation included a request for this transfer in 2019/20. This was considered to be reasonable in a year in which the total Schools Budget will see NFF growth of £11m and in view of the revenue and capital funding bids to the full Council.
16. The proposal was opposed by a majority of schools in the consultation. Schools have faced increasing financial pressures in recent years from rising costs of pay, national insurance, pensions and education support services and they feel unable to make further contributions to High Needs SEND from their budgets. Special schools are funded from the High Needs block and were largely supportive. The Schools Forum have decision making powers on this issue and refused the local authority's request.
17. The local authority has the right of appeal to the Secretary of State to overrule the Schools Forum's decision and the Cabinet is asked to approve this course of action.

### 3. Introduction of a Control Mechanism on Maintained Schools' Balances

18. An increasing number of Surrey maintained schools hold high levels of surplus balances. At 31 March 2018, Surrey's (then) 251 maintained schools' held total balances in excess of £40m. Of these, 36 schools held balances exceeding 20% of funding and a further 33 schools held balances in excess of 15%. All maintained schools with balances in excess of 15% are required to provide details to the LA of their proposed use of balances. These typically include funding held for agreed contributions to capital projects, specific grant funding for future projects (e.g. sports grants), and funding held in anticipation of budget adjustments/falling rolls in future years. However a small minority of schools have maintained surplus balances in excess of 15% of funding for a number of years with no clear proposals for their use.
19. A proposal was submitted to schools to introduce restrictions on maintained schools' balances with the LA clawing back surplus balances in excess of

20% at March 2019 and 15% from March 2020 onwards. Funding would not be recovered if held for genuine purposes (including agreed capital contributions) as set out in the consultation document. Any funds recovered would be used to support the High Needs SEND block.

20. Schools did not support this proposal – the main reason being the inequity of its application to maintained schools only, as this restriction could not be applied to academies. Schools Forum agreed with the majority of schools and refused this request by the local authority. (Annex 5).
21. As this is an issue on which the Schools Forum has decision making powers, an appeal to the Secretary of State is required if the proposal is to be implemented and the Cabinet is asked to support this appeal.

#### Appeals to the Secretary of State

22. The local authority has the right of appeal to the Secretary of State to overrule the Schools Forum's decisions and the Cabinet is recommended to follow this course of action to implement:
  - The £3.1m transfer from Schools to High Needs
  - The clawback of maintained schools' excessive balances

It is anticipated that a response from the Secretary of State will be received prior to the DfE deadline for schools' budgets, set at 21 January 2019. As the transfer of £3.1m from Schools to High Needs impacts on the schools funding formula this report will illustrate both scenarios where applicable.

#### 4. Increasing the threshold for additional SEN funding

23. Surrey currently provides additional funding from the High Needs block to schools with higher than average numbers of Education, Health & Care Plans (EHCPs). This is consistent with DfE guidance which also recommends that additional funds are targeted 'only to a minority of schools'. The estimated cost of this factor in Surrey has been rising and is expected to cost £2.1m in 2018/19 with almost 40% of Surrey schools now receiving allocations.
24. Given very limited resources in the High Needs block, more effective targeting is required in order to ensure the sustainability of this funding factor. The latest published data from 2017/18 indicates that the use of this factor is not universal and 78% of local authorities spent nothing or less per pupil than Surrey.
25. The current proposal is to increase the eligibility threshold so that approximately 20% of schools benefit. This should reduce costs to approximately £900,000 per annum. This change is in the context of a significant increase in the funding to be targeted to low prior attainment (a key indicator of SEN) in 2019/20 and 2020/21 which will benefit many schools as we move towards the NFF.
26. This proposal was not supported by the majority of schools or the Schools Forum but the Council has decision-making powers on this issue. The Cabinet is recommended to approve the review of this factor, to target this funding more effectively and thereby ensure the sustainability of this

additional support to high need schools. The Cabinet Member for All-Age Learning will review this factor on an annual basis and amend it as necessary to ensure funding remains within budget.

#### Other Schools Funding issues

- 27 To limit the number of options on which schools were consulted, proposals assumed the following:
- a) Speed of Transition to the NFF: To manage a smooth transition, it is intended that Surrey moves from operating 72.5% of the NFF factors to approximately 85% in 2019/20. This is considered to be the appropriate level to facilitate a 100% National Funding Formula (NFF) in 2020/21 when the full NFF funding is made available by the DfE.
  - b) Minimum Per Pupil Level (MPPL): In 2018/19 the Secretary of State proposed a Minimum Per Pupil Level, although individual LAs may opt to implement it only in part or not at all. Surrey schools supported the introduction of the MPPL and it was implemented in Surrey. In 2019/20 the MPPL has been increased by £200 to £3,500 per primary school pupil and £4,800 per secondary pupil and it is proposed that these are applied in full if there is no transfer of funds to the High Needs block.

The MPPL adjustment is applied after all other funding adjustments are completed. Any school not receiving £3,500 per primary pupil or £4,800 per secondary pupil through the normal workings of the formula would receive a top-up. As such, when a ceiling is placed on all gaining schools – to fund the Minimum Funding Guarantee – those schools receiving the MPPL top-up will be exempted and could receive significantly higher increases. This presents an issue in the event of a decision to transfer £3.1m (0.5% of the Schools Budget) to meet High Needs pressures as those schools would not contribute to this. As the MPPL top-up typically benefits large schools with relatively low levels of need, a marginal tapering of the increase by £31 per pupil is proposed in the event that the transfer is approved, to ensure other schools were not disproportionately impacted.

28. The following detailed funding formula options were consulted on with schools and gained majority support from schools and the Schools Forum. A summary of schools' responses is set out in Annex 5, with the main points out below.
- a) Minimum Funding Guarantee (MFG).

The MFG protects schools that might otherwise see a fall in funds and can be set at a range between -1.5% to + 0.5% by local authorities. At the time of the consultation in 2018/19 the maximum protection was 0% - i.e. no school would lose funds – and this was recommended by Schools Forum and implemented in Surrey. As the DfE has now enabled local authorities to introduce a 0.5% MFG, schools were asked for their views. Annex 5 shows that retaining the 0% MFG gained a greater level of support from schools and the Schools Forum.

b) Managing the loss of Growth Funding

The authority currently provides, from DSG, approximately £6.9m in growth funding to schools increasing their PAN, extending an age range or admitting bulge classes. A further £1.3m is provided to support good or outstanding secondary schools experiencing a temporary fall in pupil numbers. However, from 2019/20 the DfE will allocate funding to LAs for these purposes using a formula based on pupil number increases in the area. Initial estimates are of a £3m reduction in funding. Schools were therefore approached with options involving reductions in growing schools and falling rolls funding or using some of the NFF (i.e. general) funding to continue support at current levels.

Schools and the Schools Forum supported reductions in growth funding and ceasing the falling rolls fund (transition arrangements will apply). The Schools Forum have decision making powers on this issue.

c) Support for a Schools Led Improvement model

Schools and the Schools Forum supported schools contributing to a central fund, to develop and broker a universal school improvement offer, to be led and managed by schools.

d) Minor technical changes

Schools and the Schools Forum supported minor technical changes that transition the indicators for notional SEN funding in line with the NFF and update SEN allocations to sixth forms to be based on current data, following new freedoms granted to LAs to update 2013/14 data.

29. Annex 3 summarises the recommendations to the Cabinet. Decisions made by the Schools Forum – some of which are subject to appeal by the local authority – are listed in Annex 4. The Surrey schools funding formula factors and their provisional values are set out in Annex 6.

**B. De-delegated services**

30. The Schools Forum can agree on behalf of all Surrey maintained primary and secondary schools to automatically deduct funding from individual schools budgets to provide specific services. These include behaviour support, Capita SIMS licences, free school meals eligibility checking and the maintaining of central funds to support school improvement and exceptional expenditure in primary schools. Prior to this decision – which must be made annually – all schools are consulted. The majority of proposals were supported. The outcome of schools' responses and the Forum's decisions are summarised in Annex 5. De-delegation arrangements are not permitted to be introduced for academies or special schools.

**EARLY YEARS**

31. Local authorities receive funding (currently estimated to be £67m in 2019/20) from the Department for Education (DfE) for free nursery entitlement for three and four year olds through the Early Years block of the Dedicated Schools

Grant (DSG). The DfE funds local authorities for three and four year olds on the basis of an hourly rate and requires local authorities to fund providers via a formula – on which the LA consulted providers during September. No increase is expected in the DfE’s hourly funding rate from 2018/19 to 2019/20.

32. Early years providers must be funded on a termly count whereas the DfE funds local authorities using the average of successive January counts (i.e. annual counts). Thus the termly variation in take-up is a budget risk and a contingency is maintained for this purpose. Following a review of this contingency a reduction is proposed in 2019/20 which will allow some growth in funding to providers despite there being no increase in the DfE’s hourly funding rate.
33. From September 2017 the number of weekly hours of free entitlement for some three and four year olds was increased from 15 hours to 30 hours. This means that data on this “extended entitlement” is only available for one year and there are concerns that the first year’s data is atypical.
34. Local authorities can retain up to 5% of the Early Years funding for 3-4 year olds centrally in 2019/20 (the same level as retained by Surrey in 2018/19) ; the remainder must be passed on to individual providers. The council has consulted with Early Years providers and Schools Forum around local funding changes. The Forum has agreed that in 2019/20 the local authority could retain 5% of the Early Years grant for 3-4 year olds to manage the sector and support providers (which includes £0.3m to provide full time education for children in maintained nursery schools who do not meet the DfE’s full time criteria, plus a sum to establish a separate SEN inclusion fund for two year olds).
35. Following majority support from early years providers in the September 2018 funding consultation, Schools Forum also supported the following, which are affordable within the anticipated DfE funding:
  - a) The use of £1.4m to provide devolved funding for 3 and 4 year olds with SEND (the inclusion fund)
  - b) A basic hourly rate of £4.65 per hour for three and four year olds (A marginal increase on £4.60 provided in 2018/19)
  - c) 2.5% of formula funding to be allocated as a deprivation supplement for children meeting the DfE criteria for the early years pupil premium on economic grounds. This is the same level of funding as in 2018/19 and should allow the deprivation supplement to be maintained at £2.77 / hour.
  - d) Funding for free meals provision in maintained and academy nurseries to remain unchanged.
36. There is a separate DfE grant allocation for two year olds, expected to remain at £5.88/hr in 2019/20, providing £5m in total. The Council funds providers for two year olds at an hourly rate which has been set at £5.88/hr. It is recommended that that rate remains unchanged in 2019/20.

### **Fine-tuning of schools’ and early years formulae following DSG settlement**

37. At this stage, proposed formula values can only be provisional as DSG funding will be based on pupil numbers collected in the October 2018 pupil census – data which is unavailable to local authorities until late December 2018. The DfE therefore enables local authorities to fine-tune our proposed

formula values by 21 January 2019, to ensure the formula is affordable within the funding settlement.

38. Fine-tuning of the formulae at that time will be considered by the Director of Education, Lifelong Learning & Culture in consultation with the Cabinet Member for All-Age Learning and the Leader of the County Council.

#### **CONSULTATION:**

39. Following receipt of the DfE's updated guidance in July 2018, a Schools Funding Consultation was distributed to all schools during September detailing options for the funding of Surrey schools in 2019/20. A total of 198 schools submitted responses, representing 50.5% of schools. Schools' collective responses and comments were discussed at the Surrey Schools Forum on 28 September when recommendations / decisions were made. These are set out in this report.
40. This year the Early Years formula consultation was undertaken at the same time, in September 2018. Responses were received from 169 early years providers with majority support for all proposals. Accordingly they are all recommended by Schools Forum for approval by Cabinet.

#### **RISK MANAGEMENT AND IMPLICATIONS:**

41. Schools are funded by Dedicated Schools Grant (DSG). Primary and Secondary schools are funded from the Schools block within DSG, with the High Needs block funding special schools. The proposals in this report recognise continuing demographic and inflationary pressures in the High Needs block and the SEND Transformation Programme, developed to address these issues, gained widespread support from schools.
42. A request to schools to transfer £3.1m from the Schools budget to High Needs SEND was refused by the Schools Forum. Subject to the approval of Cabinet, the local authority is to appeal to the Secretary of State to overrule that decision. Should the appeal not be upheld savings proposals will be required.
43. Schools' financial challenges and reduced funding to local authorities to intervene in weak schools are creating risks as deficits on schools obliged to convert to academy status remain with the council. This is expected to cost approximately £0.5m of council funds in 2018/19.

#### **Financial and Value for Money Implications**

44. Schools are expected to operate within the funding provided. Where an individual maintained school faces financial problems, the local authority can approve a licensed deficit and will develop a recovery plan for repayment in a specified term – usually from one to three years. If a maintained school became financially unviable then the council would be required to step in to address issues. This could involve a review of the school's management and/or a review of wider educational provision in the area. Schools are subject to regular monitoring and the local funding formula is reviewed on an annual basis to assess scope for potential amendments within DfE controls.



45. As at 1 October 2018, a total of 150 schools have converted to academy status (101 primary, 40 secondary and 9 special) and there are 6 free schools in Surrey. Responsibility for the financial viability of academies and free schools lies with the Government's Education & Skills Funding Agency (ESFA) rather than the county council.

#### **Section 151 Officer Commentary**

46. The funding projections presented in this report are consistent with current DfE guidance and have been based on reasonable assumptions. They will move the local funding formula towards the National Funding Formula at a measured pace thereby avoiding undue turbulence at individual school level.
47. The County Council is facing a very serious financial situation with projected deficits on the High Needs SEND block necessitating significant savings. The appeals to the Secretary of State to access schools funding should mitigate - though not fully resolve - these pressures, but should the requests be refused, additional, remedial savings and budget reductions would be necessary. Future sustainability must be the key focus and this is recognised in the SEND Transformation Programme, which gained considerable support from schools in the September 2018 consultation.

#### **Legal Implications – Monitoring Officer**

48. The proposals comply with the Department for Education Regulation requirements and legislation and have been arrived at following consultation with Schools Forum. There are no significant legal implications arising from this report.
49. Cabinet should give due regard to the responses to the consultation before considering the recommendations put before Cabinet.
50. The best value duty is contained in s3 of the Local Government Act 1999 as a result of which the Council is under a duty to make arrangements to secure continuous improvement in the way in which functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The relevant guidance states that Councils should consider overall value, including economic, environmental and social value when reviewing service provision.
51. The public sector equality duty (Section 149 of the Equality Act 2010) applies to the decision to be made by Cabinet in this report. There is a requirement when deciding upon the recommendations to have due regard to the need to advance equality of opportunity for people with protected characteristics, foster good relations between such groups, and eliminate any unlawful discrimination. These matters are dealt with in the equalities paragraphs of the report and in the attached equalities impact assessment.

#### **Equalities and Diversity**

52. Equality Impact Assessments (EIA) have been completed and set out in Annex 7.

### **Corporate Parenting/Looked After Children:**

53. Additional funding is provided to all schools with looked after children. Funding levels are to be maintained in 2019/20.

### **WHAT HAPPENS NEXT:**

The next steps are as follows:

#### Schools' Funding Formula

54. Should the Cabinet approve the action, the local authority will apply to the Secretary of State to overrule the Forum's refusal to transfer 0.5% of the Schools budget (£3.1m) to support High Needs SEND and to introduce a clawback mechanism for maintained schools' excessive balances. A response is expected prior to the DfE's deadline for submission of schools' budgets of 21 January 2019.
55. The DfE will provide local authorities with updated pupil data at school level during December 2018 and confirm the council's DSG funding. The council may then make fine-tuning adjustments to its schools' funding formula to ensure it is deliverable within the updated funding, by 21 January 2019.
56. Surrey maintained schools will receive their individual schools budgets from the council by the end of February 2019. Academies will be notified of their funding separately by the Education and Skills Funding Agency (ESFA). This will be based on the council's funding formula.

#### Early Years

57. If approved by the Cabinet, the hourly rates will be subject to fine-tuning following receipt of census data and published by 31 March 2019.

#### **Contact Officer:**

Liz Mills, - Director, Education, Lifelong Learning & Culture Tel: 020 8541 9907

#### **Consulted:**

Lynn McGrady, Finance Manager, Funding & Planning  
 Leigh Whitehouse, Interim Executive Director of Finance  
 The Surrey Schools Forum  
 All Surrey schools – via the Schools Funding Reform Consultation, issued September 2018

#### **Annexes:**

- Annex 1 Movement between DSG blocks  
 Annex 2 Allocation of Schools Funding Across Formula Factors  
 Annex 3 Recommendations to Surrey County Council Cabinet  
 Annex 4 Schools Forum Decisions  
 Annex 5 Surrey Schools' Funding Consultation Sep 2018  
 Annex 6 Proposed Surrey Schools Funding Formula Factors 2019/20  
 Annex 7 Equalities Impact Assessments

**Sources/background papers:**

- The National Funding Formula for Schools and High Needs. Policy document.  
Department for Education, Sept 2017
- The National Funding Formula for Schools and High Needs 2019-20.  
Department for Education, July 2018
- 2019/20 Schools revenue funding. Operational Guide. DfE July 2018.
- The School & Early Years Finance (England) Regulations 2018
- The Education Act 2002
- The Education Act 2011
- The Schools Standards & Framework Act 1998
- Schools' Funding Consultation: Proposals for Changes in 2019/20  
Surrey County Council, September 2018
- Early Years Entitlements: Local Authority Funding of Providers, Operational Guide  
2018-19, Department for Education November 2017
- The Dedicated Schools Grant conditions of grant, DfE December 2017

## MOVEMENTS BETWEEN DSG BLOCKS

The table below shows funding transfers from Schools and Early Years blocks to support growing pressures in the High Needs SEND block in the last five years.

### Budgeted transfers

	2014/15	2015/16	2016/17	2017/18	2018/19	Total
	£m	£m	£m	£m	£m	£m
From Schools block		10.0	11.7			21.7
Less technical adjustment <sup>1</sup>	-0.9	-0.9	-0.9			-2.7
<b>Total Schools block</b>	<b>-0.9</b>	<b>9.1</b>	<b>10.8</b>	<b>0</b>	<b>0</b>	<b>19.0</b>
From Early Years	6.6					6.6
<b>Net budgeted transfers</b>	<b>5.7</b>	<b>9.1</b>	<b>10.8</b>	<b>0</b>	<b>0</b>	<b>25.6</b>

### Transfers of year-end net surplus

From Schools block			0.3		4.6	4.9
From Early Years		1.7			1.3	3.0
Less EY overspend funded by council			-1.4			-1.4
<b>Net transfers of year end surplus</b>	<b>0</b>	<b>1.7</b>	<b>-1.1</b>	<b>0</b>	<b>5.9</b>	<b>6.5</b>

<b>Total transfers (net)</b>	<b>5.7</b>	<b>10.8</b>	<b>9.7</b>	<b>0</b>	<b>5.9</b>	<b>32.1</b>
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This represents a total transfer to High Needs SEND from Schools and Early Years blocks of £32.1m during the last five years, split as follows:

Schools	£23.9m
Early Years	£8.2m
<b>Total</b>	<b>£32.1m</b>

<sup>1</sup> The technical adjustment recognises the increase in ISPSB threshold from £4,400 to £6,000. Both budget and costs became part of the Schools Block rather than High Needs but the DfE blocks were not adjusted. This amendment is necessary to reconcile to DfE figures.

## ALLOCATION OF SCHOOLS FUNDING ACROSS FORMULA FACTORS

The table below lists the funding allocated to the schools funding formula factors in 2018/19.

It also shows the impact of changes in 2019/20 as the local formula transitions to the National Funding Formula (NFF). The final column shows the impact of a transfer of £3.1m to the High Needs SEND, should that be approved by the Secretary of State.

	Allocated to Surrey schools  2018/19  £m	Recommended Allocation to Surrey schools  2019/20	
		If no transfer is made to High Needs SEND	If £3.1m is transferred to High Needs SEND
		£m	£m
Basic Entitlement	480.3	483.3	483.3
Deprivation funding	31.1	28.6	28.6
Lump sum (flat rate)	44.0	42.6	42.6
Low prior attainment (SEND indicator)	36.8	40.5	40.5
Looked after children	0.2	0.1	0.1
English as an Additional Language	4.8	5.2	5.2
Split site funding	0.6	0.6	0.6
Rates, rent and other premises factors	6.9	6.8	6.8
Pupil mobility	0.3	0.2	0.2
Sparsity (new factor)	0.1	0.1	0.1
Additional funding to reach minimum per pupil level (MPPL) (new factor)	0.2	2.8	1.9
Minimum Funding Guarantee	5.3	5.2	5.2
Ceiling deduction	-4.9	-0.7	-2.9
<b>Total</b>	<b>605.7</b>	<b>615.3</b>	<b>612.2</b>

The table above shows a £3.1m transfer to High Needs would impact only on the Minimum Per Pupil Level protections given to some schools (for reasons set out in para 27b in main report) and the ceiling on those schools gaining most from the annual increase.

## RECOMMENDATIONS TO SURREY COUNTY COUNCIL CABINET

1. That appeals be lodged with the Secretary of State to overturn the decisions of the Schools Forum and:
  - permit the transfer of 0.5% of the Schools Block (£3.1m) to support High Needs SEND
  - enable the council to introduce a control mechanism on maintained schools' excessive balances to support High Needs SEND.
2. That to ensure the sustainability of the additional SEN funding factor provided to mainstream schools with high numbers of SEND pupils, the threshold for funding is increased and thereby targeted to fewer schools. This recommendation is in the context of increased funding for Low Prior Attainment provided by the National Funding Formula. (This proposal was not supported by the Schools Forum.)
3. That the transition to the National Funding Formula progresses at a steady rate from 72.5% to approximately 85% of NFF values in 2019/20. This facilitates a move to 100% by 2020/21 when the full NFF funding is available.
4. That the council implement the Minimum Per Pupil Level in full. However, should the appeal to the Secretary of State to transfer £3.1m to High Needs be approved, the full MPPL should be reduced by approximately £31 per pupil to ensure all schools contribute. (The Schools Forum supported the full MPPL but refused the £3.1m transfer.)
5. That the Cabinet approve the following formula recommendations from the Schools Forum:
  - Schools Formula Funding
    - a) The minimum funding guarantee (MFG) for schools should be set at zero
    - b) All minor formula changes involving facilitating the transition towards the National Funding Formula are implemented. (E.g. notional SEN funding)
    - c) £0.3m from the surplus on the de-delegated primary schools' contingency should be distributed to primary schools reflecting the origin of the funds.
  - Early Years Funding
    - d) The SEN Inclusion Fund to provide additional funding to providers for 3-4 year olds with SEND should be set at £1.4m
    - e) Funding for individual Early Years providers should be at rates which are commensurate with the levels of DSG funding, currently estimated at:
      - £4.65/ hour for three and four year olds (£4.60 in 2018/19);
      - £5.88 / hour for two year olds (unchanged); and
      - £2.77 / hour additional deprivation funding (based on eligibility for the early years pupil premium on economic grounds (unchanged)
    - f) That 2.5% of formula funding is allocated as a deprivation supplement for children meeting the DfE criteria for the early years pupil premium
    - g) Funding for free meals provision in maintained and academy nurseries should remain unchanged.

## SCHOOLS FORUM DECISIONS

At its meeting on 28 September 2018, the Schools Forum made the following decisions:

### Schools Funding

1. That no control mechanisms be placed on maintained schools' balances.

***The Cabinet is recommended to seek the approval of the Secretary of State to overturn this decision.***

2. That approval is not granted to the council to transfer 0.5% of the Schools' Budget (£3.1m) to support growing pressures in the High Needs SEND block.

***The Cabinet is recommended to seek the approval of the Secretary of State to overturn this decision.***

3. That appropriately phased reductions to vacancy funding, falling rolls and growth factors are made, sufficient to manage the estimated reductions in DfE Growth funding.
4. That specific services are approved for automatic de-delegation from maintained primary and secondary schools' budgets.

### Early Years

5. That the local authority may retain 5% (currently estimated at £3.3m) of the Early Years Dedicated Schools Grant for 3-4 year olds to manage the sector, support providers and secure the supply of places; and to create a new SEND inclusion fund for 2 year olds

## SURREY SCHOOLS' FUNDING CONSULTATION

### September 2018

198 Surrey schools responded to the consultation, comprising 50,5% of all schools.

The views of schools and the recommendation of Schools Forum are set out below.

Where the Schools Forum has decision making powers, this is indicated by 'D'.  
Schools with no views are excluded.

Those question numbers asking for comments only are excluded from this summary table. A summary of comments was distributed to all Schools Forum members and has been made available to Cabinet members.

		Schools' views		Schools Forum recommendation / decision (D)
		Yes	No	
	<b>SEND Transformation Programme</b>			
1	Do you agree with the principles of the SEND Transformation Programme?	171	12	Yes
2	Do you agree with the broad areas and proposals for development?	168	16	Yes
4	Do you support increasing the threshold for additional SEN funding? <i>(Surrey is a comparatively high spender on SEN and this would target additional funding to fewer high need schools and reduce SEN costs)</i>	46	140	No
5	<b>Controls on Maintained Schools' Balances</b> Do you support the introduction of controls on maintained schools' balances? (To provide funds to support SEND)	75	98	No (D)
10	<b>SEND Other Proposals</b> Do you support the proposal that Element 2 SEN funding for mainstream sixth forms should be redistributed annually, updated from the October census? <i>(New powers to LA to update data annually)</i>	71	3	Yes
11	Do you support the LA amending the reporting of schools' balances to offset the deficit on the High Needs budget?	47	123	No
12	Do you support the proposed principles for setting the Level 2 notional SEN funding for 2019/20? <i>(Technical issue requiring changes due to transition to NFF)</i>	133	18	Yes



13	<b>Minimum Funding Guarantee</b> Do you support an MFG at: <ul style="list-style-type: none"> <li>• 0% or</li> <li>• 0.5% ?</li> </ul>	97	Yes	
		63	No	
14	<b>Transfer of 0.5% Schools Budget (£3.1m) to meet High Needs SEND pressures</b> If the MFG is set at 0%, do you support a transfer to High Needs SEND?	63	108	No (D)
15	If the MFG is set at 0.5%, do you support a transfer to High Needs SEND?	58	112	N/A
	<b>Managing the loss of Growth Funding</b> Support for Options:			
16	<ul style="list-style-type: none"> <li>• Reduce vacancy funding in new growth classes in primary sector</li> </ul>	104	52	Yes (D)
17	<ul style="list-style-type: none"> <li>• Make no more reductions in other growth factors (<i>Schools' responses contradicted with 19a below. Forum have requested the LA to identify potential reductions with minimal impact</i>)</li> </ul>	103	51	No (D)
18	<ul style="list-style-type: none"> <li>• Cease falling rolls funding</li> </ul>	128	22	Yes (D)
19	<ul style="list-style-type: none"> <li>• Reduce NFF funding in order to: <ul style="list-style-type: none"> <li>a) Protect current levels of growth</li> <li>b) Protect current levels of falling rolls</li> </ul> </li> </ul>	11	143	No (D)
		12	134	N/A
20	De-Delegation of funds from maintained schools' budgets to support: <p><u>Primary schools only:</u></p> a) Behaviour support b) Capita SIMS licences c) Teaching Association time d) Other special staff costs e) Free school meals eligibility checking f) Primary school specific contingency g) Additional school improvement h) Traveller support <p><u>Secondary schools only:</u>  <i>(only some of above apply)</i></p> b) Capita SIMS licences c) Teaching Association time d) Other special staff costs e) Free school meals eligibility checking	60	26	Yes (D)
		82	5	Yes (D)
		62	14	Yes (D)
		66	8	Yes (D)
		82	6	Yes (D)
		71	10	Yes (D)
		51	31	Yes (D)
		41	36	Yes (D)
		10	0	Yes (D)
		5	5	No (D)
		6	3	Yes (D)
		10	0	Yes (D)

21	Redistribution of surplus primary contingency	83	6	Yes (D)
<b>Universal Offer for School Led Support</b>				
22	Support for contributing to the development of a Schools' Led school improvement service	163	28	Yes
23	Contribution to be based on pupil numbers	163	17	Yes
	De-delegation arrangements to be established for maintained schools:			
	• Primary schools	56	21	Yes (D)
	• Secondary schools	1	5	No (D)

## PROPOSED SURREY SCHOOLS' FUNDING FORMULA FACTORS 2019/20

The table lists the proposed values of the Surrey formula factors for 2019/20:

	2018/19 Values		2019/20 Provisional Values	
	Primary £	Secondary £	Primary £	Secondary £
<b>Basic entitlement per pupil</b>				
• Key stages 1 & 2	2,869.37	-	<b>2,885.24</b>	-
• Key stage 3	-	3,975.58	-	<b>4,023.01</b>
• Key stage 4	-	4,614.61	-	<b>4,621.94</b>
<b>Deprivation:</b>				
Per pupil on free schl meals	1,439.24	1,062.58	<b>992.51</b>	<b>788.43</b>
Per "Ever 6" FSM pupil	443.07	600.48	<b>514.86</b>	<b>704.84</b>
Per pupil in IDACI band F <sup>1</sup>	155.08	462.34	<b>181.67</b>	<b>390.70</b>
Per pupil in IDACI band E	186.10	732.19	<b>218.01</b>	<b>585.20</b>
Per pupil in IDACI band D	279.15	827.72	<b>327.01</b>	<b>697.44</b>
Per pupil in IDACI band C	302.41	862.14	<b>354.26</b>	<b>737.84</b>
Per pupil in IDACI band B	325.68	892.74	<b>381.51</b>	<b>773.76</b>
Per pupil in IDACI band A	423.36	1053.38	<b>495.94</b>	<b>962.31</b>
<b>Lump sum per school <sup>2</sup></b>	121,269	132,269	<b>118,883</b>	<b>124,843</b>
<b>Low prior attainment:</b>				
Per low attainer based on Foundation Stage Profile <sup>3</sup>	1050.92		<b>919.27</b>	
Per secondary pupil scoring below level 4 in either maths or English or both at key stage 2		1482.70		<b>1552.67</b>
<b>Per Looked After Child</b>	396	396	<b>396</b>	<b>396</b>
<b>English as an Additional Language:</b>				
Per pupil with EAL in school system less than 3 years	469.83	1244.51	<b>503.53</b>	<b>1343.84</b>
<b>Pupil mobility:</b>				
Per mobile child above 10% of roll	629.00	774.00	<b>629.00</b>	<b>774.00</b>
<b>Sparsity lump sum</b>	18,125	47,125	<b>21,275</b>	<b>55,315</b>

### Notes

- 1 IDACI Income deprivation affecting children index (Bands defined by DfE)
- 2 Reduced to transition to lower lump sum provided by NFF

3 *Rate reduced to reflect higher incidence of low attainers due to change in DfE assessment basis*

A decision to transfer £3.1m from Schools to High Needs SEND would not impact on these values as it would be raised from amending the ceiling on gaining schools, plus a marginal reduction in the MPPL top-up.

In addition, schools will also receive funding for rates at actual costs. A small minority of schools will also receive funding for split sites or exceptional rents. These are calculated individually for each school, based on actual costs.

The provisional amounts above may be amended once the outcome of the October 2018 pupil census is known in December, to ensure they are still affordable within the available funding.



# Equality Impact Assessment (EIA)

## 1. Topic of assessment

<b>EIA title</b>	Schools funding formula proposals for 2019/20: Changes to additional SEN funding for mainstream schools
<b>EIA author</b>	David Green

## 2. Approval

	<b>Name</b>	<b>Date approved</b>
<b>Approved by</b>	Liz Mills	18 October 2018

## 3. Quality control

<b>Version number</b>	001	<b>EIA completed</b>	
<b>Date saved</b>	18 October 2018	<b>EIA published</b>	

## 4. EIA team

<b>Name</b>	<b>Job title</b>	<b>Organisation</b>	<b>Team role</b>
David Green	Senior Principal Accountant	Surrey County Council	
Julie Stockdale	SEND & School Organisation Strategic Lead	Surrey County Council	

## 5. Explaining the matter being assessed

**What policy, function or service is being introduced or reviewed?**

Additional funding is currently allocated to primary and secondary schools where the incidence of “high need” SEND pupils (those requiring additional support costing more than £6000) is high relative to similar schools. The proposal is to raise the eligibility threshold for the additional funding, which will mean reducing the level of additional funding received by individual schools currently receiving additional funding. The proposal may be implemented from April 2019 or from September 2019. There is also an option to graduate the implementation for schools where there is an evidenced case that the impact would be disproportionate in one year on protected groups.

**What proposals are you assessing?**

DfE guidance expects mainstream schools to meet the cost of the first £6,000 of additional support for every pupil with an EHCP from their main budgets, but expects LAs to consider providing additional funding to a minority of schools with disproportionate numbers of such pupils. DfE guidance does not specify how LAs should do this. DfE expects all LAs to define a notional SEN budget for each school. Surrey has provided “additional SEN funding” to primary schools where the cost of funding the first £6,000 per EHCP exceeds 68.4% of the “level 2” notional SEN funding (that part of the SEN funding which is distributed based on deprivation and low prior attainment indicators) and also to secondary schools where the cost of funding the first £6000 per EHCP exceeds 100% of the level 2 notional SEN budget. The cost of this additional funding has increased as the number of children with EHCPs has increased.

The proposal being assessed is to increase the threshold for primary schools from 68.4% of the level 2 notional SEN budget to 100%, which would reduce the number of schools receiving funding and would reduce the cost of additional SEN funding from an estimated £2.1m to an estimated £1.0m, a reduction of less than 1% of the overall budget.

The impact would be mitigated for some schools by increases in formula funding as the formula factors are moved nearer to the government’s national funding formula.

**Who is affected by the proposals outlined above?**

The proposals affect schools, although the impact on individual staff and pupils will be a matter for individual schools;  
The funding to be withdrawn is not directly attached to individual named pupils, but is driven by the total number of such pupils in a school.

## 6. Sources of information

**Engagement carried out**

The proposal was included alongside other proposals for changes in schools funding in a consultation paper which was sent to all schools and was available on the council's website, during September. 198 responses were received from schools, a response rate of 50.5%. This proposal was opposed by a majority of schools in that consultation,

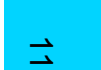
The consultation responses were discussed with Surrey's elected Schools Forum on 28 September 2018. The Schools Forum did not support it either.

**Data used**

Data is largely drawn from the school census and from LA records of the number of "high needs" pupils. Data on many of the equality priority groups is not available for schools.

DfE benchmarking data for 2017/18 current balances of maintained schools budgets suggests that Surrey is a relatively high spender in this category.

## 7. Impact of the new/amended policy, service or function



## 7a. Impact of the proposals on residents and service users with protected characteristics

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence
<b>Age</b>	None identified	None identified	
<b>Disability</b>	Unlikely	Yes, to the extent that there are links to SEND	See notes below
<b>Gender reassignment</b>	No data	No data	
<b>Pregnancy and maternity</b>	No data	No data	
<b>Race</b>	None identified	No	The funding being withdrawn is not linked to race/ethnicity. Data analysis shows that schools with above average incidence of ethnic minorities are no more likely to lose funding, and no more likely to lose large sums under the proposed change than other schools.
<b>Religion and belief</b>	No data	No data	
<b>Sex</b>	None identified	None identified	
<b>Sexual orientation</b>	No data	No data	
<b>Marriage and civil partnerships</b>	No data	No data	
<b>Carers (protected by association)</b>	No data	No data	

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## 7b. Impact of the proposals on staff with protected characteristics

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence
Age			It is a matter for schools to ensure they consider the impact of their actions as a result of these funding changes for any staff with protected characteristics
Disability			
Gender reassignment			
Pregnancy and maternity			
Race			
Religion and belief			
Sex			
Sexual orientation			
Marriage and civil partnerships			
Carers (protected by association)			

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## 8. Amendments to the proposals

Change	Reason for change

## 9. Action plan

Potential impact (positive or negative)	Action needed to maximise positive impact or mitigate negative impact	By when	Owner
Need to monitor whether schools which lose funding under this proposal resist admitting SEND pupils for whom they are the most appropriate placement			

## 10. Potential negative impacts that cannot be mitigated

Potential negative impact	Protected characteristic(s) that could be affected

# 11. Summary of key impacts and actions

<p><b>Information and engagement underpinning equalities analysis</b></p>	<p>Analysis of school census data and consultation with schools and with the Schools Forum</p>
<p><b>Key impacts (positive and/or negative) on people with protected characteristics</b></p>	<p>Risk of disadvantage to pupils with disabilities (likely overlap with SEND) if proposals are implemented</p>
<p><b>Changes you have made to the proposal as a result of the EIA</b></p>	
<p><b>Key mitigating actions planned to address any outstanding negative impacts</b></p>	
<p><b>Potential negative impacts that cannot be mitigated</b></p>	

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# Equality Impact Assessment (EIA)

## 1. Topic of assessment

<b>EIA title</b>	Schools funding formula proposals for 2019/20: Changes to notional SEN budgets
<b>EIA author</b>	David Green

## 2. Approval

	Name	Date approved
<b>Approved by</b>	Liz Mills	18 October 2018

## 3. Quality control

<b>Version number</b>	001	<b>EIA completed</b>	
<b>Date saved</b>	18 October 2018	<b>EIA published</b>	

## 4. EIA team

Name	Job title	Organisation	Team role
David Green	Senior Principal Accountant	Surrey County Council	
Julie Stockdale	SEND & School Organisation Strategic Lead	Surrey County Council	

## 5. Explaining the matter being assessed

<p><b>What policy, function or service is being introduced or reviewed?</b></p>	<p>The notional SEN budget is the amount which schools are expected to spend from their budget share on SEN (although it is neither ring-fenced nor an upper limit) It is not additional funding. The LA is legally required to define a notional SEN budget but may choose how it is defined.</p> <p>The proposal is to change the definition to reflect movements in the underlying formula factors as Surrey’s local formula is moved towards the government’s National Funding Formula (NFF).</p>
<p><b>What proposals are you assessing?</b></p>	<p>Surrey’s notional SEN budget is defined as a proportion of basic per pupil funding plus a proportion of deprivation funding plus a proportion of low prior attainment funding. Under the NFF, deprivation funding for Surrey schools is being reduced, while low prior attainment funding is increasing. The proposal is that the deprivation and low prior attainment components of the notional SEN budget should change in proportion to the deprivation and low prior attainment funding in the main formula, subject to there being no increase in notional SEN funding per pupil. In practice this means that a school with high incidence of low prior attainment, but low deprivation, will be expected to find more funding towards SEN from its own budget. The actual notional SEN funding rates will be set in January based on October 2018 school census data.</p> <p>The changes will affect how much funding each school is expected to set aside as SEN funding. It will only affect the overall funding of a school where the school is eligible for additional SEN funding because the cost of self funding the first £6000 per EHCP exceeds the threshold set for the purpose, which is defined in terms of “level 2” notional SEN funding (i.e. notional SEN funding which depends on deprivation or low prior attainment). A school where the notional SEN funding is higher under the new method is less likely to receive additional SEN funding. This is reasonable as the school will have received an increase in formula funding.</p>
<p><b>Who is affected by the proposals outlined above?</b></p>	<p>The proposals affect schools’ budgets, however the impact on individual staff and pupils will be a matter for individual schools. It is a school’s responsibility to make appropriate provision for pupils with SEN regardless of the amount of funding within the notional SEN budget.</p>

## 6. Sources of information

### Engagement carried out

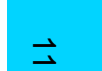
Proposals for changes to the schools funding formula were published in a consultation paper which was sent to all schools and was available on the council's website, during September. 198 responses were received from schools, a response rate of 50.5%

The consultation responses were discussed with Surrey's elected Schools Forum on 28 September 2018

### Data used

Data is largely drawn from the school census and from LA records of the number of "high needs" pupils. Data on many of the equality priority groups is not available for schools.

## 7. Impact of the new/amended policy, service or function



## 7a. Impact of the proposals on residents and service users with protected characteristics

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence
<b>Age</b>	Unlikely	Unlikely	
<b>Disability</b>	Minimal	Minimal, see comments above	Impact was calculated at individual school level Modelling shows that while a small numbers of schools (7) would see a loss of additional SEN funding as a result of this proposal, only seven will lose more than they gain in formula funding (on technicalities) and only one of these will lose more than £1,100. This school would lose around £2400 and has below average incidence of ethnic minority pupils and SEN pupils. NB Actual impact will depend on next year's data NB2 This assumes no change in additional SEN funding (separate proposal)
<b>Gender reassignment</b>	No data	No data	
<b>Pregnancy and maternity</b>	No data	No data	
<b>Race</b>	Unlikely	Possible but marginal	See comments above
<b>Religion and belief</b>	No data	No data	
<b>Sex</b>	Unlikely	Unlikely	

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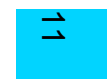


<b>Sexual orientation</b>	No data	No data	
<b>Marriage and civil partnerships</b>	No data	No data	
<b>Carers (protected by association)</b>	No data	No data	

### 7b. Impact of the proposals on staff with protected characteristics

<b>Protected characteristic</b>	<b>Potential positive impacts</b>	<b>Potential negative impacts</b>	<b>Evidence</b>
<b>Age</b>			No school loses a significant sum under these proposals after taking into account increases in the main funding formula allocations So any impact on staff will be minimal.
<b>Disability</b>			
<b>Gender reassignment</b>			
<b>Pregnancy and maternity</b>			
<b>Race</b>			
<b>Religion and belief</b>			
<b>Sex</b>			

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<b>Sexual orientation</b>			
<b>Marriage and civil partnerships</b>			
<b>Carers (protected by association)</b>			

## 8. Amendments to the proposals

Change	Reason for change
None required	

## 9. Action plan

Potential impact (positive or negative)	Action needed to maximise positive impact or mitigate negative impact	By when	Owner
None required			

## 10. Potential negative impacts that cannot be mitigated

Potential negative impact	Protected characteristic(s) that could be affected
N/a	

## 11. Summary of key impacts and actions

<p><b>Information and engagement underpinning equalities analysis</b></p>	<p>Analysis of school census data and consultation with schools and with the Schools Forum</p>
<p><b>Key impacts (positive and/or negative) on people with protected characteristics</b></p>	<p>No school suffers significant losses under this proposal hence no negative impact</p>
<p><b>Changes you have made to the proposal as a result of the EIA</b></p>	<p>None</p>
<p><b>Key mitigating actions planned to address any outstanding negative impacts</b></p>	
<p><b>Potential negative impacts that cannot be mitigated</b></p>	



# Equality Impact Assessment (EIA)

## 1. Topic of assessment

<b>EIA title</b>	Schools funding formula proposals for 2019/20
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<b>EIA author</b>	David Green
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## 2. Approval

	<b>Name</b>	<b>Date approved</b>
<b>Approved by</b>	Liz Mills	18 October 2018

## 3. Quality control

<b>Version number</b>	001	<b>EIA completed</b>	
<b>Date saved</b>	18 October 2018	<b>EIA published</b>	

## 4. EIA team

<b>Name</b>	<b>Job title</b>	<b>Organisation</b>	<b>Team role</b>
David Green	Senior Principal Accountant	Surrey County Council	
Julie Stockdale	SEND & School Organisation Strategic Lead	Surrey County Council	

## 5. Explaining the matter being assessed

### What policy, function or service is being introduced or reviewed?

The setting of the schools funding formula for primary and secondary schools in 2019/20, in particular

- \* whether to transfer £3m of schools funding to the high needs block (SEN budgets) (Annex 4 s2)
- \* the level of the minimum funding guarantee (the minimum increase in average funding per pupil),
- \* the level of the ceiling (the maximum increase in average funding per pupil for any school) The level of the ceiling is a consequence of the other discussions.
- \* whether to introduce the minimum per pupil funding level in full (Annex 3 s7)

These are transitional proposals, as the LA is expected to move its funding formula over the next few years towards the government's national funding formula, under which the LA will no longer have a choice over the funding of individual schools.

### What proposals are you assessing?

The LA is required to fund primary and secondary schools according to a formula, and to review this formula annually. In 2019/20 it is expected that the funding allocated by DfE for this purpose in 2019/20 will be £11m higher than in 2018/19.

In particular, the LA is required to

- set a minimum funding guarantee level (the minimum average increase/maximum average decrease in funding per pupil), which must be between 0.5% and -1.5%.
- set a ceiling (the maximum allowable per pupil increase), which is needed in order to make the formula affordable.

The LA's formula is expected to converge over the next few years onto the "national funding formula" developed by the Department for Education. This includes a "minimum per pupil level" (MPPL), an absolute minimum level of average funding per pupil. The LA introduced this in part in 2018/19 and now needs to consider whether to increase this to its maximum permitted value during 2019/20.

The LA may transfer up to £3.1m of schools funding to add to the funding for high needs SEN, if the Schools Forum, or the Secretary of State, approves the transfer. The Schools Forum rejected the LA's proposal for such a transfer, so the LA needs to consider whether to appeal to the Secretary of State. If this transfer is agreed then schools' funding will increase by £8m, otherwise it will increase by £11.1m. The £3.1m transfer would mean a lower ceiling (ie a lower maximum increase in funding per pupil) and a lower level of MPPL. Other formula factors would be unchanged.

	<p>The proposals will not themselves reduce the funding of any school, although some schools' funding will reduce if there is a reduction in pupil numbers, as has always been the case, and many schools may see a "real terms" reduction in funding (ie funding will increase by less than costs).</p> <p>The proposals are for one year and the funding formula will be reviewed prior to 2020/21.</p> <p>Funding for schools may only be allocated using factors permitted by the DfE. Specifically, the incidence of most equality priority groups cannot be directly recognised in the funding formula.</p>
<p><b>Who is affected by the proposals outlined above?</b></p>	<p>The proposals affect schools and the pupils and staff within them, although the impact on individual staff and pupils will be a matter for individual schools because the budgets are delegated.</p> <p>The proposals do not directly remove funds from individual schools which are earmarked for specific pupils or categories of pupils within schools. The issue to be considered is whether a lower increase in funding for schools, allocated in the way proposed, is likely to have an indirect impact on priority groups, e.g. because schools whose gains are reduced happen to have a higher incidence of such groups. This assessment considers only the impact on schools increasing schools' funding by £8m and transferring £3m to high needs, rather than increasing schools' funding by £11m. It does not consider the impact of finding savings elsewhere if the £3m transfer is not implemented.</p>

## 6. Sources of information

<p><b>Engagement carried out</b></p>
<p>Proposals for changes to the schools funding formula were published in a consultation paper which was sent to all schools and was available on the council's website, during September. 198 responses were received from schools, a response rate of 50.5%</p> <p>The consultation responses were discussed with Surrey's elected Schools Forum on 28 September 2018</p>
<p><b>Data used</b></p>
<p>Data is largely drawn from the school census and from LA records of the number of "high needs" pupils. Data on many of the equality priority groups is not available for schools.</p>

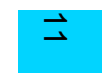
## 7. Impact of the new/amended policy, service or function

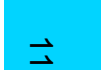


## 7a. Impact of the proposals on residents and service users with protected characteristics

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence
<b>Age</b>	Unlikely	Unlikely	
<b>Disability</b>	Unlikely	Possible via link to SEN but marginal	See table below
<b>Gender reassignment</b>	No data	No data	
<b>Pregnancy and maternity</b>	No data	No data	
<b>Race</b>	Unlikely	Possible but marginal	See table below
<b>Religion and belief</b>	No data	No data	
<b>Sex</b>	Unlikely	Unlikely	
<b>Sexual orientation</b>	No data	No data	
<b>Marriage and civil partnerships</b>	No data	No data	
<b>Carers (protected by association)</b>	No data	No data	

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## 7b. Impact of the proposals on staff with protected characteristics

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence
Age			<p>These proposals will have no direct impact on individual staff, although as a result of falls in budget some schools may need to consider resourcing and staffing structures</p> <p>Individual schools must ensure that they do not discriminate against staff with protected characteristics if selecting staff for redundancy</p>
Disability			
Gender reassignment			
Pregnancy and maternity			
Race			
Religion and belief			
Sex			
Sexual orientation			
Marriage and civil partnerships			
Carers (protected by association)			

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## Data for sections 7a and 7b

% of primary schools on	Ceiling (if 3m transferred to high needs)	MPPL (if 3m transferred to high needs)
Of all	44.30%	7.38%
With above average non white	41.61%	4.03%
With above upper quartile non white	42.67%	2.67%
In Top10% for non white	52.63%	2.63%
above average for EHCPs	45.95%	5.41%
above upper quartile for EHCPs	48.65%	1.35%
In top10% for EHCPs	39.47%	2.63%
Above average for %SEN	46.62%	2.03%
Above upper quartile for %SEN	34.67%	0.00%
Top10% for %SEN	21.05%	0.00%

% of secondary schools on	Ceiling (if £3m transferred to high needs)	MPPL (if £3m transferred to high needs)
All	1.79%	32.14%
Above average non white	0.00%	35.71%
Above upper quartile non white	0.00%	35.71%
Top10% for non white	0.00%	14.29%
Above average for EHCPs	3.57%	25.00%
Above upper quartile for EHCPs	7.14%	21.43%
Top10% for EHCPs	0.00%	14.29%
Above average for %SEN	3.57%	14.29%
Above upper quartile for %SEN	7.14%	21.43%
Top10% for %SEN	0.00%	0.00%

The ceiling deduction is greater, and the MPPL funding lower, if £3m is transferred to high needs, and thus schools on the ceiling and schools on MPPL will lose

The table shows that the proportion of primary schools with above average incidence of ethnic minorities and with ceiling deductions is below the proportion of all primary schools on the ceiling (although those with the highest incidence of ethnic minorities are more likely to be on the ceiling). Schools with above average incidence of EHCPs are slightly more likely to be on the ceiling (and hence disadvantaged by a lower ceiling, and by higher ceiling deductions).

Only one secondary school is on the ceiling anyway.

Primary schools with above average incidence of ethnic minorities, or of EHCPs, or of SEN, are less likely to receive MPPL funding than other primary schools (although the situation is less clear in

11 secondary schools). Therefore reducing MPPL funding in order to release funding for SEND/high needs pupils should not disproportionately disadvantage those groups.

## 8. Amendments to the proposals

Change	Reason for change
None yet	

## 9. Action plan

Potential impact (positive or negative)	Action needed to maximise positive impact or mitigate negative impact	By when	Owner
None yet			

## 10. Potential negative impacts that cannot be mitigated

Potential negative impact	Protected characteristic(s) that could be affected

## 11. Summary of key impacts and actions

<p><b>Information and engagement underpinning equalities analysis</b></p>	<p>Analysis of school census data and consultation with schools and with the Schools Forum</p>
<p><b>Key impacts (positive and/or negative) on people with protected characteristics</b></p>	<p>If school funding increases by £8m rather than £11m, the “ceiling” on increases in funding per pupil will be lower, and the proportion of schools with high incidence of SEN subject to the ceiling is slightly higher than the proportion of all schools. Thus the lower increase might have a slightly greater impact on schools with high SEN however it would be for individual schools to manage this.</p>
<p><b>Changes you have made to the proposal as a result of the EIA</b></p>	<p>None as yet</p>
<p><b>Key mitigating actions planned to address any outstanding negative impacts</b></p>	
<p><b>Potential negative impacts that cannot be mitigated</b></p>	

## Impact of the proposals on residents, service users and staff with protected characteristics

Schools Funding Consultation for 2019/20 Minor items

References are to sections in the schools funding consultation paper.

### Proposal C4 Post 16 SEN place funding in mainstream schools

(This proposal is to allocate SEN place funding to mainstream sixth forms based on the number of sixth form pupils with EHCPs in the school in the previous year rather than the number in place in autumn 2012, as used so far. It follows a change of rules by DfE allowing the distribution of funding to schools to be updated. It will thus redistribute funding according to (nearly) current need (measured by current EHCPs) rather than historic need. As such, it should have a positive impact on SEND pupils, in so far as EHCPs are a reliable measure of high cost SEND).

Protected characteristic	Potential positive impacts	Potential negative impacts
<b>Age</b>	N/a	N/a
<b>Disability</b>	Yes. Distribution will better match current need	Should be none. Funding moves with need.
<b>Gender reassignment</b>	No data	No data
<b>Pregnancy and maternity</b>	No data	No data
<b>Race</b>	N/a	N/a
<b>Religion and belief</b>	No data	No data
<b>Sex</b>	N/a	N/a
<b>Sexual orientation</b>	No data	No data
<b>Marriage and civil partnerships</b>	N/a	N/a
<b>Carers Protected by association</b>	No data	No data

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**Are there any direct or indirect impacts on protected characteristics? If yes, you will need to complete a full Equality Impact Assessment.**

**Yes**                    **No**

(Expect a positive impact through targeting funding on current needs rather than historic needs)

NB Nature of proposal is such that no negative impact should be expected. It is just to update the distribution data annually – ie distribute funding on current EHCP numbers rather than historic EHCP numbers. Up to a few years ago DfE rules did not allow us to update the distribution data



**Proposal D3 Growing schools and falling rolls funding**

The proposals under consideration are to scale down vacancy funding for bulge classes and to phase out additional funding for schools with temporary falls in roll.

Protected characteristic	Potential positive impacts	Potential negative impacts
<b>Age</b>	N/a	n/a
<b>Disability</b>	N/a	Could be indirect impact but not considered significant see below
<b>Gender reassignment</b>	No data	No data
<b>Pregnancy and maternity</b>	No data	No data
<b>Race</b>	N/a	Unlikely
<b>Religion and belief</b>	N/a	No data
<b>Sex</b>	N/a	No data
<b>Sexual orientation</b>	N/a	No data
<b>Marriage and civil partnerships</b>	N/a	No data
<b>Carers Protected by association</b>	N/a	No data

**Are there any direct or indirect impacts on protected characteristics? If yes, you will need to complete a full Equality Impact Assessment.**

Yes

No

N

The proposals are to make small reductions in vacancy funding for growing schools and to phase out transitional funding for schools with temporary falls in rolls. Both funding streams are linked only

to changes in pupil numbers rather than to other characteristics, however, further analysis has been undertaken to consider whether they have a disproportionate impact on schools with high incidence of ethnic minorities or of pupils with SEN. This analysis suggests that there is no evidence that a reduction in growing schools funding would disproportionately affect schools with above average incidence of non white pupils although there is a slightly higher impact on schools with higher levels of SEN and low prior attainment

Proportion of primary schools receiving vacancy funding	21.07%
Proportion of primary schools receiving vacancy funding which are	
Above average for % non white	22.15%
In top quartile for % non white	21.33%
In top percentile for % non white	18.42%
Above average for % in	
EHCPs	22.15%
In top quartile for % in EHCPs	24.00%
In top percentile for % on EHCPs	21.05%
Above average for % SEN	26.85%
In top quartile for % SEN	28.00%
In top percentile for % SEN	28.95%
Above average for % low prior attainer	24.83%
In top quartile for % low prior attainers	28.00%
In top percentile for % low prior attainers	23.68%

Falling rolls funding is being received by 6 secondary schools in 2018/19. The incidence of non white pupils, pupils with EHCPs and pupils with all stages of SEN in these schools is summarised below

	% non			rank (1=highest) for		
	wh	% EHCP	% SEN	non wh	EHCPs	% SEN
Ash Manor	12.47%	0.75%	8.49%	36	53	48
Glebelands	5.58%	1.58%	14.76%	53	34	23
Bishop David						
Brown	36.16%	2.39%	19.45%	3	18	10
Therfield	10.03%	5.61%	22.16%	43	2	6
Woolmer Hill	6.50%	1.68%	20.13%	52	32	9
Matthew Arnold	17.52%	1.97%	14.39%	19	26	25

On the basis of 2018/19 pupil number assumptions, neither Bishop David Brown nor Therfield schools would have been expected to qualify for falling rolls funding anyway in 2019/20 even if the criteria remained unchanged.

Thus falling rolls funding does not disproportionately benefit schools with high incidence of ethnic minorities or with high incidence of SEN, particularly if Bishop David Brown and Therfield schools are excluded from the comparisons.

Proposal D4 Maintained schools de-delegation proposals

The proposal is that all existing de-delegations continue ie

- Behaviour support
- CAPITA SIMS licences
- Teaching association and trade union facilities time (but for primary sector only)
- Other special staff costs
- Free school meals eligibility checking
- Primary school specific contingency
- Additional school improvement, including support to travellers

Some of these services particularly support vulnerable groups eg behaviour support services in part support pupils with SEN, travellers support is for a disadvantaged ethnic minority.

As Schools Forum approved all but one of the de-delegation proposals, current arrangements will continue with that one exception, and hence there will be no changes to services and no equality impact, purely as a result of the funding consultation. The one exception is union facility time for maintained secondary schools. Whether this has an equalities impact depends on whether priority groups are disproportionately represented in union caseloads. However, even if this is the case, decisions on de-delegation are legally decisions for Schools Forum, unless the LA chooses to appeal to the Secretary of State.

The LA will attempt to mitigate any impact on equality priority groups by extending the existing de-delegated union facilities to maintained secondary schools, on a contribution basis.

Proposal D5 Redistribution of surplus primary school contingency funding back to maintained primary schools

This proposal concerns a surplus which has accumulated because funding was deducted from maintained primary schools' budgets on a per pupil basis and the sum deducted was greater than required. The proposal is to return the surplus to maintained primary schools pro rata to the original contributions and hence on a per pupil basis. If future de-delegated primary contingency funding is to be secured it is important that schools realise that any surpluses are returned to the schools from which it was taken and it makes sense to base the refund as closely as possible to the original deduction method. The overall process of contingency deduction and refund thus has no equalities impact.

This proposal is consistent with practice in previous years

Proposal D6 Funding for the school led universal offer

This is a proposal to deduct funding from individual schools on a per pupil basis, to fund new services to schools. The proposed deduction basis treats all pupils alike and thus does not disadvantage any priority group. As the services have yet to be designed, it is too early to know whether they will differentially benefit priority groups.

**General notes (applicable to all of these screenings)****The changes concern the allocation of funding to schools, and in part the distribution of funding between high needs pupils and others.**

Many of the protected characteristics are either not directly relevant to school pupils (eg age, marital/civil partnership status) or the data is not held (eg gender reassignment, pregnancy/maternity, religion/belief) While the distribution of funding could have an impact on staff (in that some schools may employ more while others may employ fewer) decisions as to the employment of individual staff are taken by individual schools and it is up to them to ensure that appropriate regard is had to equalities considerations when making decisions on staffing.

When distributing funding through the delegated funding formula, only factors permitted by the DfE may be used (race/ethnicity are not permitted factors, although EAL is).

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# Impact of the proposals on residents, service users and staff with protected characteristics

Schools Funding Consultation for 2019/20

Annex 4 s1 Introduction of control mechanisms on excessive surplus balances  
(Proposal C3 of consultation paper)

The proposal was to remove surplus revenue balances in excess of (initially) 20% of non-grant funding from schools with revenue surpluses exceeding that level.

Protected characteristic	Potential positive impacts	Potential negative impacts
<b>Age</b>	N/a	N/a
<b>Disability</b>	This proposal is part of a wider programme moving towards early intervention and support for those with SEND and may therefore have a positive impact of needs are met earlier	Comparison of balances with SEND data shows no link (See data below)
<b>Gender reassignment</b>	No data	No data
<b>Pregnancy and maternity</b>	No data	No data
<b>Race</b>	N/a	Comparison of balances with ethnicity data shows no link (See data below)
<b>Religion and belief</b>	No data	No data
<b>Sex</b>	N/a	N/a
<b>Sexual orientation</b>	No data	No data
<b>Marriage and civil partnerships</b>	No data	No data
<b>Carers Protected by association</b>	No data	No data

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**Are there any direct or indirect impacts on protected characteristics? If yes, you will need to complete a full Equality Impact Assessment.**

Yes  No **N**

Data table to support conclusions (data refers to maintained schools only)

% of primaries with surpluses>20%	14.00%
% of primaries >average % non WH with surpluses >20%	15.00%
% of primaries top quartile for non WH with surpluses>20%	16.00%
% of primaries top 10% for non WH with surpluses>20%	10.0%
% of secondaries with surpluses>20%	15.38%
% of secondaries >average % non WH with surpluses >20%	16.67%
% of secondaries top quartile for non WH with surpluses>20%	0.00%

% of primaries with surpluses>20%	14.07%
% of primaries >average % EHCP with surpluses >20%	14.14%
% of primaries top quartile for EHCP with surpluses>20%	16.33%
% of primaries top 10% for EHCP with surpluses>20%	15.8%
% of secondaries with surpluses>20%	15.38%
% of secondaries >average % EHCP with surpluses >20%	16.67%
% of secondaries top quartile for EHCP with surpluses>20%	0.00%

% of primaries with surpluses>20%	14.07%
% of primaries >average % SEK with surpluses >20%	14.14%
% of primaries top quartile for %SEK with surpluses>20%	22.45%
% of primaries top 10% for %SEK with surpluses>20%	26.3%
% of secondaries with surpluses>20%	15.38%
% of secondaries >average % SEK with surpluses >20%	16.67%
% of secondaries top quartile for %SEK with surpluses>20%	0.00%

% of maintained special schools with surpluses in excess of 20%: 6.25% (a minority, smaller than the corresponding percentage for mainstream schools).

SEK=statemented, EHCP or SEN support

Note: only two maintained secondary schools had surpluses exceeding 20% of revenue funding at 31 March 2018.

The data suggests that primary schools with high overall incidence of SEN (incl SEN support) are more likely to have high levels of balances, although these are children with lower levels of SEN (and this may be a matter of school identification). This is actually curious because one might expect the finances of such schools to be under greater pressure.



**SURREY COUNTY COUNCIL**

**CABINET**

**DATE: 30 OCTOBER 2018**

**REPORT OF: MR COLIN KEMP, CABINET LEAD MEMBER FOR PLACE**

**LEAD OFFICER: JASON RUSSELL EXECUTIVE DIRECTOR HIGHWAYS,  
TRANSPORT & ENVIRONMENT**

**SUBJECT: REIGATE AND BANSTEAD LOCAL TRANSPORT STRATEGY**



**SUMMARY OF ISSUE:**

A key strategic goal in the Council's Corporate Strategy is the commitment to promoting **Economic Prosperity** to ensure Surrey's economy remains strong and sustainable, whilst delivering on **Wellbeing** and **Resident Experience**. Securing funding to support an infrastructure investment programme is a key part of this goal.

The Local Transport Strategies are component parts of the statutory Surrey Transport Plan that apply the plan to a relevant district or borough. They set out how Surrey County Council will work with its partners to:

- i. Overcome known, strategic issues with that district or borough's local transport network; and
- ii. Develop this network, where necessary, in support of growth set out in the Local Plan.

Reigate and Banstead's Local Transport Strategy has been reviewed and updated in full and is presented to Cabinet for approval. A Local Transport Strategy includes:

- iii. an assessment of challenges (current and anticipated) to be addressed;
- iv. localised objectives to guide scheme development and prioritisation, drawn up with the relevant district or borough; and
- v. a Forward Programme of schemes identified that could address these challenges (subject to feasibility studies and funding), as well as any already in delivery

The strategies are needed in order:

- vi. to prioritise and coordinate investment in transport infrastructure; and
- vii. to place Surrey in the best possible position to bid for external funding for projects, for instance through Local Enterprise Partnerships

In preparing the strategy, Surrey County Council and Reigate & Banstead Borough Council Members and officers from transport and highways teams as well as a range of other service areas were approached for input to arrive at a draft strategy. Following this, a public consultation was undertaken and an Equalities Impact Assessment and an Environmental Sustainability Appraisal were conducted. The

outcomes of these exercises informed the proposed final version of the Local Transport Strategy.

#### **RECOMMENDATION:**

It is recommended that Cabinet approve the updated Reigate and Banstead Local Transport Strategy, including the Forward Programme.

#### **REASONS FOR RECOMMENDATION:**

Inadequate transport infrastructure is identified as the biggest barrier to economic growth in the county.

The current Reigate and Banstead Local Transport Strategy was published in 2014. As such, information within it is dated and in need of review. It is important that Local Transport Strategies are kept up-to-date, as this ensures that the right investments are prioritised and that Members, officers and delivery partners can coordinate investment in transport infrastructure. Maintaining up-to-date strategies also means Surrey County Council is ready to confidently bid for funding opportunities at short notice, should an opportunity arise.

The revised strategy will support Surrey County Council's priorities to promote sustainable economic growth and secure investment in infrastructure. The strategy will benefit Surrey residents and businesses by accommodating sustainable population growth, helping to boost the economy and limit the impact of transport and development on the environment.

This revised strategy has been developed through **joint working** between officers and Members from both Surrey County Council and Reigate & Banstead Borough Council to ensure that the Local Transport Strategy is relevant for the area.

It has also been subject to public consultation, an Equalities Impact Assessment and an Environmental Sustainability Appraisal, and refined accordingly. The revised strategy has been approved by the Reigate & Banstead Local Committee (under delegated authority).

Subject to approval from Cabinet, this revised strategy would replace the Reigate and Banstead Local Transport Strategy from, dated December 2014) currently adopted as part of the Surrey Transport Plan, a statutory document. The Forward Programme will replace previously published versions of the Forward Programme.

#### **DETAILS:**

##### **Requirement to review**

1. Local Transport Strategies are part of a set of documents that together form Surrey's statutory Local Transport Plan. A Local Transport Strategy has been, or will be, produced for each district or borough within Surrey.
2. The purposes of Local Transport Strategies are:
  - a) to offer an agreed approach for the relevant district or borough and county council, who will work together to address transport needs of planned development, resolve local transport issues and implement the overall statutory Local Transport Plan; and

- b) to have a very clear plan and evidence base, enabling Surrey County Council to respond quickly to opportunities to bid for funding, as well as coordinate spending from the Community Infrastructure Levy, Department for Transport funding and other sources.
3. The current Reigate and Banstead Local Transport Strategy was published in December 2014. As such, information within it is dated and in need of review to prioritise and coordinate investment in transport infrastructure and to place Surrey in the best possible position to bid for external funding for projects.
  4. It was recognised that the structure of Local Transport Strategies could benefit from a rebalancing away from descriptive commentary and broad-based research and towards specific objectives and action points, in line with the purposes of the strategies outlined above. It is hoped that the new structure has also made the strategy more accessible to those without a technical background in transport – seen as important as members of the public are encouraged to read and respond to the document.

### **Review process**

5. The review of the Local Transport Strategy and proposed schemes within the Forward Programme have been developed in consultation with Reigate & Banstead Borough Officers and Surrey County Council Officers who provided input and feedback to:
  - a) To review and update the format of the Strategy to improve the layout, making it easier to read and more visual through the use of maps.
  - b) Update facts, figures and trends within the document to reflect current levels.
  - c) To align with and reflect the emerging Reigate & Banstead Local Plan.
  - d) To review, update and amend all proposed schemes within the Forward Programme to ensure they reflect local requirements.
6. Following this input the revised Strategy and Forward Programme was drafted and this draft was taken to Local Committee to ask for approval to conduct a 6 week public consultation to gather Member and local feedback.
7. Following consultation, all feedback was reviewed and a Consultation Outcomes Report was produced. This report was reviewed by the Area Highways Manager in consultation with the Local Committee Chair, Vice Chair and officer of the Transport Policy Team who approved the changes proposed following the consultation.
8. The changes proposed were incorporated into the revised Strategy and Forward Programme to produce updated document

<b>CONSULTATION:</b>
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9. A six week public consultation was undertaken between 16 April 2018 and 27 May 2018 to receive feedback from residents, businesses and other interested and relevant parties. This included stakeholders that the County Council has a statutory requirement to consult, such as transport infrastructure owners,

transport service providers, transport user groups and neighbouring local authorities. Officers also attended a meeting of the East Surrey Disability Alliance Network, which covers the Reigate & Banstead Borough area, to receive feedback from this group in person.

10. To encourage and facilitate representative responses from across the borough, efforts were made to:
  - a) promote the consultation widely;
  - b) ensure officers were easy to contact during the consultation;
  - c) make it easy to view the documents online, as well as in hard-copy at key locations for those without access to the Internet; and
  - d) accept responses in a number of different ways.
11. The consultation generated suggestions for ways the Strategy and Forward Programme could be improved, underpinned by broad support for the documents as a whole. Common themes amongst responses were:
  - a) support for sustainable travel options and mitigating the impact of cars in built-up areas;
  - b) suggestions for additional schemes to include in the Forward Programme;
  - c) comments on schemes that are currently being delivered or on the Forward Programme;
  - d) emphasising the importance of user experience; and
  - e) errors and omissions within the documents.
12. As a result of these consultation activities and careful consideration of all feedback, changes were made to the Local Transport Strategy and Forward Programme. These changes were approved by the Area Highways Manager in consultation with the Chair and Vice Chair of the Local Committee and an officer of the Transport Policy Team on the 3 August 2018 through delegated authority given via the Local Committee.
13. Where relevant, specific comments and suggestions were additionally passed (anonymised) to officers working in the relevant council team to ensure that comments from the public were heard by officers working most closely on the issue described.

#### **RISK MANAGEMENT AND IMPLICATIONS:**

14. No risk management implications have been identified.
15. Individual schemes within the Forward Programme are the subject of their own risk management process as part of scheme development to ensure any risks are identified and managed.

### **Financial and Value for Money Implications**

16. There are no financial implications directly associated with this strategy.
17. The Forward Programme provides indicative costs for proposed schemes where these are available. These indicative costs are estimates, and scheme costs would be refined as and when schemes are developed and specific tasks and quantum of materials are understood.
18. Schemes would be progressed subject to funding being identified, which could be from a number of sources including existing capital budgets, developer funding and grants. Updating this strategy places Surrey in the best possible position to bid for third party funding, as and when it becomes available to bid through Business cases for these schemes, for instance through Local Economic Partnerships – particularly where these opportunities present at short notice.

### **Section 151 Officer Commentary**

19. Approving the updated Reigate and Banstead Local Transport Strategy and Forward Programme will not in itself commit the County Council to additional expenditure. Instead the Strategy identifies a programme of schemes which could be progressed, subject to funding and appropriate approvals, and supports the council to attract external funding to implement those schemes

### **Legal Implications – Monitoring Officer**

20. By virtue of sections 108 and 109 of the Transport Act 2000, as amended by the Local Transport Act 2008, the Council, as local transport authority, is required to (a) develop policies for the promotion and encouragement of safe, integrated, efficient and economic transport to, from and within their area, and (b) carry out their functions so as to implement those policies.
21. The Council, as local transport authority, must prepare a document to be known as the **local transport plan** containing their policies and their proposals for the implementation of those policies.
22. The local transport plan must be kept under review and altered it if the Council considers it appropriate to do so, or replaced as they think fit.
23. In the current review of the local transport plan the subject of this report, the Council has consulted as required and has taken account of representations made.
24. In developing and implementing their policies under section 108(1), the Council must have regard to the transport needs of disabled persons (within the meaning of the Equality Act 2010) and of persons who are elderly or have mobility problems. An Equalities Impact Assessment has been prepared which has identified no negative impacts on those persons with protected characteristics. It is annexed to this report.

### **Equalities and Diversity**

25. An Equalities Impact Assessment (EIA) has been drafted for the updated Local Transport Strategy and Forward Programme.
26. No negative impacts on any protected characteristic group were identified. No changes have been made to the Local Transport Strategy and Forward Programme as a result of the EIA.
27. All the proposed schemes seek to eliminate any perceived and/or actual inequalities through compliance with up to date design standards which address disabled access and social inclusivity. For example: improved crossing facilities and disabled access will be provided at pedestrian crossings and junctions, wherever appropriate.

### **Public Health implications**

28. This updated Local Transport Strategy has been developed with the assistance of Public Health officers and sets out to achieve positive impacts upon public health. A key priority of the Local Transport Strategy is to promote sustainable transport and active modes of travel.
29. Increased walking and cycling, where it replaces motorised forms of transport such as the car, will improve air quality and reduce carbon emission levels.
30. Increased walking and cycling has a positive impact on personal health. The NHS identifies cycling as an activity which provides significant health benefits.

### **WHAT HAPPENS NEXT:**

31. If approved, this revised strategy would become an adopted part of the Surrey Transport Plan, a statutory document. It would replace the Reigate and Banstead Local Transport Strategy from December 2014. The Forward Programme would replace previously published versions of the Forward Programme.
32. These documents will be published on the Surrey website in place of the 2014 version.
33. The strategy will be used by officers to evaluate and prioritise transport and highway investment decisions in Reigate and Banstead Borough.
34. As resources become available, individual schemes within the forward programme will be progressed, subject to feasibility work and availability of funding.
35. The forward programme will be reviewed annually to ensure it remains reflective of the latest developments in relation to each scheme, and captures new, individual schemes as they are identified. These updates will be reported to Reigate and Banstead Local Committee for information, as part of their standing Highways Update agenda item.
36. This overall strategy will remain in place for three years, at which point it will be subject to another full review and brought back to Cabinet for approval.

**Contact Officer:**

Lyndon Mendes – Transport Policy Team Manager, telephone; 03456 009 009

**Consulted:**

Reigate & Banstead Borough Officers, Surrey County Council Officers and Local Committee have all been consulted during the updating of this document. A 6 week public consultation was also held. Details of the consultation arrangements are covered in the Consultation section of this paper.

**Annexes:**

Annex A Reigate and Banstead Local Transport Strategy (2018)

- Appendix 1 – Forward Programme
- Appendix 2 – Completed Schemes
- Appendix 3 – Forecast Levels and the Cost of Congestion
- Appendix 4 – Transport Trends
- Appendix 5 – Glossary of Terms

**Sources / background papers:**

Surrey Transport Plan (LTP3): <https://www.surreycc.gov.uk/roads-and-transport/policies-plans-consultations/surrey-transport-plan/surrey-transport-plan-strategies>

A dedicated website holds all of the Local Transport Strategies including the 2014 version of the Reigate & Banstead LTS: <https://www.surreycc.gov.uk/roads-and-transport/policies-plans-consultations/surrey-transport-plan/surrey-transport-plan-consultations-on-the-plan/local-transport-strategies-and-forward-programmes>

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# Surrey Transport Plan

## Reigate & Banstead Draft Local Transport Strategy



## Alternative formats

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### **In writing**

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County Hall  
Kingston upon Thames  
Surrey KT1 2DN

### **By phone**

03456 009 009 (8am-6pm weekdays)

### **By email**

[surreytransportplan@surreycc.gov.uk](mailto:surreytransportplan@surreycc.gov.uk)

# Surrey Transport Plan

## Reigate & Banstead Local Transport Strategy

Version 6 – August 2018

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Appendix 3 .....	Forecast levels and the cost of congestion in Reigate & Banstead
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Appendix 5 .....	Glossary of terms

### Version control

Version	Date	Author / Owner	Rationale
This version			
6	Aug- 18	Transport Policy team	Approved by Local Committee via delegated authority to seek Surrey Cabinet Approval
Previous versions			
5	Apr- 18	Transport Policy team	Draft for consultation
4	Feb-18	Transport Policy team	Full review and update, working draft
3	May-15	Transport Policy team	Approved by Surrey Cabinet
2	Dec-14	Transport Policy team	Approved by Local Committee
Consultation	Sep-14	Transport Policy team	Original consultation draft

## Executive Summary

This is the Draft Local Transport Strategy for Reigate & Banstead. It forms part of, and contributes to, the Surrey Transport Plan, which is the third Local Transport Plan (LTP) for the county. The LTP is a statutory plan, which the County Council is required to produce by the Local Transport Act 2008 and Transport Act 2000.

The Surrey Transport Plan sets out how the County Council's aims to achieve a transport network that is effective, reliable, safe and sustainable.

Local Transport Strategies place the aims of the Surrey Transport Plan in the context of an individual district/borough. They have been produced for all districts and boroughs within Surrey and are 'live' documents, updated every 2-3 years; they include a Forward Programme of schemes as an appendix which is intended to be updated yearly.

The purpose of the Local Transport Strategy is to address current transport issues and support the growth set out within the borough local plan. The Strategy will assist in attracting funding to achieve this.

The objectives of Reigate & Banstead's Local Transport Strategy are to:

1. Encourage economic growth across the borough;
2. Encourage more sustainable travel – on foot, by bicycle and public transport;
3. Improve air quality where pollutants exceed recommended levels;
4. Improve road safety for all users; and
5. Improve the transport network to support population growth and development.

A Forward Programme of transport schemes (Appendix 1) provides a list of interventions which seek to deliver these objectives and which are required to address problems and deliver growth. They also provide an evidence base for future funding bids.

The Strategy has been produced by the County Council in partnership with Reigate & Banstead Borough Council.

# 1 Introduction

- 1.1 The Reigate & Banstead Local Transport Strategy and Forward Programme are part of the Surrey Transport Plan (LTP3) and together they support the Borough's Local Plan (including the 2016 Regulation 18 Development Management Plan, 2005 Reigate & Banstead Borough Local Plan and the 2014 Core Strategy).
- 1.2 Local transport strategies have been developed to take account of and provide a plan for addressing transport problems and opportunities in a geographical area. A Local Transport Strategy (LTS) has been produced for each district and borough in the county.
- 1.3 The LTS sets out the transport objectives and delivery priorities for Reigate & Banstead Borough. The LTS provides:
  - a local transport policy framework for the Borough;
  - an aid to the prioritisation of transport investment; and
  - assistance to the local planning authority with infrastructure planning in support of the Local Plan
- 1.4 The LTS sets out the approach by which Surrey County Council (SCC) and Reigate & Banstead Borough Council (RBBC) seek to encourage sustainable travel patterns and manage congestion in the borough.
- 1.5 The schemes outlined in the Forward Programme are intended to provide a cohesive package of measures to address all modes of transport and to work towards providing effective transport choices for all users.
- 1.6 The Forward Programme will help the County Council and Borough Council to identify strategic infrastructure delivery priorities and guide future investment from a range of funding sources.
- 1.7 The priorities and proposals outlined in this LTS look to facilitate the following objectives:
  1. Encourage economic growth across the borough;
  2. Encourage more sustainable travel – on foot, by bicycle and public transport;
  3. Improve air quality where pollutants exceed recommended levels;
  4. Improve road safety for all users; and
  5. Improve transport network to support population growth and development.
- 1.8 These objectives have been worked up in partnership with Reigate & Banstead Borough Council and are stated in full in Section 2 of the Strategy.

## 2 Objectives

These objectives are specific to Reigate & Banstead Borough but have been identified to align with a number of policy documents (many of which are listed and linked to in section 3 of this strategy). Primarily they seek to deliver transport solutions which complement the Surrey Transport Plan's vision of providing safe, reliable, sustainable and effective transport.

### 1: Encourage economic growth across the borough

- Improve accessibility in Redhill, Merstham, Preston and Horley, targeting the economic regeneration of these areas in particular Horley and Redhill.
- Improve accessibility and reduce community severance between residential areas and employment and retail centres.
- Improve accessibility to local town centres.
- Improve surface transport access to Gatwick Airport.

### 2: Encourage more sustainable travel on foot, bicycle and public transport

- Provide a balanced and sustainable transport system through improvements to walking and cycling provisions.
- Improve accessibility to public transport, including rail.
- Develop Redhill as a transport hub.
- Implement town centre travel planning and residential travel planning as part of new development.

### 3: Improve air quality where pollutants exceed recommended levels

- Reduce car use and congestion in the borough.
- Continue to monitor and analyse pollutant levels.
- Support provision and uptake of low emission transport modes.

### 4. Improve road safety

- Reduce injury collisions for all road users.

### 5. Improve transport network to support populations growth and development

- Improve the transport network and capacity, in particular to support new developments, to support population growth and manage network demand.
- Ensure new developments connect with existing cycle and footpath networks.
- Make improvements to public transport including accessibility, capacity and frequency and making sure these connect to new developments.

### 3 Policy Context

- 3.1 The Local Transport Strategy (LTS) sits within a wider policy context and many policies have directly influenced its development. These include other strategies which form part of the statutory Local Transport Plan (LTP3, also known as the Surrey Transport Plan).
- 3.2 LTP3 sets out the County Council's objectives to help people meet their transport and travel needs effectively, reliably, safely and sustainably within Surrey, in order to promote economic vibrancy, protect and enhance the environment, improve the quality of life, and reduce carbon emissions. Strategies from LTP3 which have been considered when developing this LTS are listed in the table below, along with other key strategies, policies and external partners.

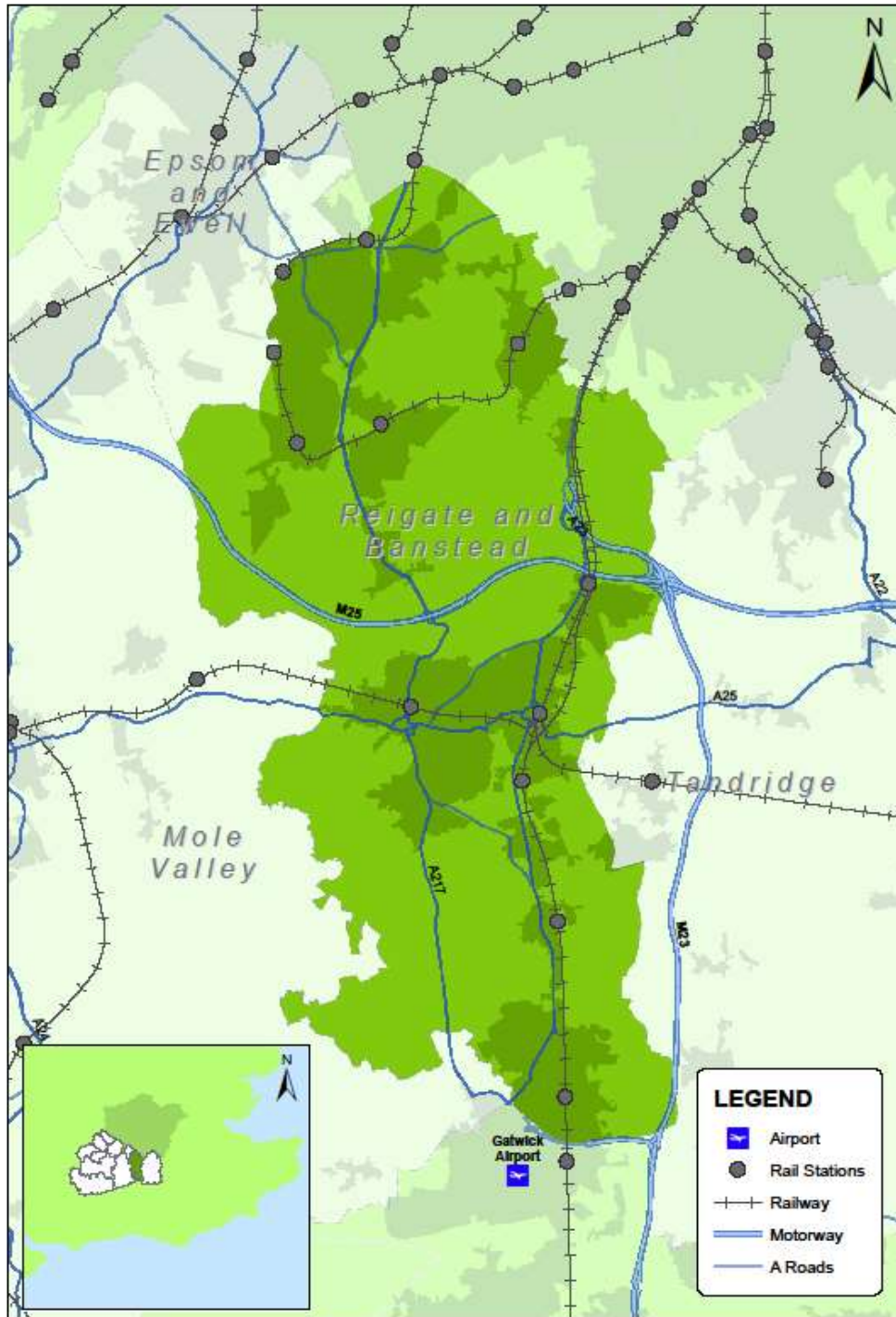
Surrey		Highways England	Reigate & Banstead
<ul style="list-style-type: none"> <li>• <a href="#">Surrey Transport Plan</a> strategies, including:                             <ul style="list-style-type: none"> <li>• <a href="#">Air Quality</a></li> <li>• <a href="#">Climate Change</a></li> <li>• <a href="#">Congestion</a></li> <li>• <a href="#">Cycling</a></li> <li>• <a href="#">Freight</a></li> <li>• <a href="#">Parking</a></li> <li>• <a href="#">Local Bus Strategy</a></li> <li>• <a href="#">Passenger Transport Information Strategy</a></li> <li>• <a href="#">Travel Planning</a></li> <li>• <a href="#">Rights of way Improvement Plan</a></li> </ul> </li> <li>• Corporate Strategy</li> <li>• <a href="#">Road Safety &amp; Anti-Social Driving Strategy</a></li> <li>• Public Health framework</li> </ul>	<ul style="list-style-type: none"> <li>• Surrey Physical Activity Strategy 2015-20</li> <li>• Surrey Healthy Weight Strategy for Children, Young People and Families.</li> <li>• Education strategies:                             <ul style="list-style-type: none"> <li>• Schools Place Programme</li> <li>• Transport Strategy for Schools Places Programme</li> </ul> </li> <li>• <a href="#">Surrey Future</a> strategies, including:                             <ul style="list-style-type: none"> <li>• <a href="#">Congestion Programme</a></li> <li>• <a href="#">Surrey Rail Strategy</a></li> <li>• <a href="#">Surrey Infrastructure Study</a></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">London Orbital and M23 to Gatwick route-based strategy</a></li> <li>• M25 to Solent Route Strategy Evidence Report April 2014</li> </ul>	<ul style="list-style-type: none"> <li>• Borough Local Plan 2005</li> <li>• <a href="#">Core Strategy</a> (adopted 2014)</li> <li>• Emerging Development Management Plan</li> <li>• <a href="#">Horley Masterplan</a></li> <li>• Local Cycling Plan</li> </ul>
		Others	
		<ul style="list-style-type: none"> <li>• <a href="#">Gatwick Airport Surface Access Strategy 2012-2030</a></li> <li>• <a href="#">Coast to Capital Strategic Economic Plan</a></li> </ul>	<p>Network Rail and train operators</p> <ul style="list-style-type: none"> <li>• Sussex Route Study</li> <li>• Wessex Route Study</li> </ul>

- 3.3 Much of the funding for schemes outlined in this LTS will come from the Local Enterprise Partnership (LEP), known as Coast to Capital. For this reason, the LTS is a key document in helping to inform decisions about which schemes are suitable to develop further and submit business cases proving their justification to the LEP.
- 3.4 The local transport strategies have previously been used to respond to and inform the LEP's Strategic Economic Plan which considers highway and transport interventions required to achieve sustainable growth in jobs, provision of employment floor space and housing numbers.
- 3.5 In addition to responding to required growth, the LTS also considers interventions needed to address existing problems on the transport network.
- 3.6 The LTS also helps the Borough Council to compile and update its Infrastructure Delivery Plan, which forms part of the Local Plan, and helps identify projects which could be funded through the Community Infrastructure Levy (CIL) and the Integrated Transport Scheme Programme.
- 3.7 It is acknowledged that in the future Reigate and Banstead may be impacted by large-scale strategic transport needs and schemes that have an influence across multiple boroughs and districts in the south east. An example could be as a result for a need to take account for airport expansion. The Surrey Infrastructure Study specifically looks at these large-scale needs across Surrey but this will in turn inform future updates of the LTS and the Forward Programme.



## 4 Transport provision and issues in Reigate & Banstead

4.1 The borough of Reigate & Banstead covers approximately 12,900 hectares in area, stretching from the outer edge of London in the north to its border with West Sussex in the south. The map below shows the main transport network covering the borough:



### Motorways and principal road network

Current provision	Existing problems / Challenges	Actions and Potential solutions/aspirations
<p>North/south links:</p> <ul style="list-style-type: none"> <li>• A217 (leads to Wandsworth at its further north point and runs from Banstead to Horley and through Junction 8 of the M25 and Junction 9a of the M23 via the A23).</li> <li>• A23 (London to Horley).</li> <li>• A240 (Kingston to Burgh Heath).</li> </ul> <p>East/west links:</p> <ul style="list-style-type: none"> <li>• A25 (Oxted to Dorking via Reigate and Redhill).</li> <li>• M25 (access to Kent and M23 to the east and M3, M4 and Heathrow airport to the west).</li> <li>• A2022 (Epsom to Purley via Banstead).</li> </ul>	<ul style="list-style-type: none"> <li>• Congestion at peak times has a cost to the economy experienced as journey time delay. Appendix 3 illustrates key locations across the borough which experience high levels of congestion.</li> <li>• Reigate level crossing creates delays to vehicles which may worsen if train frequency increases. Motorway diversions also exacerbate this issue.</li> <li>• Network resilience issues where incidents can create widespread delays.</li> <li>• Peak time congestion causes delays around and to key local services including East Surrey Hospital.</li> <li>• Peak time congestion within town centres resulting in poor air quality in a number of settlements.</li> <li>• Poor accessibility (all modes) to services for local communities.</li> <li>• Safety issues e.g. A217 Reigate to Horley which has been identified by the DfT as a site needing improvements to raise safety rating.</li> <li>• Poor air quality on sections of Highways England road network e.g. on the A23 in Hooley, north of the M23.</li> </ul>	<ul style="list-style-type: none"> <li>• Junction improvements north of A23/M23 Hooley Interchange (SRN 1) and improvements to M25 Junction 8 signalised roundabout (SRN 2) – Highways England projects which are in the options assessment stage.</li> <li>• Continue partnership working with Surrey Police through the Drive SMART partnership to reduce casualties and anti-social driving; using guidance in the county's Road Safety outside Schools policy.</li> <li>• Operation Horizon (BW 10) – rolling programme of maintenance schemes.</li> <li>• Wider Network Benefits East (BW 9) – using the: prevent, monitor, inform and control approach to improve network resilience (see 'Transport Technologies').</li> <li>• Working with Highways England and Network Rail to find an agreeable solution to the Reigate level crossing (R 7).</li> <li>• Submission of a funding bid to the Department for Transport (DfT) to raise the safety rating of the A217 Reigate to Horley (September 2017 submission) (BW 3).</li> </ul>

**Walking and cycling**

Current provision	Existing problems / Challenges	Actions and Potential solutions and aspirations
<ul style="list-style-type: none"> <li>• Rural areas offer many opportunities for leisure cycling.</li> <li>• Numerous footpaths across the borough, including the Millennium Trail (a 28km walking route from Banstead Downs in the north of the borough, to Horley in the south).</li> <li>• National cycle routes 21, 22 and Avenue Verte go through the Borough. Sections of NCR21 have recently been upgraded.</li> <li>• The Balanced Network project has improved walking and cycling around Redhill town centre.</li> <li>• The Community Route connects Reigate and Redhill and can be walked or cycled avoiding busier roads.</li> <li>• Brompton Dock folding bicycle hire exists at both Redhill and Reigate rail stations.</li> </ul>	<ul style="list-style-type: none"> <li>• Gaps in walking and cycling infrastructure e.g. lack of cycle infrastructure on key busy corridors such as A23, A217, and on routes over the M25 which causes severance.</li> <li>• Where there is cycle infrastructure it can be of poor quality, inconsistent, or fail to link to relevant destinations; in addition there are issues with parking on the footway and in the cycleway.</li> <li>• Reigate town centre has very limited provision for cycling and the one-way system is off-putting</li> <li>• Routes into Reigate are often heavily congested and with no cycle provision which makes them intimidating.</li> <li>• Reigate town centre has a poor pedestrian environment reducing attractiveness.</li> <li>• A217 and A23 severs communities with few existing pedestrian crossing facilities. Large sections of the A217 Brighton Road also has no usable footway alongside it.</li> <li>• There are limited pedestrian crossing facilities at main junctions such as the A217 Woodhatch Road crossroads.</li> </ul>	<ul style="list-style-type: none"> <li>• Reigate &amp; Banstead Local Cycling Plan</li> <li>• <a href="#">Rights of Way Improvement Plan</a></li> <li>• Greater Redhill Sustainable Transport Package (STP) Phase 1.</li> <li>• Epsom – Banstead STP.</li> <li>• Greater Redhill STP Phase 2.</li> <li>• Reigate Road Network Improvements (REI 2). General improvements sought:</li> <li>• Improving and widening existing off road cycle paths including improvements to sections of the National Cycle Route 21 between Redhill and Horley.</li> <li>• New shared cycle and footpaths along the A23 providing a links between and to Redhill, Reigate and Horley.</li> <li>• Footpath improvements such as resurfacing and signage.</li> <li>• Improved accessibility for cyclists including installing cycle gutters on footbridges.</li> <li>• Improved cycled parking.</li> <li>• Improve pedestrian public realm and crossing facilities.</li> </ul>

Bus network		
Current provision	Existing problems / Challenges	Actions and Potential solutions and aspirations
<ul style="list-style-type: none"> <li>The current bus network within the borough is focussed on providing accessibility to the main town centres.</li> </ul>	<ul style="list-style-type: none"> <li>High levels of car ownership and the expectations of residents for the quality of services.</li> <li>Congested roads and dispersed travel patterns present challenges for bus operation.</li> <li>Expectations about the levels of fares and services on bus routes in Surrey due to comparison to neighbouring Greater London, where a franchise system operates, especially where these bus services extend into Surrey.</li> </ul>	<p>Schemes:</p> <ul style="list-style-type: none"> <li>Greater Redhill STP Phase 1.</li> <li>Epsom – Banstead STP.</li> <li>Reigate &amp; Banstead Quality Bus Partnership (PT 2).</li> </ul> <p>General improvements sought:</p> <ul style="list-style-type: none"> <li>Expanding bus stop infrastructure along key bus corridors– e.g. raising kerbing to improve accessibility; providing seating at bus stops; providing bus shelters; standardising bus stop layout and alignment to increase reliability and other information and accessibility improvements.</li> <li>Expanding provision of Real Time Passenger Information across the network.</li> <li>A Surrey-wide smartcard ticketing system working in partnership with bus operators.</li> <li>Intelligent bus priority and other traffic management measures along bus routes.</li> <li>Provision of Community Transport in the area to assist with transport for those who may have mobility problems or other issues which may mean they cannot access public transport.</li> <li>Consistent with Surrey’s <a href="#">Local Bus Strategy</a>, work with bus operators to deliver and maintain an effective, safe and sustainable bus network that operates through Reigate &amp; Banstead, including encouraging commercial bus services.</li> </ul>

**Rail provision**

Current provision	Existing problems / Challenges	Actions and Potential solutions and aspirations
<ul style="list-style-type: none"> <li>• The Brighton Main Line provides good access to London, Gatwick Airport and Brighton. Guildford and Reading are accessible via the North Downs Line.</li> <li>• Platform 0 at Redhill will increase capacity on the Brighton Main Line from 2018.</li> <li>• Convenience of rail travel to London from stations in Reigate &amp; Banstead contributes to its appeal as a place to live and significantly contributes to the local economy.</li> </ul>	<ul style="list-style-type: none"> <li>• The North Downs Line currently offers a relatively poor orbital service across the county and is one of the few non-electrified lines in the county. It is expected to experience a significant increase in passenger demand due to employment growth in Reading, Gatwick and Guildford.</li> <li>• The current rolling stock on the North Downs Line is limited to 3 coaches, which creates some overcrowding on services during peak periods.</li> <li>• Parking issues at some rail stations, where parking facilities cannot accommodate the large numbers of commuters who drive to these stations, some from outside the borough, leading to overflow parking on local residential roads.</li> <li>• Overcrowding on the Brighton Main Line. Network Rail forecasts passenger demand on the line to increase by 1.5% per annum. Despite investment on the line through the Thameslink Programme, by 2031 it is predicted that services will be operating at 105% capacity.</li> </ul>	<ul style="list-style-type: none"> <li>• Lobby for the further investment needed to enable faster and more frequent services on the Brighton Main Line and North Downs Line.</li> <li>• Network Rail have proposals for Platform 3 at Reigate Station to improve capacity between Reigate, Redhill and London (R4).</li> <li>• Improvements to sustainable transport access to stations (in partnership with train operating companies).</li> <li>• Electrification of the North Downs Line (<a href="#">Surrey Rail Strategy</a>).</li> <li>• Accessibility/safety improvements at railway stations (in partnership with train operating companies).</li> <li>• Work with Network Rail and train operators to attract investment to stations in order to improve passenger experience.</li> <li>• Increased parking at some stations, where appropriate.</li> <li>• The County Council will continue to work with train operators, Network Rail and the Borough Council to endeavour to improve both car parking and cycle parking at railway stations as well as sustainable transport access.</li> </ul>

Transport technologies		
Current provision	Existing problems / Challenges	Actions and Potential solutions and aspirations
<ul style="list-style-type: none"> <li>Provision to support the use of electric vehicles (EVs) as an alternative to petrol and diesel-fuelled cars is expanding.</li> <li>As part of the borough's Air Quality Action Plan(s), RBBC has sought to install electric vehicle charge points. At time of writing, there are 7 off-street charging sites available across the borough; and 0 on-street sites. Off-street sites are a mix of rapid (22kw) and fast (7kw) charging points. Current provision can be viewed at <a href="http://www.zap-map.com">www.zap-map.com</a>. Further information on Council operated points can be found <a href="#">here</a>.</li> </ul>	<ul style="list-style-type: none"> <li>Incomplete network of electric vehicle charge points can make EVs seem unrealistic and unappealing.</li> <li>Difficulties of home charging for residents with no off-street parking.</li> <li>Barriers exist to provision of on-street electric vehicle charging.</li> </ul>	<ul style="list-style-type: none"> <li>Promotion of existing EV charging network.</li> <li>Seek to secure funding to expand the charging network, and provide electric vehicle charging points in appropriate locations.</li> <li>Work with developers to provide charging points as a part of the planning process, with support of parking guidance.</li> <li>Consider potential to provide on-street charging, through the emerging Electric Vehicle Strategy.</li> <li>Continue work to produce an Electric Vehicle Strategy for Surrey (BW 6).</li> </ul>
<ul style="list-style-type: none"> <li>Smart technology to help ease congestion by providing real-time information to drivers is being rolled out across the borough at specific locations and congestion hotspots.</li> </ul>	<ul style="list-style-type: none"> <li>Existing network management equipment needs upgrading to expand traffic management capacity to enable better management of traffic congestion, road safety and journey time reliability.</li> <li>Issues with co-ordinating equipment to respond to issues affecting the local road</li> </ul>	<ul style="list-style-type: none"> <li>Wider Network Benefits (east) (BW 9) concentrates on the 'A' road network in east Surrey: A23; A24; A25; A217; and A240. The scheme is made up of different Intelligent Transport Systems (ITS) measures. These will deliver benefits for Surrey through swifter responses to incidents and improved journey time reliability for all vehicles using the roads,</li> </ul>

	<p>network and the strategic road network (Highways England).</p> <ul style="list-style-type: none"> <li>• Need better technology and equipment to be able to respond to unplanned issues on the transport network and provide information to enable people to find alternative routes.</li> </ul>	<p>as well as improvements in safety, reductions in pollution and more accurate real time travel information.</p> <ul style="list-style-type: none"> <li>• Enhance how we respond to traffic incidents, improve road safety and help to manage key (planned and unplanned) events on the road network.</li> <li>• Work with Surrey Police and the partnership project Drive SMART to deliver improvements.</li> </ul>
<b>Wider issues</b>		
Issue	Existing problems / Challenges	Actions and Potential solutions and aspirations
<ul style="list-style-type: none"> <li>• Impact of transport on air quality and health.</li> </ul>	<ul style="list-style-type: none"> <li>• A number of Air Quality Management Areas (AQMAs) have been declared across the borough. Travel behaviour, congestion, characteristics of the built environment, as well as local geography can all impact negatively on levels of air pollutants, impacting on public health e.g. increased mortality rates, and respiratory diseases.</li> <li>• Local characteristics e.g. canyoning can exacerbate poor air quality, increasing the levels of pollutants that the public are exposed to.</li> <li>• Impacts on public health and the resultant cost to the economy. Evidence suggests that 5.6% of all deaths in Reigate and Banstead are attributable to long term particulate pollution (Public Health England, 2014).</li> </ul>	<ul style="list-style-type: none"> <li>• Seek mitigating measures to improve air quality e.g. improving non-car transport options such as walking, cycling and public transport.</li> <li>• Seek to secure funding to expand the EV charging network and the walking, cycling and bus network.</li> <li>• Work with borough council and public health colleagues via the Surrey Air Alliance to address air pollution issues wherever possible.</li> <li>• Work with developers to provide EV charging points as a part of the planning process.</li> </ul>

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	<ul style="list-style-type: none"> <li>• People who live near busy roads or airports are particularly at risk of the long-term health effects of air pollution. Areas of high deprivation suffer a greater burden from air pollution related ill health, contributing to inequalities in health.</li> </ul>	<ul style="list-style-type: none"> <li>• Deliver behaviour change campaigns e.g. <a href="#">Travel SMART</a> to encourage a modal shift to sustainable transport modes (BW 7).</li> </ul>
<ul style="list-style-type: none"> <li>• Surrey County Council is responsible for a number of public health functions. The Public Health service works across a number of key areas of health improvement and protection for the population of Surrey.</li> </ul>	<ul style="list-style-type: none"> <li>• Physical activity is important for both physical and mental health and wellbeing. Around 1 in 4 adults in East Surrey are physically 'inactive', meaning they undertook less than 30 minutes of activity per week. This puts them at greater risk of disease and in combination with obesity this will place increased demands on the NHS in the next decades. Active travel e.g. walking and cycling is a key way for people to increase their activities levels as well as wider benefits to air quality.</li> <li>• Transport has impacts on community cohesion; transport can divide communities e.g. as a barrier to movement, as well as bring them together.</li> </ul>	<ul style="list-style-type: none"> <li>• Offering greater opportunities to walk and cycle, by providing improved pedestrian/cycle facilities, is one way to increase overall levels of physical activity and therefore increase opportunities to elicit the health benefits associated to being physically active.</li> <li>• Promote active travel which has a significant impact on physical activity, which in turn impacts on the prevalence of obesity and overweight.</li> <li>• Increasing the number of people who are out on the streets, active travel makes public spaces more welcoming, provides opportunities for social interaction and encourages everyone to participate in and enjoy the outdoor environment.</li> <li>• Deliver behaviour change campaigns e.g. <a href="#">Travel SMART</a> to encourage a modal shift to active transport modes.</li> </ul>
<ul style="list-style-type: none"> <li>• Parking provision.</li> </ul>	<ul style="list-style-type: none"> <li>• There is increasing pressure on street parking space in towns and villages in the borough which has led to a need for a Reigate &amp; Banstead Parking Strategy.</li> </ul>	<ul style="list-style-type: none"> <li>• A Reigate &amp; Banstead parking strategy is being developed which will explore options for managing parking demand.</li> </ul>



## 5 Planned development and its impact on the transport network

5.1 Growth figures that appear in this section are outlined in the Reigate & Banstead Borough Proposed Core Strategy 2012-2027 (adopted 2014).

### Growth areas

#### Housing

5.2 Housing growth within the borough will be mainly within existing urban areas and between 2012 and 2027 will total at least 6,900 additional homes. They will be provided in the following locations:

- Redhill & Reigate – up to 3,010 additional homes.
- Horley – 2,640 additional homes with the majority of provision being made in two new neighbourhoods known as the North East and North West sectors.
- Banstead and the Northern part of the borough – 930 additional homes.
- Small scale sites within urban areas across the borough - 815 additional homes.

#### Education

5.3 School expansions will be required in Reigate & Banstead over the next five years in order to meet the future need for additional school places.

5.4 Schools which have already been identified for expansion are:

- St. Joseph's Catholic Primary School from 2016 expanded from 60 to 90 places per year.
  - Reigate Parish from 2016 expanded from a 60 place infant school to a 60 place primary school (adding 240 junior places).
  - Hatchlands Primary School, with 60 places per year (420 total capacity), will be established in Redhill from 2018.
  - Meath Green Infant School from 2013 expanded from 70 to 90 places per year.
  - Langshott Infant School from 2014 expanded from a 60 places infant school to a 60 place primary school (adding 240 junior places).
  - Trinity Oaks C of E Primary School, with 30 places per year (210 total capacity), was established in Horley from 2014.
  - A new 60 place Primary School to be provided from 2020 in the newly developed Horley North West Sector.
  - The Warwick School from 2017 expanded from 180 to 210 places per year.
  - St. Bede's School from 2019 will expand from 270 to 330 places per year.
  - A new 180 place Secondary School (900 places in total) to be provided from 2018 in Merstham.
  - Oakwood School from 2018 expanded from 240 to 300 places per year.
- 5.5 Additional school expansions to meet the remaining places needed are still to be identified and "bulge year" classes may be provided on an ad hoc basis, so as to meet localised peaks in demand.

## Employment Growth

5.6 Between 2012 and 2027, the following floorspace is identified in the 2014 Core Strategy to support employment growth across the borough:

- 46,000 sqm additional office floorspace; the majority of this will be in town centres and existing employment areas; and
- 25,800 sqm of additional comparison floorspace and 11,700sqm of additional convenience floorspace, the majority within Redhill.

The Borough Council is reviewing its employment targets as part of its work to prepare a Development Management Plan, including consideration of the opportunity to provide up to 200,000 sqm of new office floorspace in Horley through the potential development of Horley Business Park to meet the employment needs of the borough and beyond.

### How will the identified growth impact on the highway network?

5.7 The county highway model has been used to assess the impact of the development opportunities set out within the borough council's Regulation 18 Development Management Plan consultation document (August 2016), which may have an impact on how much traffic is generated and how it would be distributed on the existing highway network.

5.8 The 2017 assessment provides some indication of "hotspots" / potential problem areas/locations which, should the proposed development be delivered without appropriate mitigation measures, are likely to experience transport related problems (see appendix 3). Potential problems include higher traffic flows, and increased and less reliable journey times. The key areas where these problems are likely to occur are:

- Reigate and Redhill town centres;
- Horley;
- Banstead; and
- Tadworth.

5.9 Several road corridors have also been identified as being particularly sensitive to the additional traffic generated by the future development. These corridors include:

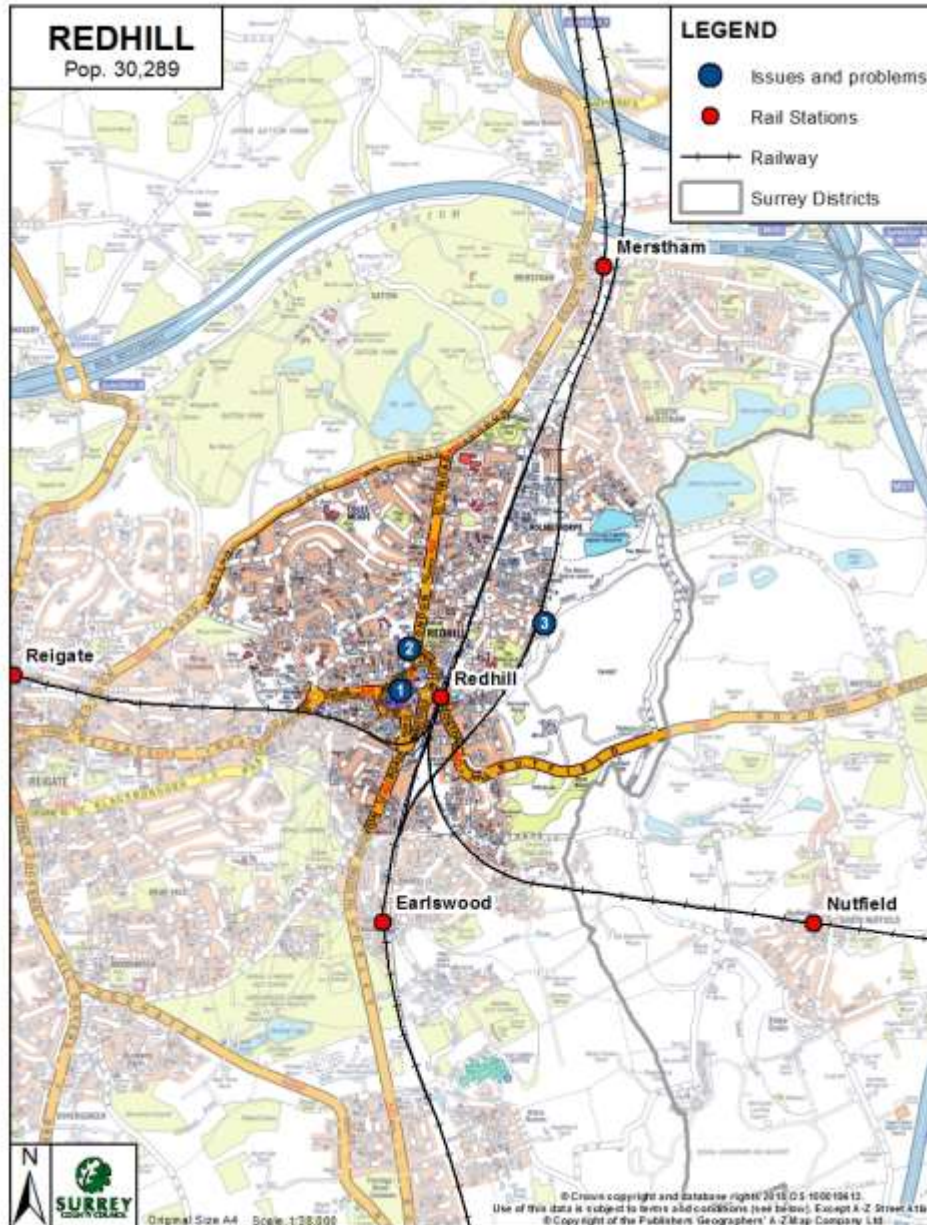
- A217 – north and south of Reigate;
- A23 – north and south of Redhill;
- A23 – north of Horley;
- A25 – particularly to the east of Redhill; and
- A240 – north of Nork.

5.10 Within these corridors some key junctions are also sensitive to additional traffic flow and hence increased junction delay. Some of the junctions forecast to experience the greatest increases in junction delay occur along the A23 corridor between Redhill and Merstham and the A217 corridor between Reigate and Burgh Heath. As well as M25 junctions which are controlled by Highways England.

## How will the impact be mitigated?

- 5.11 It should be noted that, where proposed developments are expected to have a significant impact on the road network, mitigation will be required of them as part of the planning process, for example through Section 106 and Section 278 agreements. At present in Horley for example, a specific Section 106 tariff is being implemented to ensure that the required infrastructure for the planned growth at the North West Sector is delivered. From 2016, funding to offset cumulative development impacts is going to be collected via CIL (Community Infrastructure Levy).
- 5.12 The schemes outlined in the Forward Programme (Appendix 1) are intended to account for impacts arising from proposed development in the borough as well as helping to address existing transport issues.

## 6 Places in Reigate & Banstead



Key transport network / context	
• Largest town within the borough. Town centre is a comparison goods shopping and leisure destination.	
• Primary shopping centre and major site for employment.	
• Good road and rail links north-south and east-west including the M25/M23, the A25/A23 and the London to Brighton and Reading to Gatwick line.	
• Prime focus for large scale leisure, office, culture and retail developments.	
• Situated at the intersection of the A25 and A23 which provide access to Surrey and Sussex settlements	
• Strategic M23 and M25 road corridors are also in close proximity.	
• A range of bus services including the high quality Fastway bus service with links to Gatwick Airport and Crawley.	
• The Borough Council are exploring opportunities for urban extensions to the east of Redhill.	
• Redhill Station is an important interchange location for north-south and east-west rail services, providing direct connections to London, Gatwick, Brighton, Guildford and Tonbridge. At most times of the day there are six direct trains to London terminals from Redhill and the station is popular with commuters. An additional platform is planned for the station.	

Label ID	Issues and problems
1	• Peak time congestion in the town centre concentrated on the town centre ring road. This reduces the efficiency of bus services and attractiveness of walking connections.
2	• An AQMA has been designated on A23/Redhill Town Centre. • Access to car parks is constrained by indirect road layouts and a lack of signage. • Walking and cycling links are fragmented, of varying quality, do not take the most direct route and in some instances are unsafe.
3	• If the M25 is closed due to an incident, traffic can filter on to the A25 via the A217, heavily increasing the congestion and air pollution in and around Redhill. • A bypass railway line allows fast services from London to Brighton to bypass Redhill reducing the service from the station.
2	• Current existing limits to capacity on the north-south and east-west rail lines restricts Redhill Station from the opportunity to become a hub between Reading, Guildford and Gatwick to Tonbridge, Tunbridge Wells and Ashford. • Some platforms at Redhill Station are only accessible by steps and are not DDA compliant. • The A23 is a significant cycling corridor linking employment, established housing, new housing and the airport. Currently there is a spine route running through it (National cycle route 21) but this route needs upgrading and more links east and west to reach its full potential.

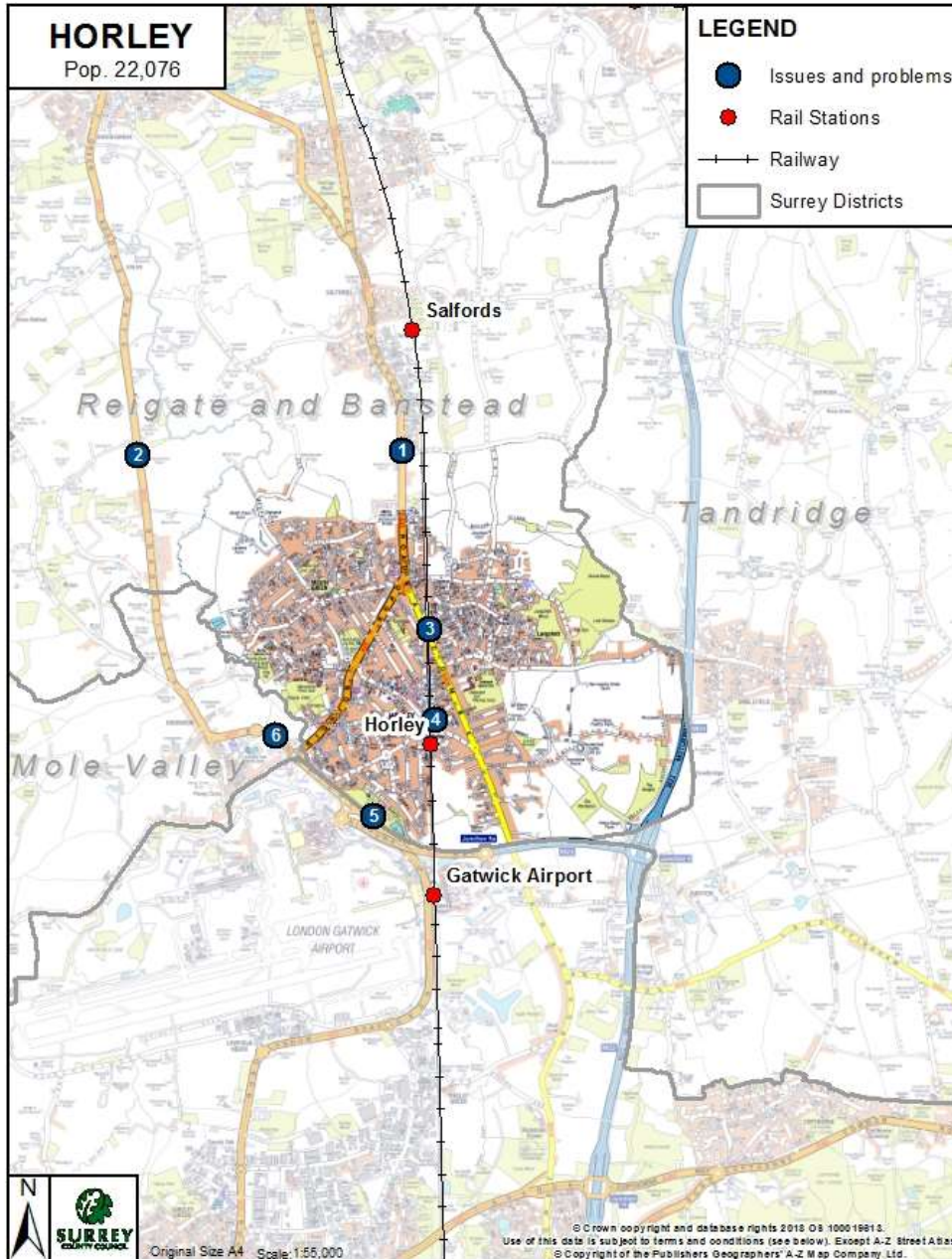
Potential solutions	
• Greater Redhill STP Phase 1	
• Epsom - Banstead STP	
• Redhill STP Phase 2	
• Longer term aspirations to address issues in Redhill include building on both schemes above to improve connectivity between Redhill and Reigate, major redesign of key junctions such as A23/3-Arch Road junction and A217/Woodhatch Road, and build to on the aspirations within the Local Plan for Redhill to become a regional transport hub.	
• More details of the schemes described here can be seen in the Forward Programme, including indicative start dates and anticipated costs and funding sources, where known.	



Key transport network / context	
<ul style="list-style-type: none"> <li>Reigate is a prosperous and attractive historic market town and visitor destination to the west of Redhill catering for most local needs.</li> <li>Economically the town is home to a number of large blue chip businesses and is a strategically important location for office use.</li> <li>The town is linked to Redhill by two bus services and a train line.</li> <li>The town centre has limited growth for housing and retail growth potential due to its designation as a conservation area.</li> <li>The town centre road network is a one way system where the A25 and A217 meet.</li> <li>The railway station is situated to the north of the town centre. The station is on the North Downs Line and travelling into London requires changing at Redhill. Connecting services to Redhill are sporadic with some services every 15 or up to 40 minutes. There are hourly services from Reigate to Gatwick Airport.</li> <li>The Fastway bus service links Reigate to Gatwick Airport with hourly services.</li> <li>The Borough Council are exploring opportunities for urban extensions to the south west of Reigate.</li> </ul>	

Label ID	Issues and problems
	<ul style="list-style-type: none"> <li>If heavy congestion or a closure on the M25 occurs, traffic can filter on to the A25 via the A217 heavily increasing the congestion and air pollution in and around Reigate.</li> </ul>
1	<ul style="list-style-type: none"> <li>Reigate High Street has been designated an AQMA.</li> <li>The town centre one-way system is a deterrent to cycling.</li> </ul>
2	<ul style="list-style-type: none"> <li>The level crossing outside Reigate Station is a major constraint and causes traffic on the A217, with planned train service increases likely to create more traffic delays.</li> </ul>
3	<ul style="list-style-type: none"> <li>The 'Angel' traffic signalled junction between the A217 and A2044 at Woodhatch is a congestion hotspot at peak times, with no pedestrian crossing facilities on the eastern arm of the junction and a history of right-turn personal injury collisions.</li> <li>Poor rail links have led to a heavy reliance on the road network for travel to and through the town.</li> <li>Concerns about HGV routing through the south of the town.</li> </ul>
4	<ul style="list-style-type: none"> <li>The junction of the A217 Reigate Hill with Galton Bottom and Wray Lane is a collision hotspot.</li> </ul>

Potential solutions	
<ul style="list-style-type: none"> <li>Anticipated solutions to some of the problems given above include the Reigate Road Network Improvement Scheme that seeks to address traffic congestion and improve air quality.</li> <li>Electrification of the North Downs Line could have significant improvements for Reigate.</li> <li>Lorry route signing scheme.</li> <li>Redesign of Woodhatch crossroads.</li> <li>More details of these schemes can be seen in the Forward Programme.</li> </ul>	



Key transport network / context	
<ul style="list-style-type: none"> <li>Horley town centre has been identified as an area in need of regeneration. Major housing growth expansion with an additional 2,600 homes is underway, with the majority of provision being made in two new neighbourhoods being delivered on the periphery of the urban area. These are known as Horley North East and West sectors.</li> </ul>	
<ul style="list-style-type: none"> <li>The A23 runs directly through Horley from Redhill to Longbridge Roundabout where it meets the A217.</li> </ul>	
<ul style="list-style-type: none"> <li>East to west vehicle movements are restricted to the Victoria Road railway bridge, or the option of by-passing the town centre by way of the A23.</li> </ul>	
<ul style="list-style-type: none"> <li>Horley is linked to Gatwick from the A23 Brighton Road. There are good bus links to Horley to Gatwick airport with the fastway service providing bus services every 30 minutes. It is also linked to Redhill, Three Bridges, Crawley, East Grinstead, Caterham, Charlwood, Smallfield and Broadfield by bus.</li> </ul>	
<ul style="list-style-type: none"> <li>Horley railway station is situated close to the town centre and is on the Brighton Main line providing services to London Bridge (2tph), London Victoria (1tph), Horsham (2tph) and Portsmouth (1tph).</li> </ul>	
<ul style="list-style-type: none"> <li>Potential for a large scale new business park is also being explored.</li> </ul>	

Label ID	Issues and problems
1, 2	<ul style="list-style-type: none"> <li>The A23 and A217 act as barriers to east-west movement and create a high degree of severance.</li> </ul>
3, 4	<ul style="list-style-type: none"> <li>The two overbridges in the centre of Horley, on Victoria Road and Balcombe Road have poor horizontal visibility. Balcombe Bridge is particularly difficult for pedestrians and is a key route to local schools.</li> <li>Community severance and east-west movements are restricted by the railway line.</li> <li>Besides roadside footways, there are no pedestrian routes between residential areas and the town centre.</li> <li>Cycle routes in the town centre are fragmented in places.</li> </ul>
5, 6	<ul style="list-style-type: none"> <li>The A23 and A217 suffer from traffic congestion at peak periods, especially at junctions close to Gatwick Airport.</li> <li>An AQMA has been declared in Horley which covers part of the A23 and junction with Massetts Road.</li> </ul>

Potential solutions	
<ul style="list-style-type: none"> <li>A number of town centre public realm improvements have been partially implemented which form part of the Horley S106 programme and other work which is ongoing includes:                             <ul style="list-style-type: none"> <li>&gt; An improved bus/rail interchange has been implemented with minor works outstanding.</li> <li>&gt; New access routes, junction improvements and traffic calming in Horley north east and north west sectors have been partially implemented.</li> <li>&gt; Provision of quality bus services throughout Horley are being implemented.</li> <li>&gt; Improvements to cycle and pedestrian facilities have been partially implemented.</li> <li>&gt; Improvements to the public realm in High Street, Horley.</li> <li>&gt; A new access from M23 spur to support potential new business park.</li> <li>&gt; Improvements to the subway in the town centre.</li> </ul> </li> <li>The majority of the schemes are being implemented by developers as part of the growth being delivered within the area and by SCC and RBBC using Section 106 funding.</li> </ul>	

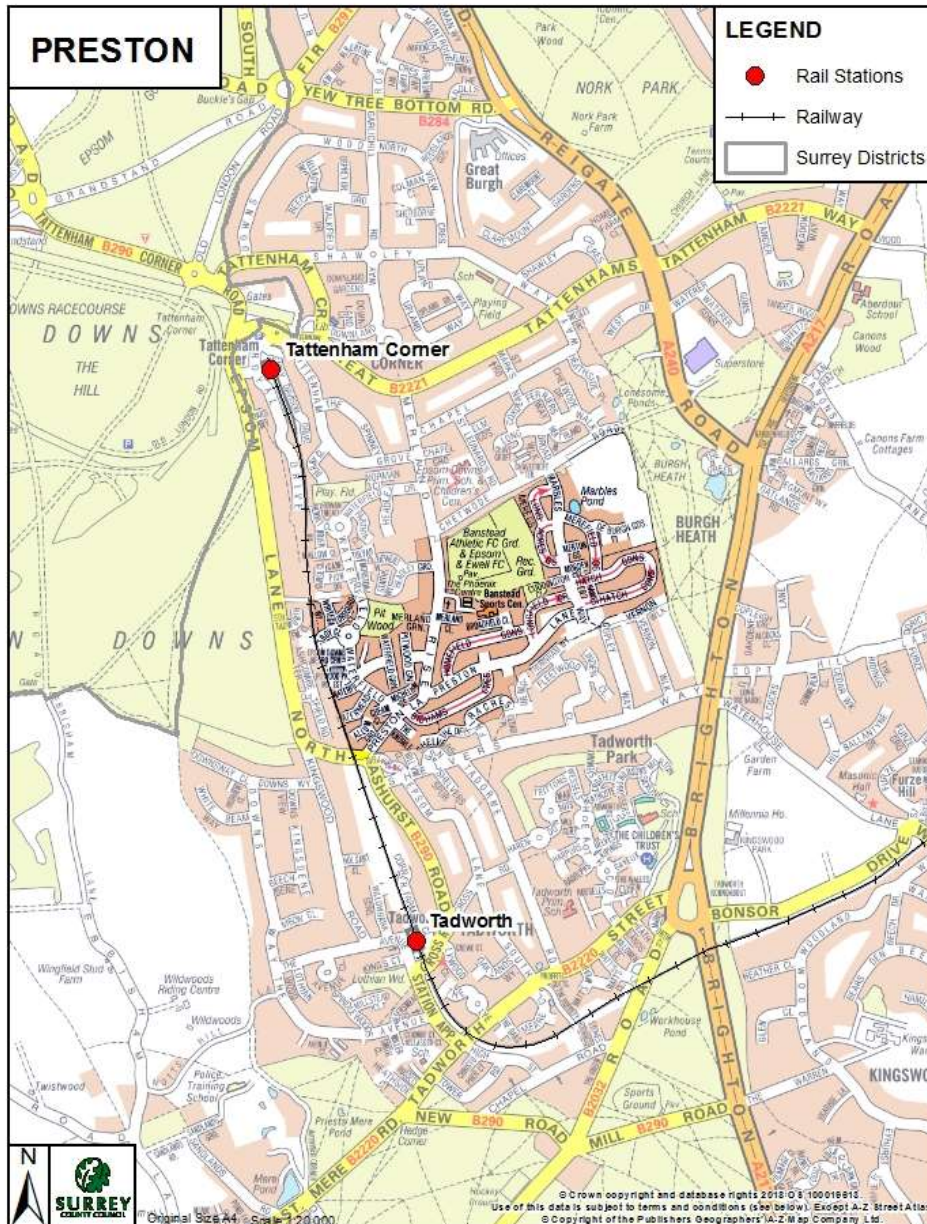


Key transport network / context	
<ul style="list-style-type: none"> <li>The Local Plan identifies Merstham as a regeneration area. Regeneration proposals include the redevelopment of shops and flats in Portland Drive, a new local shopping centre, a new community hub and improvements to public spaces.</li> </ul>	
<ul style="list-style-type: none"> <li>Merstham has developed on the edge of the A23 north of Redhill and is located to the west of the junction between M25 and M23.</li> </ul>	
<ul style="list-style-type: none"> <li>Merstham is linked to Reigate by the A242 and Redhill by the A23.</li> </ul>	
<ul style="list-style-type: none"> <li>The bus network within the town provides access to Reigate, Caterham, Woldingham, Croydon, Coulsdon, Purley and Redhill. Bus services are run by both Transport for London and Metrobus and are supported by SCC.</li> </ul>	
<ul style="list-style-type: none"> <li>Merstham station is on the Brighton Main Line providing services to London Bridge, London Victoria and Gatwick Airport, with typically four services per hour to London during the off-peak and a more frequent service at peak times.</li> </ul>	
<ul style="list-style-type: none"> <li>The Borough Council are exploring opportunities for urban extensions to the east of Merstham.</li> </ul>	
<ul style="list-style-type: none"> <li>The location of Merstham means that growth is limited by the M25 and M23.</li> </ul>	

Label ID	Issues and problems
1	<ul style="list-style-type: none"> <li>Congestion on A23 Merstham High Street leading to the designation of an AQMA.</li> </ul>
	<ul style="list-style-type: none"> <li>Poor accessibility to key local community facilities and employment areas.</li> </ul>
	<ul style="list-style-type: none"> <li>Commuter parking alongside the A23.</li> </ul>
2	<ul style="list-style-type: none"> <li>Excessive traffic has an impact on road safety in the area.</li> </ul>
	<ul style="list-style-type: none"> <li>A bypass railway line allows fast services from Brighton to London to bypass Merstham reducing the number of services from the station.</li> </ul>
	<ul style="list-style-type: none"> <li>Pedestrian routes between key community uses/services.</li> </ul>
	<ul style="list-style-type: none"> <li>Need improvements to bus passenger waiting facilities and to enable more residents to access bus services.</li> </ul>

Potential solutions	
<ul style="list-style-type: none"> <li>Redevelopment proposals are currently underway with developers. Current proposals can be found within the Forward Programme.</li> </ul>	
<ul style="list-style-type: none"> <li>Pedestrian crossing facilities at the A23/New Battlebridge Lane junction.</li> </ul>	

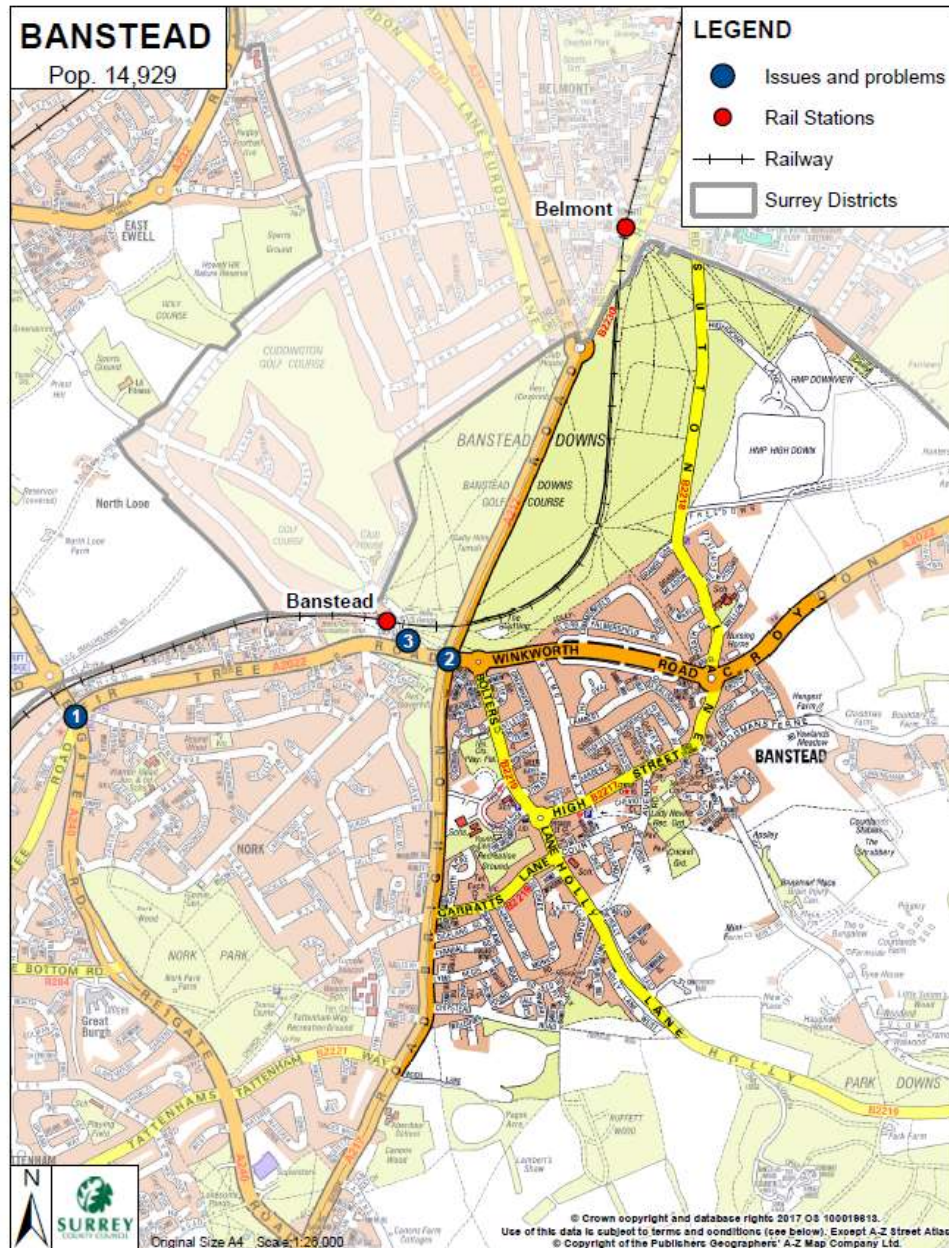




Key transport network / context
<ul style="list-style-type: none"> <li>Preston has been identified as an area in need of regeneration within the Local Plan and is being shaped by the Preston Planning Framework.</li> </ul>
<ul style="list-style-type: none"> <li>Preston is a residential area outside of Tadworth and has been identified as the most deprived ward within the borough.</li> </ul>
<ul style="list-style-type: none"> <li>The transport infrastructure in Preston is currently limited. The regeneration proposals include the construction of circa 335 new homes as well as a new leisure and community centre and new youth centre. The pedestrian access, cycle routes and public transport are included in this process to increase the accessibility of residents to surrounding areas.</li> </ul>
<ul style="list-style-type: none"> <li>The area is serviced by two rail stations Tattenham Corner Station to the north and Tadworth to the south. Tadworth and Tattenham Corner Station are on the Tattenham Corner Line and provide access to London Bridge.</li> </ul>

Issues and problems
<ul style="list-style-type: none"> <li>On street parking has been an issue resulting in congestion on access roads and bus routes, however, a programme of parking lay-bys and other parking improvements has started to be implemented.</li> </ul>
<ul style="list-style-type: none"> <li>Poor accessibility across the area for pedestrians, cyclists and vehicles and poor connectivity with its immediate environment, including the village centres of Tattenham Corner and Tadworth and open spaces.</li> </ul>
<ul style="list-style-type: none"> <li>Public transport is limited with no Sunday bus service to Redhill or Reigate or in the late evening and limited services to Epsom and Sutton.</li> </ul>
<ul style="list-style-type: none"> <li>Current road layout is largely inclusive with a lack of vehicular and pedestrian access to the surrounding area.</li> </ul>

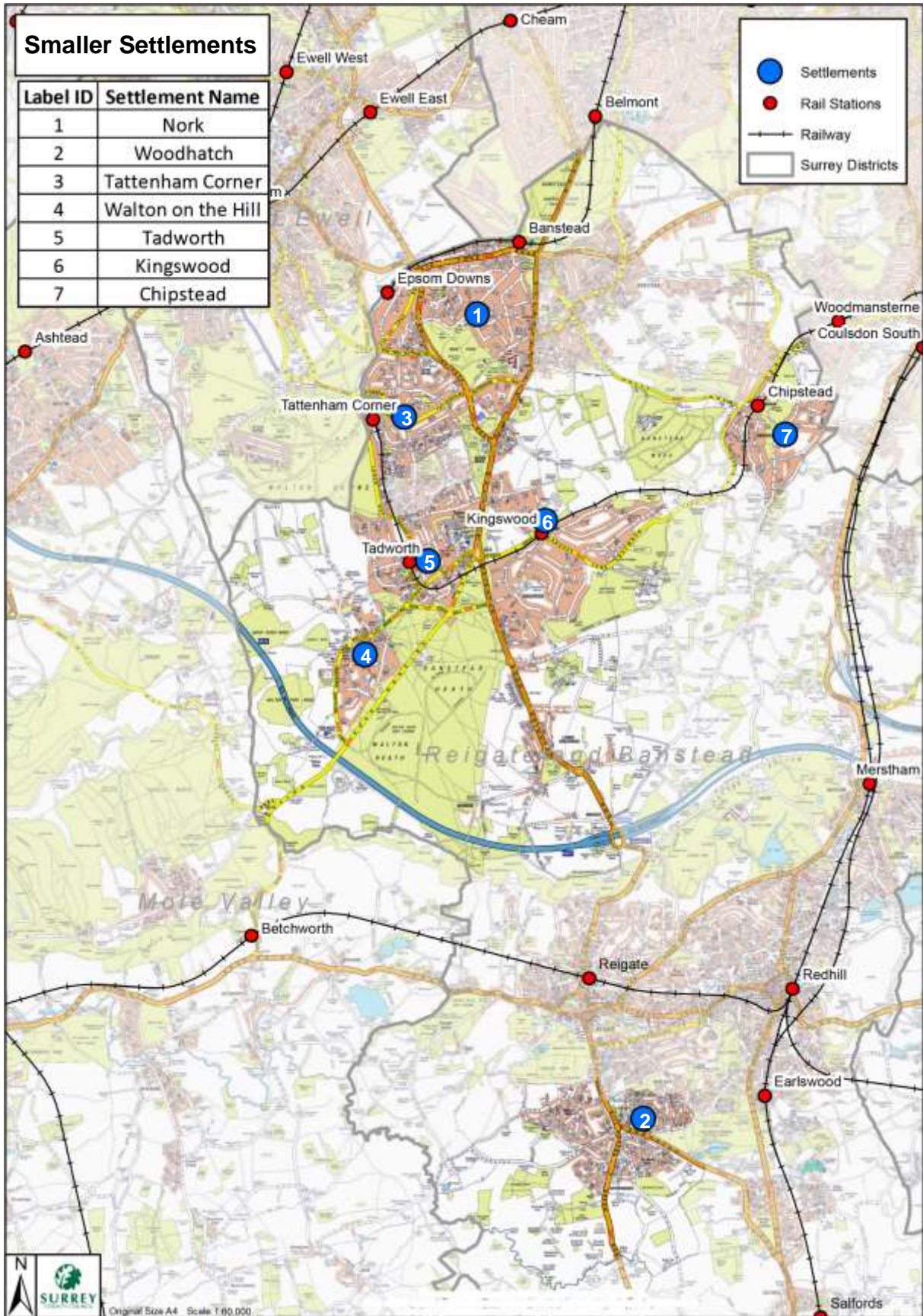
Potential solutions
<ul style="list-style-type: none"> <li>A number of transport improvements have been identified to support growth and the regeneration of the area. The majority of this work will be carried out by developers as part of the development of the area. Improvements include;                             <ul style="list-style-type: none"> <li>&gt; Improvements to Chetwode Road</li> <li>&gt; A240 shared cycle/footway</li> <li>&gt; A40/Great Tattenhams Junction capacity improvements</li> <li>&gt; Bus service and infrastructure improvements</li> </ul> </li> </ul>



Key transport network / context	
<ul style="list-style-type: none"> <li>Banstead village is located in the north of the borough.</li> <li>It is a small centre serving mostly local needs with moderate public transport accessibility. The Local Plan has planned for retail and convenience growth within the village centre coming forward.</li> <li>The A217 runs to the west of the Village centre and the A240 is accessed via A2022 Fir Tree Road.</li> <li>Banstead rail station is located in the north of the village and is on the Epsom Downs Line. There is a service via Sutton to London Victoria every half hour at peak times. Epsom Downs station is also very close to Banstead and is on the same line as Banstead station.</li> </ul>	

Label ID	Issues and problems
1	<ul style="list-style-type: none"> <li>Congestion and pedestrian safety issues on the A240/A2022 Fir Tree junction.</li> </ul>
2	<ul style="list-style-type: none"> <li>Congestion and pedestrian safety issues at Banstead traffic lights (A217/ A2022 Fir Tree Road)</li> <li>Poor public transport accessibility to Epsom Hospital.</li> </ul>
3	<ul style="list-style-type: none"> <li>The A217 Brighton Road severs the eastern residential area of Banstead with Banstead Library, Banstead Civic Centre, Banstead Clinic, Banstead Childrens Centre, Banstead Junior School and Banstead Infant School in the west. The A217 Brighton Road is a 40mph dual carriageway road with a limited number of formal crossings and no pedestrian footway for significant lengths.</li> <li>Poor pedestrian and cyclist accessibility to Banstead station.</li> </ul>

Potential solutions	
<ul style="list-style-type: none"> <li>A number of transport improvements have been identified to support growth of the area (see forward programme).</li> </ul>	



## 7 Funding and delivery mechanisms

- 7.1 A number of schemes have been identified as being needed across the borough; these are listed in the Forward Programme (Appendix 1).
- 7.2 The schemes are considered necessary because they either help to mitigate expected growth/planned development or address existing transport problems. Each scheme will help to meet the objectives of the Local Transport Strategy.
- 7.3 Each scheme may require funding from different sources, many of which are allocated on a competitive basis. Examples of sources include:
- Developer monies – e.g. Section 106 agreements; Section 278 agreements; Community Infrastructure Levy (CIL).
  - Government grants – e.g. Local Sustainable Transport Fund; National Productivity Infrastructure Fund; Air Quality Grant.
  - Coast to Capital Local Enterprise Partnership – e.g. Local Growth Fund.
  - County Council capital.
  - Capital funding from the Borough Council.

### Delivery

- 7.4 The delivery body will generally be the County Council sometimes in partnership with others such as the Borough Council and private bus operators. The delivery body for the rail network and services will be Network Rail and relevant train operators. In some other cases, the delivery body is the developer when an entire highways scheme is secured through the Section 278 process, e.g. Sainsbury's, Redhill town centre scheme.

### Statutory Assessments

- 7.5 We recognise that schemes in the Forward Programme may be subject to the Environmental Impact Assessment (EIA)<sup>1</sup> or the Habitats Regulations process<sup>2</sup>. This will be dependent on scheme specifics. At the appropriate stage of scheme feasibility we would seek to:
- Obtain EIA screening opinion from relevant planning authority.
  - Clarify the planning position relevant to the scheme.
  - Consider archaeological impacts of the scheme by consulting English Heritage and the county archaeologist.
  - Consider any flooding impact of the scheme by consulting the Environment Agency and the lead local flood authority.
  - Consider any ecology impacts of the scheme by consulting the county ecologist.
  - Consider any landscape impacts of the scheme, by consulting the county landscape architect.

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<sup>1</sup> EU Directive (2011/92/EU); Town and Country Planning (EIA) Regulations 2011

<sup>2</sup> EU Habitats Directive (92/43/EEC)

**Reigate & Banstead Local Transport Strategy: Appendix 1 - Forward Programme**

Scheme ID	Location and scheme / package description	Scheme purpose	Transport type	Current delivery stage	Estimated cost (with base year where known)	Potential funding sources
<b>Borough Wide Schemes:</b> Schemes covering large areas of the borough						
BW 1	A23 Redhill to Horley pedestrian and cycling corridor improvements being delivered through the Greater Redhill Sustainable Transport Package 1: <ul style="list-style-type: none"> <li>• Conversion and widening of the footway to shared use for pedestrians and cyclists on the east side of of the A23 from between the junction with Maple Road / Three Arch Road and Cross Oak Lane.</li> </ul>	Encourage the use of sustainable transport modes by improving accessibility for pedestrians and cyclists and address air quality issues. There are no facilities for cyclists along this important corridor.	Pedestrian/Cycling	Construction	£1,000,000 (2018)	Greater Redhill STP 1 LEP funding
BW Page 277	A23 Redhill to Horley pedestrian and cycling corridor improvements including: <ul style="list-style-type: none"> <li>• Conversion and widening of one side of the footway on the A23 to shared use for pedestrians and cyclists between Cross Oak Lane and Chequers Roundabout Horley extending the sections in delivery/already constructed.</li> <li>• Maple Road cycling improvements to link A23 and completed Woodhatch Road section.</li> <li>• Cycling improvements to link completed Woodhatch Road section with Reigate.</li> </ul>	Encourage the use of sustainable transport modes by improving accessibility for pedestrians and cyclists. Also to address air quality issues.	Pedestrian/Cycling	Scheme Identification	£600,000	LEP, CIL, S106, developer
BW 3	A217 Reigate to Horley Safer Roads. A range of highway improvements to reduce the risk of collisions in the future including: <ul style="list-style-type: none"> <li>• Raised-rib edge of carriageway markings along both the eastern and western sides of the A217 carriageway from the start of the 40 mph section at Dovers Green all the way to the southern end of the route at Longbridge Roundabout (about 6km).</li> <li>• Improvements at A217 Bell Street junction with Morrisons Supermarket.</li> <li>• Further crossing improvements, changes to central islands, new and changes to pedestrian refuges, antiskid surfacing in necessary locations, extending turning lanes, changes to hatching markings, changes to signing, new road studs in certain locations, cutting back of foliage that encroaches the edge of the carriageway, and renewing white lines.</li> </ul>	A range of highway improvements to reduce the risk of collisions in the future.	Local Highway/Road Safety	Feasibility Design	£1,117,000	Department for Transport
BW 4	A217 from Garratts Lane to Tadworth roundabout / Bonsor Drive - pedestrian and cycling corridor improvements: <ul style="list-style-type: none"> <li>• Conversion of footway to shared use for pedestrians and cyclists.</li> </ul>	This is a key corridor taking a direct route linking many residential areas and places of employment. Currently no cycle facilities exist along here.	Pedestrian/Cycling	Scheme Identification	£1,300,000 (2016)	LEP, S106, CIL, developer

BW 5	A217 from Tadworth roundabout / Bonsor Drive to M25 J8 - pedestrian and cycling corridor improvements: • Conversion of footway to shared use for pedestrians and cyclists.	This is a key corridor taking a direct route linking many residential areas and places of employment. Currently no cycle facilities exist along here.	Pedestrian/Cycling	Scheme Identification	£1,700,000 (2016)	LEP, S106, CIL, developer
BW 6	Support for delivery of emerging Surrey-wide Electric Vehicle strategy.	Encourage uptake and provision for low emission vehicles to reduce harmful pollutants and impact of traffic on human health.	Low Emission Vehicles	Strategy Development	Varies depending on specific scheme	CIL, Defra Air Quality Grant
BW 7	Borough wide behaviour change programme, building upon the Travel SMART Surrey programme (2012-2015), to support people to take up sustainable and active transport modes (e.g. walking, cycling, public transport, electric vehicles). Revenue funding to support infrastructure delivery.	To provide measures which encourage or facilitate modal shift towards sustainable transport modes. This would build upon the Surrey Travel SMART programme which ran between 2012-2016. Measures could include: campaigns, themed events, business engagement, community engagement programmes, information e.g. maps and bus information, personalised travel planning. See: <a href="http://www.travelsmartsurrey.info">www.travelsmartsurrey.info</a>	Multiple	Varies depending on specific scheme	Varies depending on specific scheme	Defra Air Quality Grant, Department for Transport, Local Sustainable Transport Fund, Access Fund, CIL, LEP
BW 8 Page 278	Borough wide schemes to improve Air Quality.	To improve air quality, especially at designated Air Quality Management Areas.	Multiple	Varies depending on specific scheme	Varies depending on specific scheme	Defra Air Quality Grant, Department for Transport, Local Sustainable Transport Fund, Access Fund, CIL, LEP
BW 9	Borough wide schemes using intelligent transport systems technology/emerging technology.	To help manage the road network, respond to challenges caused by traffic congestion, influence user behaviour and encourage sustainable transport.	Technology	Ongoing, Wider Network Benefits East major scheme has delivered improvements	Varies depending on specific scheme	LEP, S106, CIL, developer
BW 10	Project Horizon - highway maintenance.	Maintenance of highway assets in the borough. Resurfacing, treating and repairing roads and pavements; maintaining traffic signals; maintaining embankments; and maintaining drainage infrastructure.	Resilience	Ongoing	Varies depending on specific scheme	SCC
BW 11	A217 Resilience scheme including: • Highway drainage capacity improvements. • Resurfacing repairs.	This project aims to improve the reliability and resilience of the transport network.	Resilience	Construction	£3,200,000	LEP, SCC
BW 12	A23 Resilience scheme including: • Highway drainage capacity improvements. • Resurfacing repairs.	This project aims to improve the reliability and resilience of the transport network.	Resilience	Detailed Design	£4,900,000	LEP, SCC

BW 13	A parking strategy is being developed which will explore options for managing parking demand.	There is increasing pressure on street parking space in towns and villages in the borough which has led to a need for a Reigate & Banstead Parking Strategy.	Parking	Scheme Identification	Not yet known	To be identified
BW 14	Work with partners and businesses to encourage alternative strategies that negate the need to travel, e.g. community hubs, hot desking, fast broadband, using planning to encourage mixed developments which reduce the need to travel.	To reduce travelling where possible within the Borough in order to lessen pressures on the transport network.	Multiple	Scheme Identification	Varies depending on specific scheme	LEP, to be identified
<b>Bus Schemes Borough Wide</b>						
PT 1	Quality bus corridor improvements for local bus services 430/435, 420/460, and 100 being delivered through Greater Redhill Sustainable Transport Package 1 including: <ul style="list-style-type: none"> <li>• 40 new bus shelters.</li> <li>• 52 RTPI displays at bus stops.</li> <li>• 40 bus stop accessibility improvements.</li> <li>• RTPI displays at Salfords and Earlswood Railway Stations.</li> <li>• Bus only signalised right turn facility into Ladbroke Road from Princess Way (northbound) in Redhill town centre.</li> </ul>	To provide a credible sustainable passenger transport option to encourage modal shift and increase bus patronage. In doing so this will assist with promoting economic, social and environmental benefits in the borough of Reigate & Banstead.	Passenger Transport	Construction	£1,000,000	Greater Redhill STP 1 LEP funding, developer
PT 2	Bus priority and corridor improvements along the corridors through south of the Borough (Redhill and Reigate areas). These corridors connect with destinations including Horley, Gatwick Airport, Crawley, Epsom and Sutton. The improvements would cover the local bus services 100, 400, 420 / 460 and 430 / 435. The improvements would build on changes delivered through the Greater Redhill Sustainable Transport Package (Phase 1) and would focus on: <ul style="list-style-type: none"> <li>• Improving journey time reliability and reducing journey times, including the implementation of bus priority measures particularly at pinch points which cause greatest delays to bus services.</li> <li>• Smart ticketing options and greater integration of bus/rail.</li> <li>• High quality passenger waiting environment with good accessibility and real time information. This will enhance passenger travelling experience.</li> <li>• Enhancing bus/rail connectivity.</li> </ul>	To provide a credible sustainable passenger transport option to encourage modal shift and increase bus patronage. In doing so this will assist with promoting economic, social and environmental benefits in the borough of Reigate & Banstead. Schemes will build on improvements delivered in recent years such as between Redhill and Horley and improvements delivered/in delivery through the Greater Redhill Sustainable Transport Package 1.	Passenger Transport	Scheme Identification	£4,900,000	LEP, CIL, S106, developer, bus operators

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PT 3	<p>Bus priority and corridor improvements along the corridors through the north of the Borough (Chipstead, Nork, Banstead, Tattenham Corner, Preston). The improvements would cover the local bus services 460, 480, 420, and 166 services. The improvements would focus on:</p> <ul style="list-style-type: none"> <li>• Improving journey time reliability and reducing journey times, including the implementation of bus priority measures particularly at pinch points which cause greatest delays to bus services.</li> <li>• Smart ticketing options and greater integration of bus/rail.</li> <li>• High quality passenger waiting environment with good accessibility and real time information. This will enhance passenger travelling experience.</li> <li>• Enhancing bus/rail connectivity.</li> </ul>	To provide a credible sustainable passenger transport option to encourage modal shift and increase bus patronage. In doing so this will assist with promoting economic, social and environmental benefits in the borough of Reigate & Banstead. Schemes will build on improvements delivered in recent years such as between Redhill and Horley and improvements delivered/in delivery through the Greater Redhill Sustainable Transport Package 1.	Passenger Transport	Scheme Identification	£2,000,000	LEP, CIL, Metrobus, S106
<b>Rail Schemes</b>						
R 1	<p>Salfords Railway Station:</p> <ul style="list-style-type: none"> <li>• Security improvements, including lighting improvements.</li> </ul>	Improve safety at the railway station.	Passenger Transport	Scheme Identification	£10,000	Train operator, LEP, CIL, S106, developer
R2	<p>Merstham Railway Station:</p> <ul style="list-style-type: none"> <li>• Cycle gutters on stairs of bridges here to mitigate severance of the railway line.</li> </ul>	To encourage cycling as a safe, convenient and sustainable mode of transport.	Cycling	Scheme Identification	£7,000 (2017)	LEP, CIL, S106, developer, train operator
R3	<p>Banstead Railway Station:</p> <ul style="list-style-type: none"> <li>• Secure and sheltered cycle storage facilities.</li> <li>• Lighting and CCTV.</li> <li>• Accessibility improvements.</li> </ul>	Encourage use of Banstead Railway Station by improving its appearance, security, and accessibility.	Passenger Transport	Feasibility design	£100,000 (2016)	LEP, Southern Rail
R 4	<p>Reigate Railway Station:</p> <ul style="list-style-type: none"> <li>• Network Rail proposal to increase capacity through Platform 3.</li> </ul>	To increase capacity between Reigate, Redhill and London.	Passenger Transport	Scheme Identification (this is a Network Rail scheme)	Not yet known	Network Rail project
R 5	Capacity improvements to Gatwick Railway Station.	To increase capacity on the rail network.	Passenger Transport	Scheme identification (this is a Network Rail scheme)	Not yet known	Network Rail project
R 6	Reigate Level Crossing scheme.	To address potential increases in congestion on the roads here that would result with more frequent trains.	Local Highway/Road Safety	Scheme Identification	Not yet known	To be identified



Strategic Road Network Schemes (Highways England schemes)						
SRN 1	Improvements at the following Junctions on the A23 near to the Hooley Interchange: • A23 Brighton Road / Star Lane Junction. • A23 Brighton Road / Netherne Drive Junction.	To improve the operational performance of the Star Lane and Netherne Drive junctions on the A23 and to improve capacity and safety.	Strategic Road	Scheme Identification	£3,800,000 (2018)	HE project
SRN 2	Improvements to M25 Junction 8 signalised roundabout.	To address issues at this junction including congestion, queuing and safety.	Strategic Road	Scheme Identification	£4,200,000 (2018)	HE project
Redhill area						
REDH 1	Maple Road/Three Arch Road junction, South Earlswood: • Increase capacity and reduce congestion and traffic delays at this junction. • Improve bus journey times, reliability and introduce bus priority system within the signals. Buses encounter significant delay at this junction. • Improve cycling and walking at this junction. • Ensure HGVs can undertake the proposed movements within the junction. • Improve route to/from hospital. • Improve the carriageway resilience through improvements to drainage capacity.	Reduce congestion and improve capacity, journey time reliability and safety for all road users.	Junction	Feasibility Design	£2,800,000 - £3,300,000 (2018)	LEP, CIL, HMP developer funding.
REDH 2	A23 London Road Cycle scheme: • Conversion of footway between Colesmead Road and Princess Way to shared use for pedestrians and cyclists.	To encourage cycling and walking by providing a network of continuous, well-signed, safe and direct routes between communities and places work, schools, leisure, shopping, and public transport.	Pedestrian/Cycling	Detailed Design	£370,000 (2016)	LEP, CIL, S106, developer
REDH 3	Nutfield Road Cycle scheme: • Conversion of footway between Chilberton Drive and just past Mill Lane to shared use for pedestrians and cyclists.	To encourage cycling and walking by providing a network of continuous, well-signed, safe and direct routes between communities and places work, schools, leisure, shopping, and public transport.	Pedestrian/Cycling	Detailed Design	£100,000 (2016)	LEP, CIL, S106, developer
REDH 4	Blackstone Hill / The Chase junction Highway safety improvements: • Provision of crossing facility.	To improve safety for pedestrians crossing at this point.	Pedestrian	Scheme Identification	£30,000 (2016)	LEP, CIL, S106, developer
REDH 5	Moors footpath resurfacing to make an all year round viable route for pedestrians and cyclists across the Moors.	To encourage sustainable transport (walking and cycling).	Pedestrian/Cycling	Scheme Identification	£300,000 (2017)	LEP, CIL, S106, developer
REDH 6	Area wide review of HGV routes, particularly along Pendleton Road.	Signalised crossing gets frequently hit by HGVs on Pendleton Road.	HGV	Scheme Identification	£100,000	LEP, CIL, S106, developer
REDH 7	A23 London Road Junction with Gatton Park Road, Redhill: • High Friction Surfacing on eastbound approach.	Road safety scheme.	Local Highway/Road Safety	Scheme Identification	£7,000 (2017)	LEP, CIL, S106, developer, road safety funding

REDH 8	D355 - Kings Mill Lane, Redhill: • Signage improvements to demarcate sharp bend outside the main entrance to Redhill Aerodrome and a further corner 75m to its north.	Road safety scheme.	Local Highway/Road Safety	Scheme Identification	£7,000 (2017)	LEP, CIL, S106, developer, road safety funding
REDH 9	Gatton Park Rd / A23 London Road: • High friction surfacing due to collision pattern of shunt/failure to give way.	Road safety scheme.	Road Safety	Scheme Identification.	£10,000 (2017)	LEP, CIL, S106, developer, road safety funding
<b>Merstham area</b>						
MER 1	A23 from Shepherds Hill to Station Road South: • Conversion of footway (combination of east and west side) to shared use for pedestrians and cyclists.	Key link over the M25 on an important but busy corridor. Use existing cycle lane to create width needed.	Pedestrian/Cycling	Scheme Identification	£300,000	LEP, CIL, S106, developer, HE Designated Funds
MER 2	A23 from Station Road South to East Surrey College and Colesmead Road: • Conversion of footway (combination of east and west side) to shared use for pedestrians and cyclists.	Key corridor with no cycle facilities, Will provide a link from Merstham to East Surrey College.	Pedestrian/Cycling	Scheme Identification	£500,000	LEP, CIL, S106, developer, HE Designated Funds
MER 3	A23 Junction with School Hill, Merstham: • Signalise junction which would include crossing facilities for pedestrians.	To improve safety for pedestrians.	Pedestrian	Scheme Identification	£250,000 (probably require junction configuration at this location, 2016)	LEP, CIL, S106, developer
MER 4	Gatton Bottom, Merstham at M25 overbridge: • Bend signs, edge of carriageway marking, Slow marking to reduce loss of control.	Road safety scheme.	Local Highway/Road Safety	Scheme Identification	£10,000 (2017)	LEP, CIL, S106, developer, road safety funding
<b>Salfords and Whitebushes area</b>						
SAL 1	FP400 resurfacing connecting Copsleigh Avenue with Mason's Bridge Road, via the new Dean Farm footbridge constructed on boxing day 2017.	Improving pedestrian accessibility.	Pedestrian/Cycling	Scheme Identification	£120,000 (2017)	LEP, CIL, S106, developer
SAL 2	Signalisation of the Fire Station Junction - A23 Salfords/Lodge Lane.	Improving accessibility across this junction.	Junction	Scheme Identification	£750,000	LEP, CIL, S106, developer
SAL 3	A23 Junction with Woodhatch Road where drivers have difficulty turning right on to the A23 and there is an overshoot problem: • Improve signage and junction visibility by relocating existing give way sign so more in advance, install slow marking, vegetation clearing and cleaning ADS sign.	Road safety scheme.	Local Highway/Road Safety	Scheme Identification	£5,000 (2017)	Road safety funding
SAL 4	A23 Junction with Woodhatch Road, Salfords: • Realign kerbs removing the deceleration lane tightening the entry into Woodhatch Road from the south.	Road safety scheme.	Local Highway/Road Safety	Scheme Identification	£19,000 (2017)	LEP, CIL, S106, developer, road safety funding

Reigate area						
REI 1	A217 Woodhatch crossroads: <ul style="list-style-type: none"> <li>Improved/controlled pedestrian crossing facilities on eastern arm of junction.</li> <li>Junction capacity and access improvements.</li> </ul>	To reduce casualties at this site and improve safety. Junction capacity improvements to facilitate future area growth from Horley NW sector developments.	Junction	Scheme Identification	£2,200,000 (2017)	LEP, CIL, S106, developer
REI 2	Reigate Road Network Improvements, including: <ul style="list-style-type: none"> <li>Improving access and connectivity for pedestrians and cyclists.</li> <li>Improving public transport accessibility to the town.</li> <li>Schemes (including technology based) are being considered to relieve traffic and congestion through Reigate / on the A25 and A217.</li> </ul>	To relieve congestion, improve accessibility and connectivity, improve pedestrian safety and improve the public realm.	Major Transport Project	Scheme Identification	£15,000,000 (2017)	LEP, S106, CIL, developer, bus operators
REI 3	A25 West Street/High Street, High Street and Upper high Street, Reigate: <ul style="list-style-type: none"> <li>Public Safety Improvement Scheme, improving street lighting and CCTV coverage.</li> </ul>					
REI 4	A25 Reigate, adjacent to High Street: <ul style="list-style-type: none"> <li>Extension of UTC to include traffic signals, real time pollution monitoring.</li> </ul>					
REI 5	Reigate town centre – A25 West Street, Reigate: <ul style="list-style-type: none"> <li>Improve crossing facilities at junction with Upper West Street.</li> </ul>	To improve safety for pedestrians	Pedestrian	Scheme Identification	£20,000 (2016)	LEP, S106, CIL, developer
REI 6	Traffic management improvements in Gatton Bottom area.	To provide safe routes to schools and college and improve road safety.	Local Highway/Road Safety	Scheme Identification	£400,000 - £500,000	LEP, S106, CIL, developer
REI 7	Reigate minor cycle improvements: <ul style="list-style-type: none"> <li>Widen and convert footpaths 39 and 40 to cycle tracks.</li> <li>Stretch of shared use path from South Walk cycle route to crossing and along A25 to Bancroft Road.</li> <li>Link Croydon Road cycle path into Holmsdale Road.</li> <li>Create cut-through link from Derrings Road onto cycle path (dropped kerbs).</li> <li>Shared-use path from end of Crackell Road to meet crossing and connect to Church Walk cycle path.</li> </ul>	Improve connections around and getting into Reigate town centre by bicycle.	Cycling	Scheme Identification	£60,000 (2017)	LEP, S106, CIL, developer
REI 8	Prices Lane to Sandcross Lane cycle route.	To encourage cycling as a safe, sustainable mode of transport.	Cycling	Scheme Identification	£40,000 (2016)	LEP, CIL, S106, developer
REI 9	Improvements to pedestrian facilities along Sandcross Lane to improve pedestrian access to the school.	To improve safety for pedestrians and improve access to the school.	Pedestrian	Scheme Identification	£30,000 (2016)	LEP, CIL, S106, developer

REI 10	Reigate Heath to Priory Park path: • Construction of an 'all-weather' surface path between Reigate Heath and Priory Park. This would then connect through to Reigate town centre.	Providing a walking route to connect the hub of residences on Reigate Heath with Priory Park.	Pedestrian/Cycling	Scheme Identification	£10,500 (2017)	LEP, S106, CIL, developer
REI 11	A25 Buckland Road / West Street traffic calming, Reigate: • Traffic calming solution in form of gateway affect through putting in two central islands to combat inappropriately high speeds on approach road to Reigate High Street. There is a history of loss of control collisions including involving motorcyclists.	Road safety scheme.	Local Highway/Road Safety	Feasibility Design	£40,000 (2017)	LEP, S106, CIL, developer, road safety funding
REI 12	A242 - Croydon Road junction with Wray Common Road, Reigate. High Friction Surfacing.	Road safety scheme.	Local Highway/Road Safety	Scheme Identification	£14,000 (2017)	LEP, S106, CIL, developer, road safety funding
REI 13	A217 - Reigate Hill junction with Somers Road, Reigate. Realign splitter island.	Road safety scheme.	Local Highway/Road Safety	Scheme Identification	£20,000 (2017)	LEP, S106, CIL, developer, road safety funding
REI 14	Digital upgrade of safety cameras - Reigate Hill camera needs upgrading to a digital camera twin head.	Road safety scheme.	Local Highway/Road Safety	Scheme Identification	£40,000 (2017)	LEP, S106, CIL, developer, road safety funding
REI 15	A217 - Reigate Hill junction with Raglan Road, Reigate. Temporary closure of layby and replace chamber cover.	Road safety scheme.	Local Highway/Road Safety	Scheme Identification	£8,500 (2017)	S106, CIL, developer, road safety funding
<b>Horley area</b>						
HOR 1	Phase 3 town centre public realm works: • Pedestrian precinct - resurfacing, lighting, loading arrangements.	To support the regeneration of the town centre.	Pedestrian	Feasibility Design	£630,000	£530,000 provided by RBBC and £100,000 from S106 contributions
HOR 2	NWS bus corridor.	Creation of high quality bus corridor to link the NWS to Horley Town Centre.	Passenger Transport	Feasibility Design	£800,000	S106
HOR 3	NWS bus service.	High quality bus service to link the NWS to Horley Town Centre.	Passenger Transport	Pre tender	£1,000,000+	S106
HOR 4	Horley subway.	Improvements to improve subway in town centre.	Pedestrian/Cycling	Feasibility Design	£750,000	S106
HOR 5	A23 access road to NWS and signals.	Provide new link and spine road to serve development.	New Road	Outline planning permission	£2,000,000+	Developer funded as part of planning permission
HOR 6	M23 link to Horley Business Park.	Provide link road to serve development.	New Road	Feasibility Design	£2,000,000+	Developer funded

HOR 7	Cycling and Pedestrian facilities: • Network connecting town centre with new neighbourhoods and other major Horley wide destinations. • Scheme also includes cycle parking in the sectors and in the town centre.	Encourage modal shift by providing a safe route for cyclists and pedestrians.	Pedestrian/Cycling	Design	£1,500,000	S106, developer
HOR 8	Horley Row: • Shared use cycle and pedestrian path from Chequers roundabout to Vicarage Lane.	Key corridor linking NW sector and residential areas to Horley planned routes and A23/east Horley. Will become even buiser when NW sector is complete.	Pedestrian/Cycling	Scheme Identification	£320,000 (2016)	LEP, CIL, S106, developer
HOR 9	Charlesfield Road and Recreation Ground, Horley: • Signed on carriageway route and path through park widened and converted to cycle track. • Shared use path to Victoria Road with upgraded crossing to Toucan. Cycle friendly traffic management in Vicoria Road.	Route from Meath Green and NW sector into Horley Town Centre and leisure areas.	Pedestrian/Cycling	Scheme Identification	£250,000 (2016)	LEP, CIL, S106, developer
HOR 10	Lumley Road shared use path for pedestrians and cyclists and Chequers Drive signed as a quiet route with cycle track across green space to crossing and into Lumley Road.	Form part of wider network connecting residential areas to the school here and into the town centre.	Pedestrian/Cycling	Scheme Identification	£230,000 (2016)	LEP, CIL, S106, developer
HOR 11	Oakwood Road: • Shared use path along length from Chequers roundabout arm with Balcombe Road to the High Street.	Direct route from A23/ Chequers roundabout into town centre and passing a school.	Pedestrian/Cycling	Scheme Identification	£275,000 (2016)	LEP, CIL, S106, developer
HOR 12	Smallfield Road shared use path for pedestrians and cyclists.	On school route and part of NCR21.	Pedestrian/Cycling	Scheme Identification	£60,000 (2016)	LEP, CIL, S106, developer
HOR 13	Oakwood School to Balcombe Road: • Widen footpath and make cycle track.	Useful cut-through from existing cycle track to school/NCR21 avoiding junction.	Pedestrian/Cycling	Scheme Identification	£40,000 (2016)	LEP, CIL, S106, developer
HOR 14	Orchard Drive: • Shared use path and signallised crossing at Ladbroke Road. • Signed route along Brookfield Drive.	Obvious route for joining NCR21 going north or for residents heading to town centre.	Pedestrian/Cycling	Scheme Identification	£470,000 (2016)	LEP, CIL, S106, developer
HOR 15	Chequers roundabout: • Toucan crossings on all arms (3).	Key crossing point but very fast, busy, multi-lane roundabout which is very hard to cross. Heavily used by school children and parents.	Pedestrian/Cycling	Scheme Identification	£450,000 (2016)	LEP, CIL, S106, developer
HOR 16	Improvements for cyclists and pedestrians at Chequers roundabout: • Carriageway hatchings and splitter islands (build outs) to reduce crossing distances.	Road safety scheme.	Local Highway/Road Safety	Scheme Identification	£180,000 (2017)	LEP, CIL, S106, developer, road safety funding
HOR 17	A23 Brighton Road near to Southlands Ave, Horley. New additional signal heads and refuge.	Road safety scheme.	Local Highway/Road Safety	Scheme Identifiaction.	£26,500 (2017)	LEP, CIL, S106, developer, road safety funding

HOR 18	D1048 - Consort Way East, Horley by Waitrose car park access. KBO and pedestrian crossing (controlled).	Road safety scheme.	Local Highway/Road Safety	Scheme Identification.	£80,000 (2017)	LEP, CIL, S106, developer, road safety funding
HOR 19	A23 Brighton Road junction with Woodroyd Avenue, Horley. Provide right turn lane and associated lining works.	Road safety scheme.	Local Highway/Road Safety	Scheme Identification.	£6,000 (2017)	LEP, CIL, S106, developer, road safety funding
HOR 20	Improving cycling routes to Gatwick Airport including improvements necessary to the NCR 21 through Horley.	Encourage modal shift by providing a safe route for cyclists to Gatwick Airport.	Cycling	Scheme Identification.	Not yet known	LEP, CIL, S106, developer, Gatwick Airport
<b>Preston area (Preston Regeneration)</b>						
PRE 1	Chetwode Road highway improvements.	Accommodate housing growth and improve quality of area for residents.	Local Highway/Road Safety	Feasibility Design	£4,000,000	Asset sale funds, S106, NGP
PRE 2	Preston parking estate improvements.	Accommodate housing growth and improve quality of area for residents.	Parking	Feasibility Design	£300,000	Asset sale funds, S106, NGP
PRE 3	A240 shared use path for pedestrians and cyclists between Chetwode Road and Tattenham Way A240 / B2221 Junction .	Improved facilities for cyclists.	Pedestrian/Cycling	Feasibility Design	£190,000	CIL, LEP
PRE 4	A240/Great Tattenhams Junction.	Improved capacity to accommodate growth and provide improved crossing facilities for pedestrians and cyclists.	Junction	Feasibility Design	£300,000	S106, LEP
PRE 5	Bus service and infrastructure improvements to improve accessibility to Preston.	Improve bus facilities and services servicing Preston.	Passenger Transport	In Progress	£600,000	S106/CIL
PRE 6	Introduce one-way sections in Long Walk and Broad Walk next to Chetwode Road (allowing access south to north only).	Improve area for residents.	Local Highway/Road Safety	Scheme Identification	Not yet known	S106/CIL
<b>Banstead &amp; Nork area</b>						
BAN 1	A217 Brighton Road Burgh Wood Horseshoe Crossing: • Toucan Crossing with traffic lights.	To improve safety especially for children going to local schools and vehicles turning out of side roads onto A217.	Local Highway/Road Safety	Construction	£300,000	Developer
BAN 2	A217/A2022 Banstead Crossroads: • Install pedestrian and cycling facilities and improve capacity for vehicles through widening and traffic signal improvements. • Improve bus journey times and reliability.	Reduce congestion and improve capacity, journey time reliability and safety for all road users.	Junction	Scheme Identification	£500,000 (2016)	LEP, S106, CIL, developer

BAN 3	A240 Reigate Road / Fir Tree Road Junction Crossroads (Drift Bridge Junction): • Install pedestrian crossing facilities and capacity improvements for vehicles through the junction.	Improve vehicle capacity and pedestrian safety. Improve air quality (this area is an AQMA).	Junction	Feasibility Design	£370,000 (2016)	LEP, S106, CIL, developer
BAN 4	Warren Road Cycle Link • On-road cycleway on Warren Road to link Green Curve and Driftbridge. West to east routing from Warren Rd junction with Green Curve requires treatment to junction to provide cyclist protection for right turn and straight on (to Eastgate) movement, e.g. right turning lane island protection. Scheme subject to surrounding cycling improvements in the area.	Encourage modal shift by providing a safe route for cyclists and pedestrians.	Cycling	Feasibility Design	£15,000 (2016)	LEP, SCC Project Horizon
BAN 5	Banstead Railway Station to Banstead High Street: • Improve pedestrian and cycle links. Scheme and estimated cost covers cycle link between Banstead High Street and Banstead Railway Station via Bolters Lane, the Horseshoe, Green Curve and Eastgate. Includes considerable improvements outside the Railway Station.	Improve pedestrian and cycling accessibility to Banstead railway station.	Pedestrian/Cycling	Feasibility Design	£820,000 (2016)	LEP, S106, CIL, developer
Page 287 BAN 6	Brighton Road Cycle Link: • Shared use path for pedestrians and cyclists on eastern side of A217 Brighton Road from the Horseshoe to Garratts Lane. • Upgrade crossing at Garratts Lane to toucan crossing. Also upgrade crossing further south joining to the Drive (NCR22). Two crossings are directly connected here with area within guard railing.	Encourage modal shift by providing a safe route for cyclists and pedestrians.	Pedestrian/Cycling	Feasibility Design	£180,000 (2016)	LEP, S106, CIL, developer
BAN 7	A217 from Fir Tree Road to The Horsehoe: • Conversion of footway to shared use for pedestrians and cyclists.	This is a key corridor taking a direct route linking many residential areas and places of employment. Currently no cycle facilities exist along here.	Pedestrian/Cycling	Scheme Identification	£250,000 (2016)	LEP, S106, CIL, developer
BAN 8	Nork local shopping area: • Improve pedestrian and cyclist links.	To improve pedestrian and cyclist crossing facilities and pedestrian and cyclist accessibility to the local shops.	Pedestrian/Cycling	Scheme Identification	£50,000	LEP, S106, CIL, developer
BAN 9	Nork Way, Cycling improvements: • Resurface BW 628 between Nork Way and The Drive.	An important link for cyclists.	Cycling	Scheme Identification	£75,000	S106, CIL, developer
BAN 10	Approaches to Warren Mead Junior/Infant School, Roundwood Way, Nork: • Dropped crossings at junction of Roundwood Way and Shelly Close.	Improve pedestrian / child safety.	Pedestrian	Scheme Identification	£10,000 (2016)	S106, CIL, developer

BAN 11	Eastgate One Way Scheme: • Investigate the feasibility of implementing one-way working and changing the parking arrangements in Eastgate.	Improve road configuration.	Local Highway/Road Safety	Scheme Identification	£30,000	S106, CIL, developer
BAN 12	Croydon Lane & Sutton Lane Pedestrian Crossing Facilities, Banstead: • Provision of pedestrian crossing facilities on Croydon Lane between Sutton Lane and Longcroft Avenue and Sutton Lane between Croydon Lane and Barnfield.	Improve pedestrian accessibility and safety.	Pedestrian	Scheme Identification	£66,000	S106, CIL, developer
BAN 13	A2022 Fir Tree Road junction with Nork Way, Banstead: • High Friction Surfacing on both east and west approaches.	Road safety scheme.	Local Highway/Road Safety	Scheme Identification	£13,000 (2017)	S106, CIL, developer
BAN 14	B284 Yew Tree Bottom Road, Nork: • Provide double mini roundabout & traffic calming measures.	Road safety scheme.	Local Highway/Road Safety	Scheme Identification	£75,000 (2017)	S106, CIL (future allocation), developer, road safety funding
<b>Kingswood &amp; Burgh Heath area</b>						
KIN 1	A217 junction with Smithy Lane and Buckland Road, Lower Kingswood.	To reduce casualties and improve pedestrian safety.	Junction	Scheme Identification	£715,000 (2016)	S106, CIL, developer
KIN 2	Junction of St Monica's Road / Waterhouse Lane/Bonsor Drive, Kingswood: • Improve pedestrian crossing facilities and capacity improvements.	Improve pedestrian accessibility.	Pedestrian	Scheme Identification	£100,000 (2016)	S106, CIL, developer
<b>Tattenhams area</b>						
TAT 1	Footpath No. 75 and 76: • Upgrading of these footpaths to provide an unbound 'all weather' surface.	Improve pedestrian safety and facilities to access local shops and facilities.	Pedestrian/Cycling	Scheme Identification	£15,000	S106, CIL, developer
TAT 2	Highway safety improvements: Improved crossing facilities including dropped crossings, tactile paving and pedestrian islands: • Junction Burgh Heath Road / Fir Tree Road / Yew Tree Bottom Road • Shawley Way • Downland Way • Tattenham Way • Junction Epsom Lane North and Kingswood Road.	Improve safety and improve access for pedestrians.	Local Highway/Road Safety	Scheme Identification	£60,000	S106, CIL, developer
TAT 3	Epsom Lane North speed management measures.	Road safety scheme.	Local Highway/Road Safety	Scheme Identification	£40,000 (2017)	S106, CIL, developer, road safety funding



Tadworth & Walton area						
TAD 1	A217 / Tadworth Street / Bonsor Drive / Dorking Road Roundabout: • Provide an additional entry lane on the Tadworth Street approach.	Improve peak hour traffic capacity on the Tadworth Street arm approach and improve pedestrian safety.	Junction	Feasibility Design	£150,000 (2016)	S106, CIL, developer
TAD 2	Routes to Tadworth Railway Station: • Improved pedestrian crossing facilities(tactile pavement and dropped kerbs).	Improve pedestrian safety and facilities to access the railway station.	Pedestrian	Scheme Identification	£10,000	S106, CIL, developer, train operator
TAD 3	Tadworth Local Shopping Area: • Provision of additional Sheffield cycle stands.	Improve cycle parking facilities to encourage sustainable access to local shops and facilities.	Cycling	Scheme Identification	£5,000 (2016)	S106, CIL, developer
TAD 4	St Mere Way Walton-on-the-Hill: • Resurface BW79 between St Mere Road and The Avenue.	An important link for cyclists (and walkers) between Walton-on-the-Hill and Tadworth (for railway station.)	Pedestrian/Cycling	Scheme Identification	£75,000 (2016)	S106, CIL, developer, SCC Project Horizon
TAD 5	Highway safety improvements Including: • Chequers Lane / Heath Drive. • Traffic calming feature - priority give way build out. • Footway from the junction to join up to the existing footway network towards Walton on the Hill.	Improve highway safety for all users and slow vehicular speeds down as the approach the village.	Local Highway/Road Safety	Scheme Identification	£50,000 (2016)	S106, CIL, developer
TAD 6	A217 between junction with Tadworth: Street / Bonsor Drive and junction with A240 • Bus stop facility and accessibility improvements.	Improvement to accessibility for pedestrians to the bus service.	Pedestrian	Scheme Identification	£25,000	S106, CIL, developer
TAD 7	B2032 - Pebble Hill Rd junction with Headley Common Rd: • Redesign squaring up junction.	Road safety scheme.	Local Highway/Road Safety	Scheme Identification	£51,500 (2017)	S106, CIL, developer, road safety funding
TAD 8	Dorking Road from junction with Chequers Lane, Walton Heath: • Speed Management measures needed.	Road safety scheme.	Local Highway/Road Safety	Scheme Identification	£40,000 (2017)	S106, CIL, developer, road safety funding

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**Reigate & Banstead Local Transport Strategy: Appendix 2 - Completed Schemes**

Scheme ID	Location and scheme / package description	Scheme purpose	Transport Type	Actual cost (approximately)	Funding sources	Year of completion
<b>Transport Project - Redhill Balanced Network</b>						
32	Redhill Balanced Network Major Scheme including: <ul style="list-style-type: none"> <li>• Remodelling of Lombard roundabout</li> <li>• Conversion of one-way system to two-way working and provision of three sets of traffic signal along Cromwell Road and St Mathews Road</li> <li>• Remodelling of Station Roundabout</li> <li>• Pedestrian crossing at Sainsbury's Access on Princes Way</li> <li>• Urban Realm Improvements under the railway bridge</li> <li>• Public Realm Improvements on Station Road East</li> <li>• Bus reliability and accessibility improvements</li> <li>• Cycle and Pedestrian linkages.</li> </ul>	Deliver improvements to public transport, cycling, walking, accessibility and to reduce congestion in Redhill.	Major Transport Project	£4,300,000 (including bus improvements).	70% DFT Local Pinch Point Fund, 30% match funding. £300,000 additional cost covered through LSTF scheme funding.	2015/16
39	Walking and Cycling improvements included as part of the Local Sustainable Transport Fund (LSTF) Project but completed as part of Redhill Balanced Network Major Scheme: <ul style="list-style-type: none"> <li>• Redhill Railway Station to Redhill town centre.</li> <li>• Redhill town centre area.</li> </ul>	To encourage cycling and walking by providing a network of continuous, well-signed, safe and direct routes between communities and places work, schools, leisure, shopping, and public transport.				
<b>Transport Project - Local Sustainable Transport Fund (LSTF) Project</b>						
39 e, 129 c	Walking and Cycling improvements from Reigate town centre to Redhill town centre included as part of LSTF project. 5.6km of cycle route improved, 2.5km of footways improved, and 170 cycle parking stands covering locations/specific schemes: <ul style="list-style-type: none"> <li>• Alpine Road</li> <li>• New Battlebridge Road</li> <li>• St Annes Drive, NCR21</li> <li>• Hatchlands Road</li> <li>• Alpine Close Alleyway</li> <li>• Ladbroke Passage</li> <li>• Grovehill junction pedestrian refuge</li> <li>• Garland Road pedestrian refuge</li> <li>• Monson Road</li> <li>• Cycle storage at East Surrey Hospital and East Surrey College.</li> </ul>	Local sustainable transport improvements.	Major Transport Project	£500,000	LSTF funding and Local Contributions.	2015/16



-	Quality bus corridor improvements for local bus services 430/435 including: <ul style="list-style-type: none"> <li>• Bus stop accessibility improvements.</li> <li>• Traffic management.</li> <li>• New bus shelters and RTPI displays including at East Surrey Hospital and Reigate town centre.</li> <li>• Provision of RTPI capability to Southdown bus company buses.</li> </ul>			£500,000		
<b>Transport Project - Greater Redhill Sustainable Transport Package 1: Walking, cycling and bus corridor improvements scheme.</b>						
10	A23 corridor in Salfords road safety scheme.	To improve safety for all road users along this causality hot spot.				2017/18
-	Woodhatch Road shared use path for pedestrians and cyclists between Pendleton Road and Maple Road junctions.	Encourage the use of sustainable transport modes by improving accessibility for pedestrians and cyclists and address air quality issues.				2016/17
Page 292	Improvements to the National Cycle Route 21 (NCR21) and routes that connect on to this including: <ul style="list-style-type: none"> <li>• Asylum Arch to Three Arch Road.</li> <li>• Spencer Way to Green Lane.</li> <li>• Green Lane to Honeycrook Lane.</li> <li>• Honeycrook Lane to Crossoak Lane.</li> </ul>	Encourage the use of sustainable transport modes by improving accessibility for pedestrians and cyclists and address air quality issues.				2016/17
4 b	Salfords Railway Station accessibility improvements: <ul style="list-style-type: none"> <li>• Improvements to paths between A23 and NCR21 through Salfords Railway Station.</li> <li>• Cycle gutters on railway bridge to make it easier for cyclists to cross with their bikes.</li> </ul>	Improve accessibility to the rail station to encourage the use of sustainable transport modes.	Major Transport Project	£1,600,000	Greater Redhill STP 1 LEP funding	2016/17
-	Widening of the shared footway/cycleway along Princess Way adjacent to Princess House and construction of Princess House wall.	Encourage the use of sustainable transport modes by improving accessibility for pedestrians and cyclists and address air quality issues.				2017/18
-	Installation of cycle parking facilities at Meath Green School in North Horley.	Encourage pupils and staff to cycle to school.				2017/18

Redhill area						
130	St John's Primary & Dovers Green Schools. Improvements to pedestrian access routes including: • Tactile paving provision. • Dropped crossings, central refuges • Improved crossing facilities.	To improve safety for pedestrians (esp. school children).	Pedestrian/Cycling	-	-	-
-	Zebra crossing improvements on Bletchingley Road, Merstham.	Improve safety and access.	Pedestrian/Cycling	£30,000	-	-
-	Zebra crossing on Pendleton Road near Abinger Drive.	Improve safety and access.	Pedestrian/Cycling	-	-	-
-	Pedestrian refuge in A242 Gatton Park Road / Carlton Road bellmouth.	Improve safety and access.	Pedestrian/Cycling	£15,000	-	-
-	A23 Shepherds Hill, Merstham • Additional yellow backed chevrons to reduce loss of control.	Road safety scheme.	Local Highway/Road Safety	-	-	2016/17
Page 293	Kings Mill Lane • Enhanced signing to reduce loss of control through bends.	Road safety scheme.	Local Highway/Road Safety	-	-	-
Horley area						
68	Horley bus/rail interchange.	To provide improved rail/bus interchange at Horley station.	Passenger Transport	£2,000,000	Horley Masterplan developer funding, Network rail, Southern.	-
-	Lee Street, Horley, pedestrian crossing facility.	Improve safety and access.	Pedestrian/Cycling	£20,000	-	-
-	NES Link Road and Spine Road.	Provide new link to serve development.	New Road	£2,000,000+	Developer funded as part of planning permission/ Conditions/ S106/ CIL.	2017/18
-	Fastway 20 extension: • Major works to Langshott, Brookfield Drive, Orchard Drive and the junction of Orchard Drive/Langshott/Wheatfield. • Included new bus shelters and RTPI installed at four bus stops.	To extend the Fastway service through the Acres.	Passenger Transport	£60,000	SCC, developer funding	2018/19
-	A217 access road to NWS and roundabout.	Provide new link and spine road to serve development.	New Road	£2,000,000+	Developer funded as part of planning permission/ Conditions/ S106/ CIL.	2017/18
-	A217/Mill Lane Junction safety scheme : • Including prevention of illegal U-turns.	To reduce collisions.	Local Highway/Road Safety	-	-	2015/16

Reigate area						
-	A25 Betchworth Rd / Pebble Hill roundabout • High friction surfacing – proposed due to collision pattern of shunts / cycle collisions / failure to give way.	Road safety scheme.	Local Highway/Road Safety	-	-	2017/18
Preston area						
-	Phase 1 & 2 parking: • Chetwode Road removal of traffic island. • St Leonard's Road laybys. • Preston Lane laybys and verge hardening. • Marbles Way laybys. • Merland Rise verge hardening, laybys and parking bays. • Footway on Preston Manor Road.	Improve parking and pedestrian facilities.	Multiple	£460,000	S106, SCC, RBBC	2015/16
-	Phase 3 parking: • Waterfield laybys and improved bus stop. • Acres Gardens layby and small road widening. • 20 pairs of new dropped crossings.	Improve parking and pedestrian facilities.	Multiple	£200,000	S106, SCC, RBBC	2017/18
-	Burgh Heath path: • A240 shared use path for pedestrians and cyclists from BH path to ASDA lights.	Improve facilities for pedestrians and cyclists.	Pedestrian/Cycling	£140,000	S106, SCC, RBBC	2017/18
84	Zebra crossing on Merland Rise near Waterfield Drive and entrance to Epsom Downs School.	To aid access to Epsom Downs School.	Pedestrian/Cycling	-	-	-
Kingswood & Burgh Heath area						
-	A217 Brighton Rd / Babylon Lane roundabout • Hazard marker posts and lane lines on circulatory carriageway to reduce side swipe / loss of control on roundabout exit.	Road safety scheme.	Local Highway/Road Safety	-	-	2015/16
-	A217 Brighton Rd / Bonsor Drive roundabout • High friction surfacing to reduce southbound shunt conflicts.	Road safety scheme.	Local Highway/Road Safety	-	-	2015/16
Tattenhams area						
107	Highway safety improvements / pedestrian crossing facilities, Tattenhams: • Zebra crossing at Tattenham Crescent.	Improve safety and access.	Pedestrian/Cycling	£50,000	-	2016/17
Chipstead area						
-	Footway improvements at Hazelwood Lane and Outwood Lane.	Encourage walking and improve access.	Pedestrian/Cycling	£70,000	-	-

## Appendix 3 – The Cost of Congestion

### Forecast levels and the cost of congestion in Reigate & Banstead

The traffic impacts of potential development sites, identified as part of Reigate & Banstead Borough Council's submission draft Local Plan, were assessed in 2017 using Surrey County Council's strategic highway model for the forecast year 2031.

The strategic highway assessment represents a robust "worst case" in terms of transport demand and supply assumptions. This study is a highway only assessment and is based on observed vehicular trip rates obtained from other similar development sites. As such it does not take into account the opportunity for further mode shift should there be increased investment in sustainable modes.

Links and junctions within the borough which have been forecasted to be under stress, where drivers will be subject to increased delay, have been defined as 'hotspots'. The list of hotspots has been used to inform the development of the County's Local Transport Strategy Forward Programme as well as the Borough's Proposed Submission Development Plan Infrastructure Delivery Plan (IDP) and Community Infrastructure Levy (CIL), as it is these locations which are likely to require mitigation to reduce the impact of any development in the local area.

#### Network Hotspots and Mitigation

To summarise the traffic impacts identified in this study, Table 4.16 lists the junction and sections of road which would experience large vehicle delay, termed 'hotspots'. The hotspots are shown geographically in Figure 4.16.

Hotspots are areas of stress where drivers are subject to considerable delay and are likely to require mitigation to facilitate any development in the local area. This could be 'hard' or 'soft' measures, or most likely a combination of both. Hard engineering measures could involve increasing the number of lanes of the carriageway or introducing a cycle lane for example, whilst soft measures could be the implementation of a travel plan to encourage travel by sustainable modes.

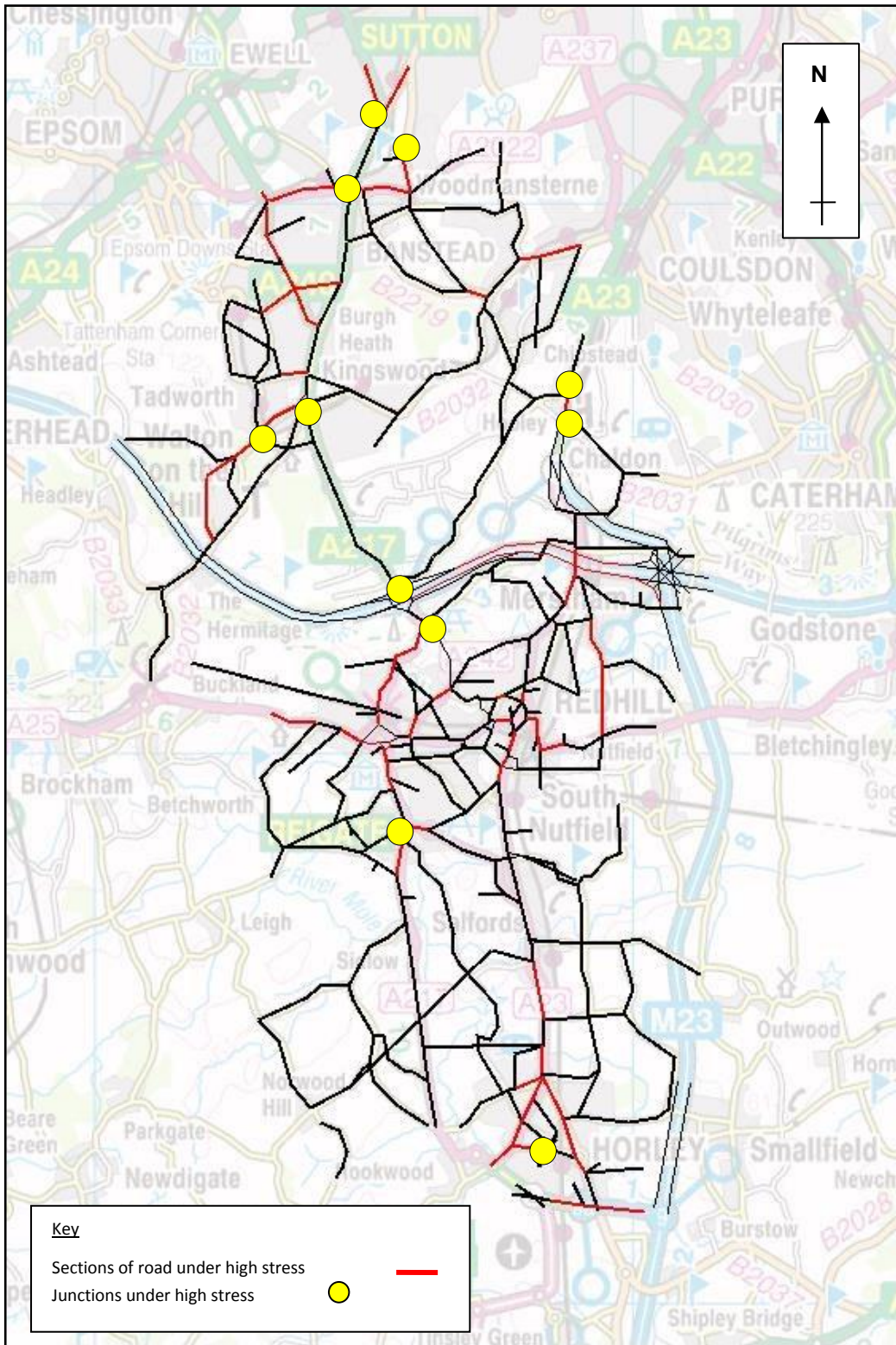


Figure 4.16: Network hotspots modelled 2017



<b>Links</b>	
Banstead	A217 Belmont Rise
	A2022 Fir Tree Road
	A2022 Winkworth Road
	A240 Reigate Road
	B2218 Sutton Lane
	B2219 Lower Park Road
	B2221 Tattenham Way / Great Tattenhams
	B2230 Brighton Road
Chipstead	B2032 Chipstead Valley Road
Tadworth	B2220 Tadworth Street
	B2220 Chequers Lane
	D1106 Shelveys Way
Merstham	A23 London Road North
Redhill	A23 Brighton Road
	A25 Nutfield Road
	A25 Redstone Hill
	A25 Station Road
	C224 Linkfield Lane
	D1263 Cormongers Lane
Reigate	A217 Reigate Hill
	A2044 Woodhatch Road
	A217 Bell Street / Cockshot Hill
	A217 Dovers Green Road
	A242 Croydon Road / Gatton Park Road
	A25 Buckland Road
	A25 West Street
Earlswood	A23 Horley Road
Horley	A23 Airport Way
	A23 Bonehurst Road
	A23 Brighton Road
	B2036 Balcombe Road
	C64 Massetts Road
	D336 Horley Row
Highways England	M25 mainline anticlockwise junction 8 to 7
	M25 clockwise off slip at junction 7 for the M23
	M25 mainline clockwise junctions 7 to 8
	M23 mainline southbound junction 9 to 10

	M23 northbound off slip at junction 8 for M25
	A23 Brighton Road between Church lane and Star Lane
<b>Junctions</b>	
Banstead	A2022 Winkworth Road / Croydon Lane roundabout junction with B2218 Sutton Lane and B2217 Sutton Lane
	A217 Belmont Rise roundabout junction with B2230 Brighton Road
	A217 Brighton Road signalled junction with A2022 Fir Tree Road and A2022 Winkworth Road, Banstead Crossroads
Tadworth	B290 Station Approach Road signalled junction with B2220 Tadworth Street
	A217 Brighton Road signalled northbound approach arm to Bonsor Drive roundabout
Hooley	A23 London Road signalled junction with Star Lane
	A23 Brighton Road priority junction with Dean Lane
Reigate Hill	A217 Reigate Hill priority junction with Gatton Bottom
	A217 Reigate Hill Interchange (M25 J8)
Woodhatch	A217 Cockshot Hill signalled junction with A2044 Woodhatch Road and Prices Lane
Horley	C64 Massetts Road signalled junction with Victoria Road

Table 4.17: Network hotspots modelled 2017

### The cost of congestion

Impact on the highway network of proposed development can also be viewed in terms of existing levels of congestion. Congestion during peak hours is an existing issue of concern at some key locations in the borough. The congestion modelling described above identified key areas where the highest congestion is felt. The cost of congestion can be experienced through several impacts including journey time delay and unreliability, increased emissions and associated costs (fuel, maintenance for example).

## Appendix 4 - Transport Trends in Reigate & Banstead

Understanding how people travel in, through and from the borough can help us identify opportunities for infrastructure improvements, or the potential to encourage behavior change to more sustainable travel modes.

Population statistics and forecast changes can help us write business cases to put to government/funding bodies to help justify the schemes that we put forward for funding.

### Population

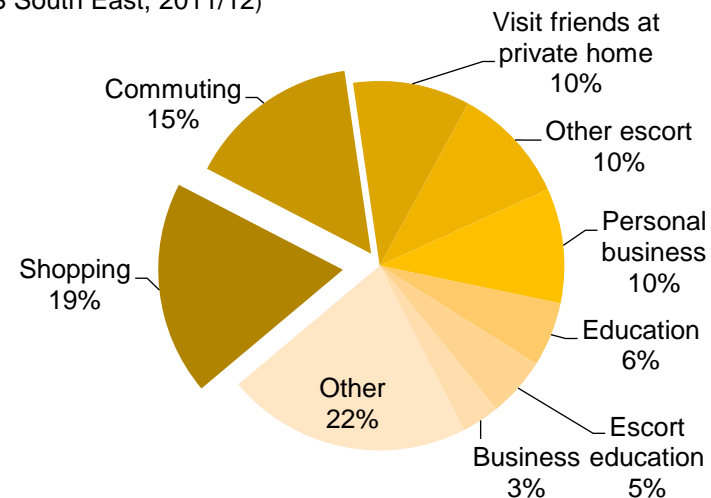
According to figures from the Office for National Statistics, the population of Reigate & Banstead in 2016 was 145,648. Reigate & Banstead's population has increased steadily over recent decades and this is forecast to continue. The Government predicts that the population could rise to 158,100 in 2022 and 165,700 residents by 2027. Looking beyond, the Government projects that by 2033 the population of the borough will exceed 170,000.

Reigate and Banstead has an ageing population. Projections suggest that the number of people over 65 could increase by just over 40% between 2012 and 2027, compared to an overall population increase of 18%<sup>1</sup>.

### Journey purpose

Graph 1 shows journey purpose (by number of trips made for all modes) in the South East region in 2011/12<sup>2</sup>. This demonstrates the complex nature of travel patterns although focus is often placed on those that have peak weekday flows during the morning and evening commute such as commuting and education.

**Graph 1: Journey puprose**  
(NTS South East, 2011/12)

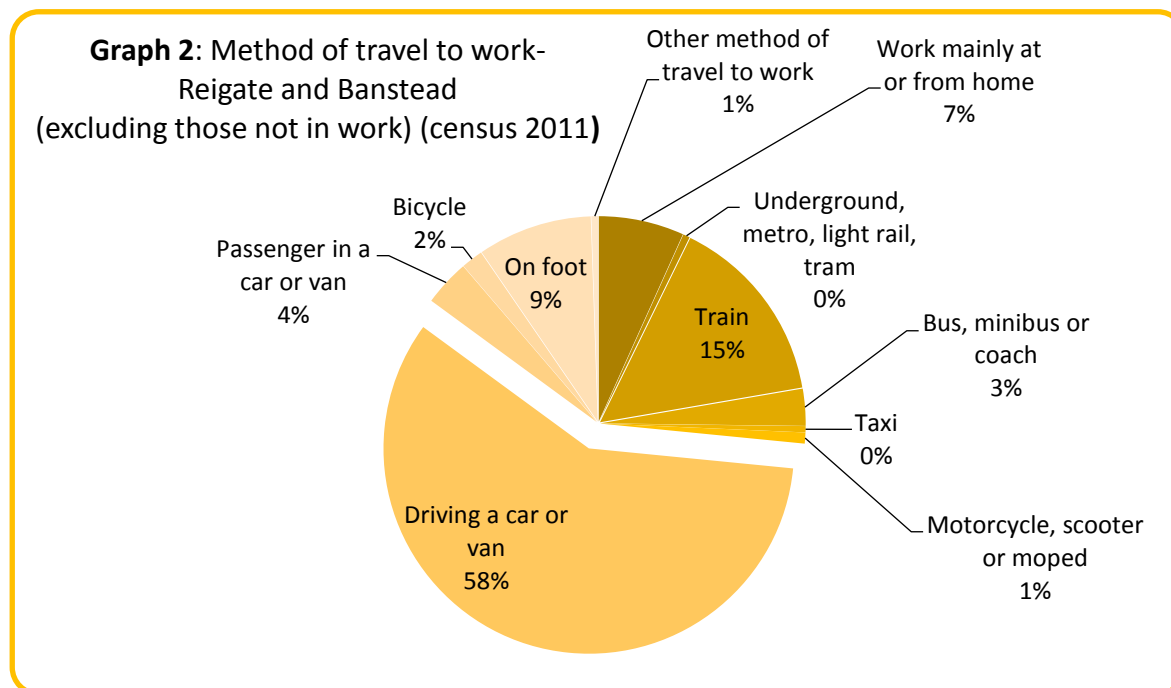


<sup>1</sup> 2010-based sub-national population projections (ONS 2011).

<sup>2</sup> National Travel Survey dataset 'NTS9906 Great Britain, 2011/12'.

### Travel to work

Borough-specific data regarding travel to work patterns is available from the 2011 Census. Census data reveals modal split in travel to work by Reigate and Banstead borough residents (Graph 2).



The car remains the predominant mode of choice with 58% of residents (age 16-74) travelling to work as a driver of a car or van<sup>3</sup>. Further observations regarding travel behaviour (modal split and distance travelled) can be made, also using Census data: Car ownership<sup>4</sup> is higher in Reigate and Banstead than the average in the South East (81%) at 86.3%.

<sup>3</sup> This is as a percentage of those residents in employment; accounting for those residents not in employment (28%), the percentage of those driving a car or van to work decreases to 41% of the population.

<sup>4</sup> Statistics sourced from 2011 Census dataset 'car or van availability'.

In 2011, 8.5% of the population of Reigate and Banstead worked mainly at home whilst 39.6% travelled to work by driving a car or van. The second most popular method of travel to work was by train with 10.5% of the population, whilst 5.9% travelled by foot<sup>5</sup>. Journeys less than 5km are considered to be most receptive to change given their shorter distance. The modal split for journeys travelled to work by Reigate and Banstead residents that are less than 5km in distance has been sourced from the 2011 Census and is summarised in Table 1 below.

Method of Travel	<2km	>2<5 km	5km>
Train, underground, metro, light rail or tram	0.5%	0.5%	16.6%
Bus, minibus or coach	0.3%	1.5%	1.6%
Driving a car or van	7.4%	13.5%	40.7%
Passenger in a car or van	0.8%	1.3%	1.9%
Bicycle	0.6%	0.7%	0.6%
On foot	7.7%	1.3%	1.0%
All other methods of travel to work	0.1%	0.4%	1.0%

Table 1: Modal split by distance travelled to work (Census 2011)

Origin and destination data (also sourced from the 2011 Census) reveals the following:

- Nearly half (49%) of the borough's working population live and work in Reigate and Banstead.
- 23.7% of residents commute to London and 12% commute to areas outside of Surrey.
- In terms of commuting into the borough the highest percentage of people commuting into the borough are from the districts of Crawley and Sutton (7% and 6% of the total workforce).

The travel patterns of borough residents and commuters travelling into the borough present the opportunity to encourage modal shift, especially for journeys less than 5km in length, many of which could be cycled, walked or made by public transport.

<sup>5</sup> 2011 Census.

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## Appendix 5 - Glossary of Terms

Term	Description
Air Quality Management Area (AQMA)	An identified area where current, and likely future, air quality is unlikely to meet the Government's national air quality objectives.
Bus operator	Bus services are operated either commercially (without any external funding) or under contract to Surrey County Council.
Community Infrastructure Levy (CIL)	The Community Infrastructure Levy is a new levy that local authorities can charge on new developments in their area. The charges are set by the local council based on the size and type of the new development. The money raised from the Community Infrastructure Levy can be used to support development by funding infrastructure that is needed to mitigate the impact of development.
Capital funding	Money spent on the purchase or improvement of fixed assets such as buildings, roads and equipment.
Coast to Capital (C2C)	The Local Enterprise Partnership of which the easternmost Surrey districts and boroughs are part. More information at: <a href="http://www.coast2capital.org.uk/">http://www.coast2capital.org.uk/</a>
Congestion Programme	The Surrey Future Congestion Programme sets out a strategic programme for managing traffic congestion on Surrey's road network to support economic competitiveness and growth produced in partnership by the Surrey Future Partnership comprising of Surrey's local authorities and business leaders.
Control Period 5/6	5 year periods by which Network Rail is regulated by the Office of Rail Regulation CP5: 2014-2019; CP6: 2019-2024 <sup>1</sup> .
Cycling Strategy (2014-2026)	The Surrey Cycling Strategy is a component strategy of the Local Transport Plan.
Scheme delivery stages (see Annex): 1. Scheme Identification 2. Identification and assessment of options 3. Preferred route and statutory process 4. Detailed design	The need for a scheme is identified; initial drawings may have been produced. Outline design of scheme options has been/is being produced. Preliminary design of preferred option.  Scheme is designed to allow and instruct construction.

<sup>1</sup> Ove Arup 'Surrey Rail Strategy Report' (September 2013)

Term	Description
5. Construction	Scheme is fully designed and works have begun on site.
Department for Transport (DfT)	Government department responsible for transport matters in England and those not devolved in Wales, and Northern Ireland.
Enterprise M3	The Local Enterprise Partnership of which the westernmost Surrey districts and boroughs are part. More information at: <a href="http://www.enterprisem3.org.uk/">http://www.enterprisem3.org.uk/</a>
Intermediate scheme	Infrastructure scheme estimated to cost between £250,000 and £2 million.
Local Enterprise Partnership (LEP)	A voluntary partnership between local authorities and businesses formed in 2011 by the Department for Business, Innovation and Skills to help determine local economic priorities and lead economic growth and job creation within its local area
Local Sustainable Transport Fund (LSTF)	A total of £560 million was originally made available through the Local Sustainable Transport Fund (LSTF) to enable the department to fund a number of high quality bids. Funding was topped up with a further £40 million to £600 million in 2012 to accommodate approval for a greater number of bids (with local contribution being provided by local authority partners). In total, the Department for Transport awarded funding to 96 packages to 77 authorities to deliver their schemes between 2011 and 2015.
Local Transport Body (LTB)	Local Transport Bodies are voluntary partnerships between Local Authorities (LAs), Local Enterprise Partnerships (LEPs) and other organisations if appropriate that are in charge of the devolved funding for local major transport schemes from the Department of Transport
Local Transport Plan (LTP3)	Under the Transport Acts 2000 and 2008, every local transport authority in the country has to publish a Local Transport Plan (more commonly known as the LTP). The LTP sets out an integrated transport strategy for the area and outlines proposals for the future.
Minor scheme	Scheme cost is less than £250,000.
Major scheme	Infrastructure scheme estimated to cost in excess of £2 million.
Office of Rail Regulation	The Office of Rail Regulation is the independent safety and economic regulator for Britain's railways.



Term	Description
Primary Route Network	The primary route network (PRN) designates roads between places of traffic importance across the UK (known as primary destinations), with the aim of providing easily identifiable routes to access the whole of the country. The PRN consists of motorways, trunk roads and certain other A roads.
Quality Bus Corridors	A strategic bus route that is improved to encourage more people to use buses. This will include measures to make buses more reliable, and more convenient for users and non-users. These measures may include traffic signal priority for buses, high quality passenger facilities, electronic passenger information and strong marketing, together with safe pedestrian routes to the bus stops.
Real time passenger information (RTPI)	Real Time Passenger Information (RTPI) is a system that provides members of the public with live bus arrival information and enables bus operators to manage their daily operation and performance of bus services more effectively. RTPI complements other passenger transport initiatives and schemes to make travelling by bus a reliable and attractive alternative to less sustainable travel. The RTPI system in Surrey operates in partnership with bus operators to provide live bus information on electronic displays at bus stops, and with access to the information through the internet and mobile/smartphone channels.
Scheme delivery timescales (see Annex) Short term Medium term Long term	Timescale for start of construction 0-2 years from now, see Annex for given years. Timescale for start of construction between 3 and 6 years from now, see Annex for given years. Timescale for start of construction 6+ years from now, see Annex for given years.

Term	Description
Section 106 (S106)	<p>Planning obligations are created under Section 106 of the Town and Country Planning Act 1990. They are legally binding obligations that are attached to a piece of land and are registered as local land charges against that piece of land. Planning obligations enable a council to secure contributions to services, infrastructure and amenities in order to support and facilitate a proposed development.</p>
Surrey Future	<p>A partnership overseeing how we can manage planned growth sustainably, both in Surrey and on our borders. More information at: <a href="http://www.surreycc.gov.uk/surreyfuture">http://www.surreycc.gov.uk/surreyfuture</a></p>
Surrey Rail Strategy	<p>Document prepared by Ove Arup &amp; Partners on behalf of the Surrey Future partnership to consider rail issues and options which could be supported by the council to produce benefits for Surrey.</p>
Surrey Transport Plan	<p>See 'Local Transport Plan (LTP3)'.</p>
Travel SMART	<p>A Surrey initiative designed to provide local people with more travel choices that help cut carbon, costs and increase fitness. The initiative aims to support economic growth.</p>

**CABINET****DATE: 30 OCTOBER 2018****REPORT OF: MR COLIN KEMP, CABINET LEAD MEMBER FOR PLACE****LEAD OFFICER: JASON RUSSELL, EXECUTIVE DIRECTOR FOR HIGHWAYS, TRANSPORT & ENVIRONMENT****SUBJECT: BUS LANE ENFORCEMENT****SUMMARY OF ISSUE:**

In October 2017 Cabinet approved a pilot scheme for bus lane enforcement in Woking. This has been successful and the report considers expanding enforcement across Surrey.

It proposes enabling local or joint committees to decide if any bus lanes in their area would benefit from enforcement.

**RECOMMENDATIONS:**

It is recommended that Cabinet:

1. agree the Bus Lane Camera Enforcement Policy as attached in Annex A;
2. authorise local or joint committees to decide if enforcement should be introduced for any existing or proposed bus lanes in their area;
3. authorise the Head of Highways & Transport in consultation with the Cabinet Lead Member for Place to review and agree any future financial arrangements; and
4. authorise the Head of Highways & Transport in consultation with the Cabinet Lead Member for Place to enter into any new bus lane enforcement agency agreements, subject to support from the local or joint committee.

**REASON FOR RECOMMENDATIONS:**

To ensure the County Council can effectively, efficiently and consistently manage bus lane enforcement in Surrey managing congestion for the benefit of residents and businesses.

## **DETAILS:**

### **Introduction and background**

1. The Woking Joint Committee and Woking Borough Council as part of their town centre redevelopment wished to introduce bus lane enforcement for the High Street, Woking. The High Street is a minor road which runs parallel to the railway station. Legal advice was that as this was a new power, it would need approval from Cabinet. This was granted in October 2017 and enforcement commenced in March 2018.
2. This paper relates only to bus lane enforcement. At this time, other moving traffic violations (such yellow box junction, prohibited turning movements) cannot be enforced by local authorities outside of London and Wales. In Surrey, the power remains with the Police. The necessary legislation is on the statute book (Traffic Management Act 2004) but has not yet been enacted by ministers. The latest position from government is that they have no intention of enacting these powers in the foreseeable future.
3. There are 13 existing bus lanes in Surrey with another four actively under consideration. If a bus lane is located in an “urban clearway”, such as the new bus lane on Victoria Way in Woking, the Council does not yet have authority from Government to undertake enforcement. This is due to a legal technicality where “clearways” are removed from “Civil Parking Enforcement” powers. Officers are in contact with the Department for Transport to look for a solution to rectify this anomaly.
4. Most bus lanes are only operational for certain periods of the day. They may also permit certain groups to use the bus lane at prohibited times, such as hackney carriages, motorbikes and bikes. This is detailed in the Traffic Regulation Order the details of which are considered and agreed by the local or joint committee. As part of any feasibility to look at enforcing a specific bus lane, the details of the traffic regulation order will be considered.
5. Camera enforcement started in March 2018 on the High Street, Woking. Enforcement then temporarily stopped due to development works. Feedback from Woking Borough Council, who manage the camera has been very positive. The camera has been accepted by road users and has created a positive reduction in contravening traffic though the High street.

## **CONSULTATION:**

6. Online public consultation asking for views on increasing bus lane enforcement took place between 10 August 2018 and 16 September 2018. In addition to general on-line promotion, letters or emails were sent to 237 taxi companies and 659 residents / business located near to bus lanes. Signs were erected at bus lanes across Surrey and a customer panel and County Councillors were made aware that the consultation was taking place.
7. There was a good response to the consultation with 489 replies. Overall 55% of those who replied agreed that some or many enforcement cameras should be introduced.
8. Feedback from local and joint committee chairmen was positive and Passenger Transport confirmed bus operators support enforcement. Journey

delays are a factor in the viability of commercially operated routes and measures which help contribute to minimising these are welcomed.

### **Bus Lane Camera Enforcement Policy**

9. A policy has been developed by officers after considering the comments from the public consultation, feedback from local committee chairmen, Woking Borough Council (as the only current enforcement agent) and the Strategic Transport Group. A copy of the Policy is available in Annex A.

### **RISK MANAGEMENT AND IMPLICATIONS:**

10. If the report is not approved enforcement for the High Street Woking will continue but there will be no new bus lane enforcement within Surrey.
11. Before any new cameras are introduced any costs will need to be determined and funding allocated. It is expected that cameras will be introduced only where they are at least cost neutral.

### **Financial and Value for Money Implications**

12. Bus lane enforcement is not about generating income but about providing a service. If there is an operational surplus, this can be reinvested in the provision or operation of public transport or highway improvement works as prescribed by law.
13. The approximate cost of a camera is £20,000 and, depending on the site, a further £1,500 for signage. The annual maintenance costs and fees are about £3,000, plus staff costs. Staffing costs will depend on the number of contraventions.
14. The level of fine for a bus lane contravention outside of London is set at £60, reduced to £30 if paid within 14 days. This is set by Government and there is no local flexibility. Drivers do not receive penalty points. Procedures are in place enabling drivers to appeal fines in a similar manner to parking tickets.
15. The pilot in Woking has demonstrated that enforcement works, with the number of contraventions reducing from 120 to approximately 40 per day. If it is assumed that this further reduces to an average of 20 per day, and only 95% of tickets are paid all of which at the reduced rate of £30, this generates approximately £200k per annum, before costs. This demonstrates camera enforcement is financially sustainable.
16. At the end of the existing Woking High Street agency agreement and before any new bus lane agency agreements are entered into, a review will be undertaken determining how to allocate any operational surplus.

### **Section 151 Officer Commentary**

17. The financial implications of bus lane enforcement are explained in the paragraphs above, including the expected costs and income, and the purposes for which any surplus can be used. The Section 151 Officer supports the recommendations, including the need to review the financial arrangements, which should be undertaken before the introduction of any additional enforcement.

### **Legal Implications – Monitoring Officer**

18. Surrey County Council has the power to enforce bus lane contraventions under section 144(3)(b) of the Transport Act 2000 and Schedule 8 of the Traffic Management Act 2004 and to delegate, if it so chooses, to borough and district councils. The delegation to borough and district councils is under powers in the Local Government Act 2000, together with associated regulations.

### **Equalities and Diversity**

19. The recommendations in this report have no material impact on existing equality policy and therefore a full equalities assessment was not deemed necessary
20. Before any changes are made on the highway relevant and proportionate consultation will be carried out with users and interest bodies.

### **WHAT HAPPENS NEXT:**

- Enforcement will continue for the High Street, Woking.
- Officers will continue discussion with Department for Transport to explore how clearways can be benefit from bus lane enforcement.
- Subject to Local or Joint Committee support, Officers will undertake feasibility studies into further site specific bus lane enforcement agreements.
- The Bus Lane camera enforcement policy will be published on our website.

#### **Contact Officer:**

Richard Bolton, Group Manager - Local Highway Services, tel 020 8541 7140

#### **Consulted:**

Colin Kemp, Lead Cabinet Member for Place  
Local Committee Chairmen

Jason Russell, Executive Director for Highways, Transport & Environment

Lucy Monie, Head of Highways & Transportation

Paul Millin, Group Manager – Strategic Transport

Karen Cranham, Senior Accountant

Nancy El-Shatory, Principal Lawyer

#### **Annex**

Annex A – Bus Lane Enforcement Policy

#### **Sources/background papers:**

Pilot for Camera enforcement of Bus Lane, Woking – Cabinet 31 October 2017

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# Bus lane camera enforcement policy

Oct 2018



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## 1. Executive summary

**This document sets out the framework to enable efficient and consistent bus lane enforcement across Surrey.**

**The objective is to maintain reliable and timely bus services, through properly enforced bus lanes, bus gates and bus only streets.**

## 2. The case for efficient, reliable and well managed bus priority measures

The provision of bus priority measures across the Surrey road network is crucial in ensuring journeys are more reliable and bus users in Surrey are able to get to the destinations they need to, including places of education, employment, healthcare and leisure. This paper considers bus priority measures, focused on the use of properly enforceable bus lanes, bus gates and bus only streets.

Congestion is a major constraint across our road network and has a significant role to play in the delays experienced by all road users, but especially local bus services. Therefore, the purpose of bus priority measures is to improve journey reliability times from stop to stop, which makes local bus services more efficient and cost-effective. Enforcement of these measures is crucial to ensure robustness and continued success in improving journey times.

From previous research completed, including findings from the Surrey-wide Local Transport Review and the Knowledge Transfer Partnership, improving reliability is a key factor in attracting new passengers on local Surrey buses. Getting more people using the bus then increases patronage and revenue, which, in turn, leads to a reduction in subsidy paid to the operators.

Being able to improve bus journey times from the enforcement of bus priority measures will also lead to better relationships being developed with operators. With the county council being committed to such measures, operators may be keen to invest further in their fleets, for example adding wifi, charging points, audio/ visual next stop information and smarter ticketing solutions. Such enhancements will also lead to an increase in patronage and revenue and a reduction in subsidy paid.

## 3. Legal context

Surrey County Council has the power to enforce bus lane contraventions under section 144(3)(b) of the Transport Act 2000 and Schedule 8 of the Traffic Management Act 2004 and to delegate, if we so choose to Borough and District Councils. The delegation to Borough and District Councils is under powers in the Local Government Act 2000, together with associated regulations.

The Bus Lanes (Approved Devices) (England) Order 2005 provides information as to the equipment which can be used for enforcement, as specified within Schedule 1, which supersedes the Transport Act 2000 provisions. In order to enforce a penalty notice, the equipment must be an “approved device” which is able to produce a record.

#### **4. Introducing camera enforcement**

The decision to enable camera enforcement to be brought into areas in Surrey will be made by the Local and Joint Committees. No camera enforcement will take place within a borough or district area until this approval has been made.

To ensure camera locations meet the objective of maintaining reliable and timely bus services, sites, lanes or streets identified for potential bus lane camera enforcement should be properly assessed and the proposals supported by the county council’s Passenger Transport team.

There must be a comprehensive communications plan to raise awareness of the planned camera enforcement, which will include targeting local residents, businesses and those people that are likely to be affected.

#### **5. Operating camera enforcement**

The county council will decide who operates the enforcement of each camera or cameras within a geographical area.

Department for Transport guidance and code/s of practice (for authorities outside London) will be followed. This will ensure that camera systems and enforcement are managed properly, with appropriate training and qualifications for camera operators and back office staff.

Where there is more than one authority/agency operating camera enforcement in Surrey, there will be an additional working code of practice to ensure consistency in enforcement. This will be compiled by the enforcement authorities/agencies, and regularly updated as required. Enforcement authorities/agencies should aim to harmonise the enforcement regime, processes and even systems, hardware and software, where possible.

Signs and road markings will be at the required level for successful camera enforcement. This is likely to be at a higher level than required by the Traffic Signs Regulations and General Directions.

#### **6. Traffic Regulation Order**

The legal order (Traffic Regulation Order or abbreviated to TRO) outlines the hours of operation, conditions and who can and who cannot use a bus lane, gate or bus only street.

It is important that there is flexibility in each TRO so that the most appropriate controls are in place for each location. In order to retain some consistency in approach, there will be some conditions that are common to all TROs on bus lane, gates and bus only streets in Surrey:-

- The current TROs stipulate what vehicles are permitted through bus lanes, bus gates and bus only streets, to include any public service vehicles of sixteen seats or more
- where taxis are permitted this will apply only to “Hackney Carriages” licenced by the borough or district council. Private hire vehicles will not be permitted.

### **Consultation for Traffic Regulation Orders**

To introduce a new Traffic Regulation Order, a formal process has to be followed. As part of this process, it is important that local residents, businesses and those affected by a proposed new bus lane, gate or bus only street are consulted.

The consultation should include making people aware that the council may in the future introduce camera enforcement, so that peoples’ views can be taken into consideration before the legal order is made. After the Traffic Regulation Order is made there will be no opportunity for local people and others to object to the time of operation and conditions. This consultation requirement will apply to all new bus lane, gates and bus only streets in Surrey.

## **7. Review**

This policy may be modified, altered or amended at any time.

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**SURREY COUNTY COUNCIL****CABINET**

**DATE:** 30 OCTOBER 2018

**REPORT OF:** MARY LEWIS, CABINET MEMBER FOR ALL-AGE LEARNING  
COLIN KEMP, CABINET LEAD MEMBER FOR PLACE

**LEAD OFFICERS:** KEITH BROWN, SCHOOLS & CAPITAL PROGRAMME  
MANAGER  
LIZ MILLS, DIRECTOR EDUCATION LIFELONG LEARNING &  
CULTURE

**SUBJECT:** CREATION OF A NEW 2FE PRIMARY FREE SCHOOL IN  
NORTH WEST HORLEY

**SUMMARY OF ISSUE:**

To approve the Business Case for the building of a new 2 Form of Entry (420 places) primary school, plus 52 place nursery as part of the Westvale Park housing development, thereby supporting delivery against basic need requirements in the Horley area.

**RECOMMENDATIONS:**

It is recommended that, subject to the agreement of the detailed financial information for the expansion set out in Part 2 of this report, the business case for the provision of an additional 2 Forms of Entry worth of primary and 52 nursery places in Horley be approved.

**REASON FOR RECOMMENDATIONS:**

The proposal supports the Authority's statutory obligation to provide sufficient school places, relative to demand.

**DETAILS:****Background**

1. The Horley Master Plan (HMP) represents a long-term strategy to deliver high-quality, sustainable new development in the town and forms part of Reigate and Banstead Borough Council's 2005 adopted Local Plan. The HMP plans for 2,600 new homes, along with enhanced infrastructure and facilities for local people. The majority of these homes will be provided in the form of two new sustainable urban extensions, which are known as the North East Sector and the North West Sector, as well as on a number of smaller sites in the town. The North East Sector development is now largely complete and includes a new 1FE primary school, which has been operational since September 2014.
2. The North West Sector's marketing name is Westvale Park and this development is the second of the two urban extensions to come forward. Outline planning permission for Westvale Park was granted in December 2014, following extensive consultation and the completion of a Section 106 Agreement secures infrastructure and service improvements. Work on the

Westvale Park site began in December 2015 and housing units are expected to complete in the period 2016/17 – 2026/27. When complete, Westvale Park will include:

- 1,510 market and affordable homes (75% and 25% respectively);
  - A 'Neighbourhood Centre', comprising a community hall, local shops and sites for a place of worship, medical centre, public house/restaurant and employment use;
  - Open space and play facilities; and
  - Two new link roads connecting the development to the A213 and A217.
3. Westvale Park will also incorporate a new 2FE Primary School with 52 place Nursery, which will be located adjacent to the Neighbourhood Centre element of the development. The proposed location of the school is shown on the plan attached to this report as Annex 1. On the basis of child yield data, it is estimated that the development itself will generate approximately 1.5FE worth of additional primary pupil demand within Horley. In addition to fully serving the needs of the development itself, the new school will also therefore be able to accommodate the small amount of demand beyond existing capacity currently being experienced within the wider Horley area, as shown in the below table:

Year	Reception PAN	Reception Projection	Deficit
2018/19	300	320	- 20
2019/20	300	325	- 25
2020/21	300	315	- 15
2021/22	300	322	- 22
2022/23	300	327	- 27
2023/24	300	331	- 31
2024/25	300	331	- 31
2025/26	300	329	- 29
2026/27	300	327	- 27

4. Admission to the new school will be to Year R in September 2020 and in all following years, in order that the school grows incrementally, year-on-year, as the initial intake moves its way progressively through the age range. As such, it is projected that the new school would reach its new capacity for 420 places in September 2026, as shown in the table below:

Year	YR	Y1	Y2	Y3	Y4	Y5	Y6	Total
2020/21	60	-	-	-	-	-	-	60
2021/22	60	60	-	-	-	-	-	120
2022/23	60	60	60	-	-	-	-	180
2023/24	60	60	60	60	-	-	-	240
2024/25	60	60	60	60	60	-	-	300
2025/26	60	60	60	60	60	60	-	360
2026/27	60	60	60	60	60	60	60	420

5. Under Section 6A of the Education and Inspections Act 2006 (the 'free school presumption'), where a local authority identifies the need to establish a new school it must, in the first instance, seek proposals to establish a Free School. In line with this, Surrey County Council (SCC) ran an 8-week competition between 6 February 2017 and 31 March 2017, in which potential sponsors were invited to submit proposals for the new school. At the close of the application window, bids had been received from six proposers. The evaluation

of the bids received was undertaken by an SCC Internal Assessment Panel on 10 May 2017. The Panel recommended the appointment of Aurora Academies Trust to operate the new free school and this was approved by the Cabinet Member for All Age Learning on 13 June 2017. This recommendation was subsequently submitted to the Secretary of State, who approved the appointment of Aurora Academies Trust to sponsor the school on 15 November 2017. Since this date, Surrey County Council has been working in partnership with Aurora to develop the design of the new school into a formal proposal that will form the basis of a planning application.

6. The school site is located within the Westvale housing development and will be developed in sympathy to the surrounding residential properties and will be a two storey linear design. The external areas will include hard play, soft play, a multi use games area and a dual use recreation ground. During school hours, the school will have use of the recreation ground, and outside of these hours use will be shared with the wider community. Car parking spaces will be provided for teachers and staff for a total of 50 spaces. Suitable access for emergency vehicles and kitchen deliveries will also be catered for within the school site. Opposite the school the developers will be constructing a market place providing retail shops, medical centre and place of worship. See Annex 1 for plans and images of the proposed school site and building.
7. A planning application has been submitted and a decision is expected in December 2018.

#### **CONSULTATION:**

8. The project leads from Aurora Academies Trust have been fully consulted on the expansion proposals.
9. In relation to the master planning process, Reigate and Banstead Borough Council sought to involve all stakeholders in the process of formulating the Horley Master Plan, with a view to taking account of their concerns and ambitions into the plans as they were formulated. In particular, considerable work was undertaken to ensure that the necessary infrastructure, social and recreation facilities could be secured to meet the perceived needs of the new development, and so as to avoid over-burdening services elsewhere in the town. Consultation and engagement with local residents took the form of printed literature, public exhibitions and meetings with defined stakeholder groups.
10. In formulating the specific proposals for the Westvale Park development (and in advance of the submission of the associated outline planning application), the Horley North West Sector Development Consortium undertook consultation with local stakeholders, which again incorporated printed literature, public exhibitions and meetings with defined stakeholder groups. This consultation was utilised to inform the further development of infrastructure and service proposals for the development.
11. Additionally, an open public consultation event was held as part of the pre-planning application process, to which all interested stakeholders were invited.

### **RISK MANAGEMENT AND IMPLICATIONS:**

12. There are risks associated with the project and a project risk register has been compiled, which is regularly updated. A contingency allowance appropriate to the scheme has been included within the project budget to mitigate for potential identified risks.

### **Financial and Value for Money Implications**

13. The project will be subject to robust cost challenge and scrutiny to drive optimum value as it progresses. Further financial details are set out in the report circulated in Part 2 of the report. These details have been circulated separately to ensure commercial sensitivity, in the interest of securing best value.

### **Section 151 Officer Commentary**

14. The funding for this scheme is included within the 2017-22 Medium Term Financial Plan.

### **Legal Implications – Monitoring Officer**

15. Section 13 of the Education Act 1996 places a duty on a Local Authority (with responsibility for education) to ensure sufficient primary and secondary education provision is available to meet the needs of the population in its area.

### **Equalities and Diversity**

16. An Equality Impact Assessment (EIA) has been produced in respect of the proposal to establish this new school, which is appended to this report as Annex 2. The EIA did not identify any significant issues arising from this proposal that would have a disproportionately negative impact on groups with protected characteristics. The Action Plan for the potential issues that were identified is shown below:

<b>Potential impact (positive or negative)</b>	<b>Action needed to maximise positive impact or mitigate negative impact</b>	<b>By when</b>	<b>Owner</b>
Children in the earlier cohorts will be in a largely empty school for the first years of their education, limiting their social opportunities.	School to support these children with a targeted range of after-school clubs.	September 2020	Free School Sponsor
Public transport links are yet to be established in/to the new development of which this school will be part. There is the potential that poor servicing in this	Engage with the wider Horley North West Sector Masterplan process, so as to ensure that sufficiently good public transport links are provided to the new school.	September 2018	SCC School Commissioning



respect could serve to undermine the utility of the new school, from the perspective of parents/carers, pupils and staff with a disability.			
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17. The new school building will comply with Disability Discrimination Act (DDA) regulations.
18. As its own admissions authority, it will be for the new Free School to determine its own admissions arrangements, with the proviso that these must be in line with the DfE's School Admissions Code and School Admissions Appeals Code. In addition, it is a requirement that the school will participate in SCC's coordinated admissions process and Fair Access Protocol.
19. The school will be expected to contribute towards community cohesion and to provide the normal range of before- and after-schools clubs provided in a typical Surrey County Council school.

#### **Corporate Parenting/Looked After Children implications**

20. This proposal would provide increased provision for primary places in the area, which would be of benefit to the community served by the school. This means it would therefore also be of benefit to any Looked After Children who have the opportunity of attending the school.

#### **Climate change/carbon emissions implications**

21. The design philosophy is to create buildings that will support low energy consumption, reduce solar gain and promote natural ventilation. Any adjustments to the built form of the school will be undertaken in line with the local planning authority's adopted core planning strategy.

#### **WHAT HAPPENS NEXT:**

If approved, to proceed to commence the tender process for the project, through to contract award, via delegated decision.

#### **Contact Officer:**

Keith Brown, Schools and Programme Manager – tel: 020 8541 8651  
Oliver Gill, School Commissioning Officer – tel: 020 8541 7383

#### **Consulted:**

Aurora Academies Trust  
Local Headteachers  
Mrs Kay Hammond, Local Member: Horley West – Salfords & Sidlow  
Liz Mills, Director Education Lifelong Learning & Culture  
Tracie Evans, Executive Director – Economy, Growth & Commercial  
Yusuf Shaib, Interim Strategic Finance Manager – Business Services  
Reigate & Banstead Borough Council  
School Admissions Forum

**Annexes:**

Annex 1 - Site Plans and Images

Annex 2 – Equality Impact Assessment (EIA)

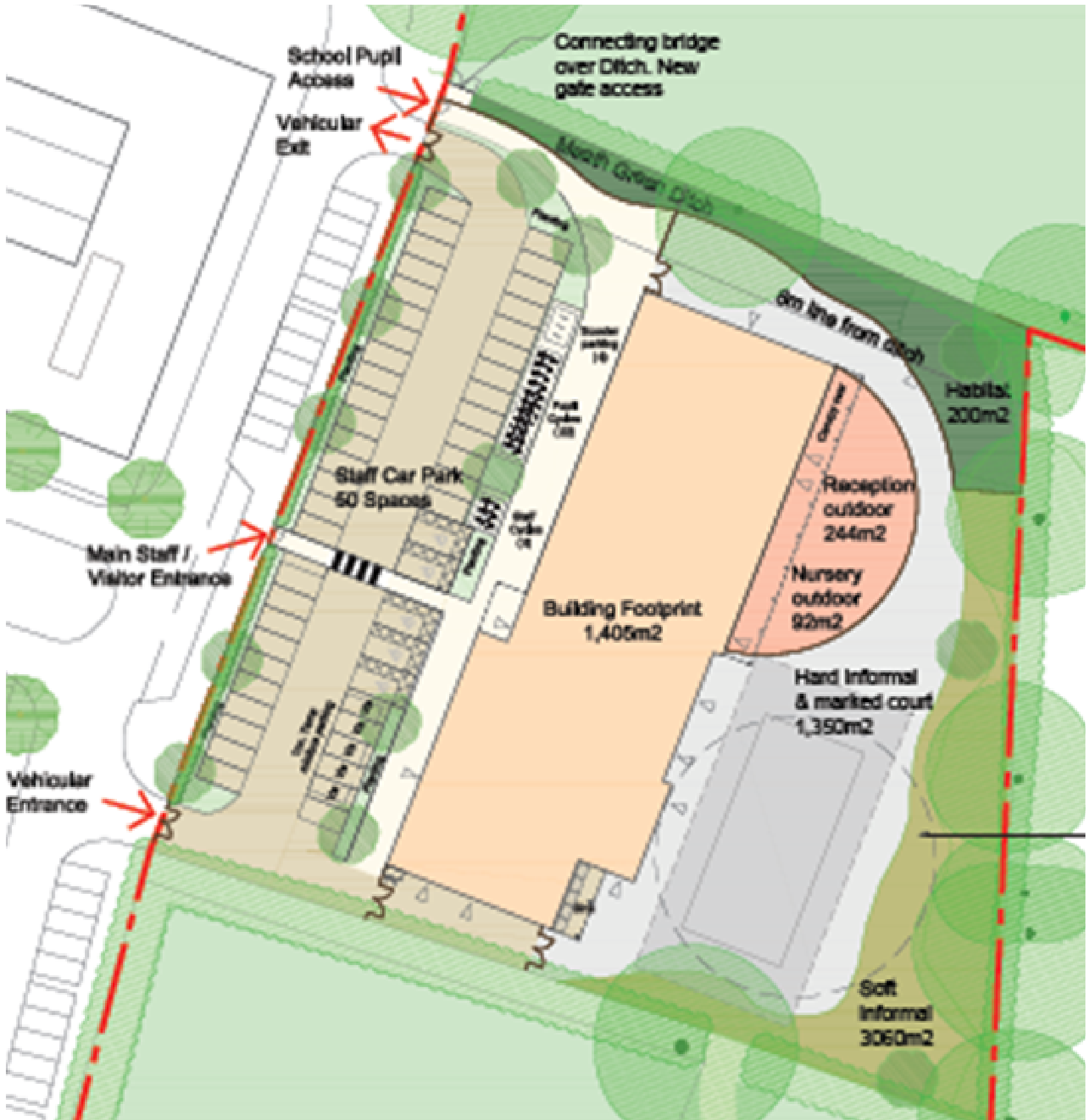
Part 2 Annex - with financial details attached to agenda as item 17.

**Sources/background papers:**

- The Education Act 1996
  - The School Standards Framework Act 1998
  - The Education Act 2002
  - The Education and Inspections Act 2006
-









AERIAL VIEW FROM SOUTH



FRONT VIEW



S I D E V I E W





R E A R   V I E W S

I



S I D E V I E W

GROUND FLOOR PLAN  
GIFA 1,334m<sup>2</sup>



FIRST FLOOR PLAN  
GFA 990m<sup>2</sup>





## What equalities legislation is there?

The [Equality Act 2010](#) is a single legal framework that seeks to provide a clear basis upon which to tackle disadvantage and discrimination. Most of the provisions of the Act came into force in October 2010, replacing and consolidating nine pieces of legislation. The Act seeks to ensure people are not discriminated against because they **share certain 'protected characteristics'**<sup>1</sup>, are **assumed to share** those characteristics or **associate with other people** that share a protected characteristic. It also aims to increase equality of opportunity and foster good relations between groups.

In the Act the Government created a [Public Sector Equality Duty](#). This Duty seeks to ensure public authorities play their part in making society fairer by requiring them to have 'due regard' to the need to:

- eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act;
- advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
- foster good relations between people who share a protected characteristic and those who do not share it.

The Act covers both direct and indirect discrimination<sup>2</sup>. The Act also extended protection to those experiencing associative discrimination. This occurs when a victim of discrimination does not have a protected characteristic but is discriminated against because of their association with someone who does e.g. the parent of a disabled child. It also extended the concept of discrimination by perception, where a victim of discrimination is presumed to have a protected characteristic, whether they do have it or not.

## What does 'due regard' mean?

Having 'due regard' means giving an appropriate level of consideration to equalities issues. The Equality Act 2010 explains that having due regard for advancing equality involves:

- Removing or minimising disadvantages suffered by people due to their protected characteristics.
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

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<sup>1</sup> The 'protected characteristics' defined in the Act are: age; disability; gender reassignment; pregnancy and maternity; race (including ethnic or national origins, colour or nationality); religion or belief (including lack of belief); sex and sexual orientation. Marriage and civil partnerships is also protected but only with regards to the need to eliminate discrimination.

<sup>2</sup> Equality Law provides [useful summaries](#) of different types of discrimination.

The Act also states that meeting different needs involves taking steps to take account of disabled people's disabilities. It also describes fostering good relations as tackling prejudice and promoting understanding between people from different groups. Further, it states that compliance with the duty may involve treating some people more favourably than others.

The issue of 'due regard' has been considered in a number of Court cases<sup>3</sup>. It has been emphasised that there are no "prescribed" steps that public bodies must take to demonstrate due regard. In addition there are no particular outcomes that authorities must achieve for those that share protected characteristics as a result of having had 'due regard'. Rather the test of whether an authority has given due regard is a test of substance not "of mere form or box ticking". The duty therefore must be performed "with rigour and with an open mind" and where it forms part of a decision to be made by Members it is important for officers to "be rigorous in enquiring and reporting to them".

**Surrey County Council demonstrates how it has applied 'due regard' to equalities by developing Equality Impact Assessments (EIAs) and incorporating the findings from these assessments into changes it makes to services, functions or policies.**

Surrey County Council has also made a wider commitment to fairness and respect, which underpins everything we do. Our [One Council One Team Fairness and Respect Strategy 2012-2017](#) sets out our equality objectives for the organisation. It also demonstrates our commitment to deliver these objectives in partnership with local organisations and public bodies that are best placed to improve services for Surrey's residents.

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<sup>3</sup> The Equality and Human Rights Commission has produced a summary of the implications of these cases in [The Public Sector Equality Duties and financial decisions](#).

# EQUALITY IMPACT ASSESSMENT

## 1. Topic of assessment

<b>EIA title:</b>	Proposal for a new 2 Form Entry Primary School in North West Horley
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<b>EIA author:</b>	Oliver Gill, School Commissioning Officer
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## 2. Approval

	Name	Date approved
<b>Approved by</b>	Liz Mills	

## 3. Quality control

<b>Version number</b>	1	<b>EIA completed</b>	
<b>Date saved</b>	9 November 2016	<b>EIA published</b>	

## 4. EIA team

Name	Job title (if applicable)	Organisation	Role
Oliver Gill	School Commissioning Officer (South East Surrey)	Surrey County Council	Author
Ginni Smedley	Strategy & Policy Development Manager	Surrey County Council	Advisor

## 5. Explaining the matter being assessed

<p><b>What policy, function or service is being introduced or reviewed?</b></p>	<p>The Horley Master Plan (HMP) represents a long-term strategy to delivery high-quality, sustainable new development in the town and forms part of Reigate and Banstead Borough Council’s 2005 adopted Local Plan. The HMP plans for 2,600 new homes, along with enhanced infrastructure and facilities for local people. The majority of these homes will be provided in the form of two new sustainable urban extensions, which are known as the North East Sector and the North West Sector, as well as on a number of smaller sites in the town.</p> <p>The North West Sector’s marketing name is Westvale Park and this development is the second of the two urban extensions to come forward. Outline planning permission for Westvale Park was granted in December 2014, following extensive consultation and the completion of a Section 106 Agreement secures infrastructure and service improvements. Work on the Westvale Park site began in December 2015 and housing units are expected to complete in the period 2016/17 – 2026/17. When complete, Westvale Park will include:</p> <ul style="list-style-type: none"> <li>• 1,510 market and affordable homes (75% and 25% respectively);</li> <li>• A new, 2FE Primary School;</li> <li>• A ‘Neighbourhood Centre’, comprising a community hall, local shops and sites for a place of worship, medical centre, public house/restaurant and employment use;</li> <li>• Open space and play facilities; and</li> <li>• Two new link roads connecting the development to the A213 and A217.</li> </ul>
<p><b>What proposals are you assessing?</b></p>	<p>This EIA relates to SCC’s plans to seek proposals from authorised free school sponsors to open and operate the new 2FE Primary School, which will be located at the centre of the development, on a dedicated site adjacent to the Neighbourhood Centre. It is proposed that the ‘competition’ to run the new school will be run between January and June 2017.</p> <p>Funding is secured for the build of this school through the associated Section 106 Agreement, which will be supplemented by SCC Basic Need funding, if required. The school site has also been secured in the terms of the Section 106 Agreement, which was seen to be warranted on the basis of the development’s scale and the desire it to be “sustainable” in terms of its supporting infrastructure. It is proposed that the new school should open from September 2020.</p> <p>The strategy of installing a new free school within this development is also in alignment with <a href="#">Surrey County Council’s School Organisation Plan 2016/17 – 2025/26</a></p> <p>Surrey County Council will be responsible for the delivery of the new 420-place school building, after which the operation of the school will</p>



# EQUALITY IMPACT ASSESSMENT

<b>Who is affected by the proposals outlined above?</b>	be handed over to the successful free school proposer. The proposal has the potential to have an impact on the following groups: <ul style="list-style-type: none"><li>• Residents within the Westvale Park development;</li><li>• Pupils (and their parents/carers) who require a primary school place in the Horley planning area;</li><li>• Those members of staff who ultimately work at the new Primary Free School; and</li><li>• Extant primary schools within the Horley planning area.</li></ul>
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## 6. Sources of information

### Engagement carried out

Reigate and Banstead Borough Council sought to involve all stakeholders in the in the process of formulating the Horley Master Plan, with a view to taking account of their concerns and ambitions into the plans as they were formulated. In particular, considerable work was undertaken to ensure that the necessary infrastructure, social and recreation facilities could be secured to meet the perceived needs of the new development, and so as to avoid over-burdening services elsewhere in the town. Consultation and engagement with local residents took the form of printed literature, public exhibitions and meetings with defined stakeholder groups.

In formulating the specific proposals for the Westvale Park development (and in advance of the submission of the associated outline planning application), the Horley North West Sector Development Consortium undertook consultation with local stakeholders, which again incorporated printed literature, public exhibitions and meetings with defined stakeholder groups. This consultation was utilised to inform the further development of infrastructure and service proposals for the development.

### Data used

The following data sets were used to inform this analysis:

- Edge-ucate pupil forecast data;
- Surrey-i JSNA Chapter: Ethnicity; and
- Surrey-i JSNA Chapter: Religion and Belief.

# EQUALITY IMPACT ASSESSMENT

## 7. Impact of the new/amended policy, service or function

### 7a. Impact of the proposals on residents and service users with protected characteristics

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 339</p> <p><b>Age</b></p>	<p>Children aged 4-11 will benefit from a greater amount of school places in the Horley planning area.</p> <p>Children in the earlier cohorts will be in a largely empty school for the first years of their education, potentially augmenting the pedagogical focus they receive.</p>	<p>Children in the earlier cohorts will be in a largely empty school for the first years of their education, limiting their social opportunities.</p>	<ul style="list-style-type: none"> <li>• Edge-ucate pupil forecast data.</li> </ul>
<p><b>Disability</b></p>	<p>The new school will be purpose designed to comply with Disability Discrimination Act (DDA) regulations, meaning that it will be fully accessible for all parents/carers and/or pupils with a disability.</p> <p>Parents/carers and/or pupils with a disability could potentially benefit from having an additional local school, within closer proximity to their place of residence, thereby augmenting service accessibility.</p>	<p>Public transport links are yet to be established in/to the new development of which this school will be part. There is the potential that poor servicing in this respect could serve to undermine the utility of the new school, from the perspective of parents/carers and/or pupils with a disability.</p>	<ul style="list-style-type: none"> <li>• Consultation process.</li> <li>• Edge-ucate pupil forecast data.</li> </ul>

## EQUALITY IMPACT ASSESSMENT

	Children with Special Educational Needs (SEN) whose Education, Health and Care Plan (EHCP) identifies the school as the will gain automatic admittance to the school.		
<b>Gender reassignment</b>	No impact identified.	No impact identified.	<ul style="list-style-type: none"> <li>N/A</li> </ul>
<b>Pregnancy and maternity</b>	<p>Parents/carers will benefit from a greater diversity of school choice, facilitating greater scope for parental preference.</p> <p>Parents/carers will benefit from a greater overall number of local school places, thereby enabling greater flexibility to accommodate demand for school places, as well as in year admissions.</p>	No impact identified.	<ul style="list-style-type: none"> <li>Consultation process.</li> <li>Edge-ucate pupil forecast data.</li> </ul>
<b>Race</b>	The ethnic composition of Reigate and Banstead broadly aligns with the Surrey average. It is not expected that this proposal will have a differential impact on persons of different ethnicities.	No impact identified.	<ul style="list-style-type: none"> <li>Surrey-i JSNA Chapter: Ethnicity.</li> </ul>
<b>Religion and belief</b>	The proposal may have a differential impact on persons of different religions, depending on the provider that is selected as a result of the Free School competition. Should a faith school proposal be selected, there is the potential for up to 50% of admissions to be determined on the basis of faith. The		<ul style="list-style-type: none"> <li>Surrey-i JSNA Chapter: Religion and Belief.</li> </ul>

## EQUALITY IMPACT ASSESSMENT

	religious composition of Reigate and Banstead broadly aligns with the Surrey average and, as such, there is no particular overriding need for faith-based provision in the area. As such, the competition will evaluate bids on the basis of educational and operational merit, with no reference to the religious nature of the proposals (or otherwise).		
<b>Sex</b>	The school will be co-educational. As such, no impact is identified in respect of sex.	The school will be co-educational. As such, no impact is identified in respect of sex.	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
<b>Sexual orientation</b>	No impact identified.	No impact identified.	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
<b>Marriage and civil partnerships</b>	No impact identified.	No impact identified.	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
Page 341 <b>Carers</b>	<p>Parents/carers will benefit from a greater diversity of school choice, facilitating greater scope for parental preference.</p> <p>Parents/carers will benefit from a greater overall number of local school places, thereby enabling greater flexibility to accommodate demand for school places, as well as in year admissions.</p>	No impact identified.	<ul style="list-style-type: none"> <li>• Consultation process.</li> <li>• Edge-ucate pupil forecast data.</li> </ul>

# EQUALITY IMPACT ASSESSMENT

## 7b. Impact of the proposals on staff with protected characteristics

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence
<b>Age</b>	No impact identified.	No impact identified.	<ul style="list-style-type: none"> <li>N/A</li> </ul>
Page 342 <b>Disability</b>	<p>The new school will be purpose designed to comply with Disability Discrimination Act (DDA) regulations, meaning that it will be fully accessible for all staff with a disability.</p> <p>Staff residing in the locality with a disability could potentially benefit from having an additional local school, thereby augmenting workplace accessibility.</p>	<p>Public transport links are yet to be established in/to the new development of which this school will be part. There is the potential that poor servicing in this respect could serve to undermine the utility of the new school, from the perspective of staff with a disability.</p>	<ul style="list-style-type: none"> <li>Consultation process.</li> </ul>
<b>Gender reassignment</b>	No impact identified.	No impact identified.	<ul style="list-style-type: none"> <li>N/A</li> </ul>
<b>Pregnancy and maternity</b>	No impact identified.	No impact identified.	<ul style="list-style-type: none"> <li>N/A</li> </ul>
<b>Race</b>	The ethnic composition of Reigate and Banstead broadly aligns with the Surrey average. It is not expected	No impact identified.	<ul style="list-style-type: none"> <li>Surrey-i JSNA Chapter: Ethnicity.</li> </ul>

## EQUALITY IMPACT ASSESSMENT

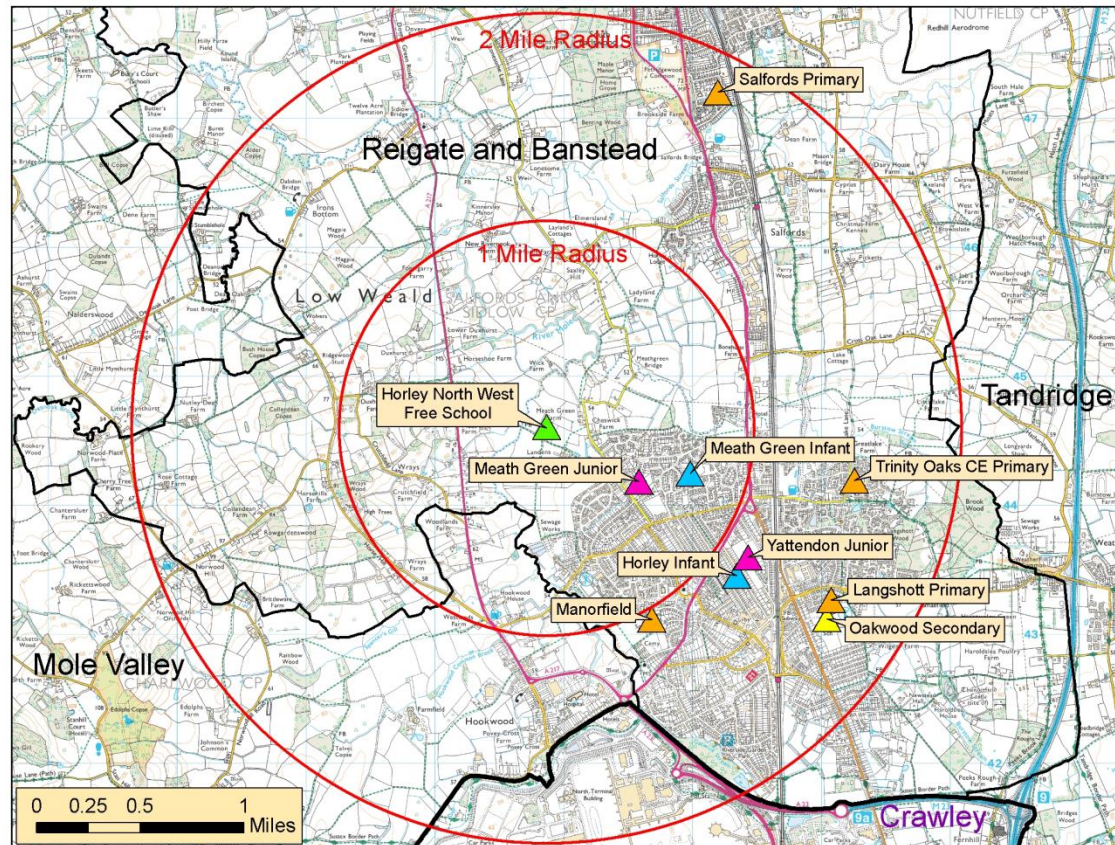
	that this proposal will have a differential impact on staff of different ethnicities.		
<b>Religion and belief</b>	The ethnic composition of Reigate and Banstead broadly aligns with the Surrey average. It is not expected that this proposal will have a differential impact on staff of different religions.	No impact identified.	<ul style="list-style-type: none"> <li>Surrey-i JSNA Chapter: Religion and Belief.</li> </ul>
<b>Sex</b>	No impact identified.	No impact identified.	<ul style="list-style-type: none"> <li>N/A</li> </ul>
<b>Sexual orientation</b>	No impact identified.	No impact identified.	<ul style="list-style-type: none"> <li>N/A</li> </ul>
<b>Marriage and civil partnerships</b>	No impact identified.	No impact identified.	<ul style="list-style-type: none"> <li>N/A</li> </ul>
<b>Carers</b>	No impact identified.	No impact identified.	<ul style="list-style-type: none"> <li>N/A</li> </ul>

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# EQUALITY IMPACT ASSESSMENT

## 7c. Impact of the proposals on existing education provision in the local area

The impact assessment conducted with respect to existing education provision in the area extended its focus to primary provision within 1 mile and secondary provision within 2 miles of the proposed development. As can be seen from the below diagram, there are two primary-age schools and a single secondary school that meet these parameters:



The ambition is for the new development is that it should be “sustainable”, in terms of the local infrastructure that is provided to support its residents. As such, the plan is for the development to be relatively self-contained with respect to the primary pupil demand it generates. In line with this, it is estimated that the development itself will generate the majority of the demand for places at the new school, with this being supplemented by additional demand in the wider Horley area, resulting from elevated birth rates in recent years.



## EQUALITY IMPACT ASSESSMENT

The pupil forecasts for the Horley area were used to provide additional context, with respect to the impact that the proposed Free School may have on existing provision.

The impact assessment for the existing education providers is presented below:

School	Anticipated Impact	Evidence
<b>Meath Green Infant School</b>	Neutral – the school is presently operating at full capacity and it is not anticipated that this fact will be significantly altered by the current proposal. The new Free School is expected to cater for demand arising from the Westvale Park development, as well as accommodate any surplus demand currently forecast for the wider Horley area.	<ul style="list-style-type: none"> <li>• Edge-ucate pupil forecast data.</li> </ul>
<b>Meath Green Junior School</b>	Neutral – Meath Green Infant School acts as a “feeder school” to the Junior School and the neutral impact at the infant stage is expected to translate to this school also, for the reasons referred to above.	<ul style="list-style-type: none"> <li>• Edge-ucate pupil forecast data.</li> </ul>
<b>Oakwood School</b>	Positive – SCC is currently working with Oakwood School on a potential expansion from 2018 onwards. It is fully expected that, owing to their relative proximity, pupils from the new Free School would feed into Oakwood School in the future, thereby augmenting this school’s long-term sustainability.	<ul style="list-style-type: none"> <li>• Edge-ucate pupil forecast data.</li> </ul>

As should be evident from the above, SCC does not anticipate any negative impact on local education infrastructure as a consequence of this proposal. Consequently, this aspect of the Impact Assessment supports the case to proceed with a Free School competition in this instance.

# EQUALITY IMPACT ASSESSMENT

## 8. Amendments to the proposals

Change	Reason for change
Evaluation of the Free School competition will be "faith neutral".	Owing to the fact that no overarching need for faith provision has been identified in the area.

## 9. Action plan

Potential impact (positive or negative)	Action needed to maximise positive impact or mitigate negative impact	By when	Owner
Children in the earlier cohorts will be in a largely empty school for the first years of their education, limiting their social opportunities.	School to support these children with a targeted range of after-school clubs.	September 2020	Free School Sponsor
Public transport links are yet to be established in/to the new development of which this school will be part. There is the potential that poor servicing in this respect could serve to undermine the utility of the new school, from the perspective of parents/carers, pupils and staff with a disability.	Engage with the wider Horley North West Sector Masterplan process, so as to ensure that sufficiently good public transport links are provided to the new school.	September 2018	SCC School Commissioning

## 10. Potential negative impacts that cannot be mitigated

Potential negative impact	Protected characteristic(s) that could be affected
N/A	

## 11. Summary of key impacts and actions

<b>Information and engagement underpinning equalities analysis</b>	<ul style="list-style-type: none"> <li>• Consultation process;</li> <li>• Edge-ucate pupil forecast data;</li> <li>• Surrey-i JSNA Chapter: Ethnicity; and</li> <li>• Surrey-i JSNA Chapter: Religion and Belief.</li> </ul>
<b>Key impacts (positive and/or negative) on people with protected characteristics</b>	<p>Positive:</p> <ul style="list-style-type: none"> <li>• Greater school choice.</li> <li>• Building DDA compliant.</li> <li>• Accessible location.</li> </ul> <p>Negative:</p>

# EQUALITY IMPACT ASSESSMENT

	<ul style="list-style-type: none"> <li>Limited social opportunities for initial cohorts.</li> <li>Potential for the site to be poorly served by public transport.</li> </ul> <p>Neutral:</p> <ul style="list-style-type: none"> <li>Potential for the selection of a faith school to have a differential impact on persons of different religions.</li> </ul>
<b>Changes you have made to the proposal as a result of the EIA</b>	1. Evaluation of the competition to be “faith neutral”.
<b>Key mitigating actions planned to address any outstanding negative impacts</b>	<ol style="list-style-type: none"> <li>After school clubs.</li> <li>Engage with the HNW Masterplan process.</li> </ol>
<b>Potential negative impacts that cannot be mitigated</b>	None identified

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**SURREY COUNTY COUNCIL**

**CABINET**

**DATE: 30 OCTOBER 2018**

**REPORT OF: MR COLIN KEMP, CABINET MEMBER FOR HIGHWAYS**

**LEAD OFFICER: JASON RUSSELL, EXECUTIVE DIRECTOR FOR HIGHWAYS, TRANSPORT AND ENVIRONMENT**

**SUBJECT: CONVERSION OF STREET LIGHTS TO LED**



**SUMMARY OF ISSUE:**

The Council currently spends £3.5 million each year on energy for street lighting. The Council's price for energy on street lighting has risen by 109% over the past 9 years since the PFI contract started – from 7.9p per kilowatt hour to 16.5p per kilowatt hour in 2018/19.

Recent projections indicate energy costs for street lighting will continue to rise by between 5% and 14% per annum over the next 10 years which could mean the annual cost increasing to nearly £13 million in that time and as high as £48 million per year in 20 years if prices rose by 14% each year.

The streetlights are currently dimmed by 25%-50% power from 2200 to 0530 and approximately 45,000 lights in residential areas are switched off between 0100 and 0500 each night. Extending dimming or part night lighting to further reduce costs which have previously been explored are not viable.

By investing approximately £19.9 million over 3 years to convert the council's 89,000 street lights to LED would reduce their consumption by around 60% saving approximately £2 million per year (at today's prices). This project will also save over 6,000 tonnes of CO2 each year – this is the equivalent to the CO2 produced by 2100 return flights from London to Sydney.

In January 2018, Cabinet approved the principle of converting the council's 89,000 street lights to LED to reduce electricity consumption which in turn reduces energy bills and CO2 impact. Cabinet also approved commencing the change process under the street lighting PFI contract to develop a detailed solution.

**RECOMMENDATIONS:**

It is recommended that Cabinet:

1. approves the conversion of street lights to LED.
2. delegates authority to the Head of Highways and Transport in consultation with the Executive Director of Finance and the Cabinet member for Place to complete the negotiation of the contractual variation and authorise the execution of a Deed of Variation to the Street Lighting PFI contract.

<b>REASON FOR RECOMMENDATIONS:</b>
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Energy price inflation is increasing at a significant rate (5%-14% per annum) and to ensure lights are operational when needed, there is little opportunity for the Council to control or reduce its energy costs.

LED technology in street lighting has matured significantly in recent years while the costs have reduced. Many Highway Authorities have either embarked on an LED conversion programme or are in the process of planning to commence one within the next 2-3 years.

Converting to LED will reduce energy consumption by 60% delivering £2 million per year energy savings at today's prices as well as reducing carbon impact by 6200 tonnes

In addition to converting to LED street lighting and upgrading the Central Management System, Officers will be able to explore additional innovations now being used or being developed for use with street lighting such as:

- Providing real-time traffic movement data to help understand and ease congestion
- Adjust lighting levels of traffic routes to suit actual traffic levels which would lead to additional energy savings
- Environmental sensors to detect and monitor air quality

The potential for these innovations may be in direct relation to street lighting (e.g. dimming in response to traffic levels) or in providing a communications network for other areas of the Council (and extending to partners in District and Borough Councils) to connect equipment to improve the services and outcomes they deliver.

Furthermore, these innovations may present grant funding opportunities through central Government departments and the Local Enterprise Partnerships (LEPs) which would reduce the borrowing requirement for the Council.

The PFI contract allows for changes to the specification and service. Following Cabinet approval in January 2018, a Change Notice has been issued under the contract and subject to this approval, officers will finalise the contractual documents and execute a Deed of Variation.

<b>DETAILS:</b>
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### **Progress since January 2018**

1. In January 2018, officers presented the 4 options that had been considered:
  - a. Option 1 - Do nothing (having issued the PFI Contact Change Notice, the Council would be liable for the reasonable costs incurred by the Service provider to this point in having developed the solution).
  - b. Option 2 - Retrofit all existing lanterns with LED gear trays to limit the cost of conversion and minimise equipment waste from entering the recycling system.
  - c. Option 3 - Replace all existing lanterns with LED lanterns.

- d. Option 4 - A hybrid option of retrofitting 66,000 Libra lanterns in residential areas and on footpaths with LED gear trays and replace the remaining 23,000 Arc lanterns with LED lanterns designed to each road.
2. At the time of Cabinet approval (January 2018), Option 4 was the expected option based on the analysis to that point. However, officers were finalising research into whether all lights could be retrofitted with LED gear trays (Option 2).
  3. Under the original PFI investment programme (2010-2015) when lights were replaced on the Council's traffic routes, they were largely designed according to the British Standard for the parameters of each road to ensure a minimum level of light output is achieved across the carriageway and footpath at the same time as achieving as uniform a level as possible between lights.
  4. Discussion with a number of lighting professionals including manufacturers has determined that whilst retrofitting LED gear trays on our residential network is highly unlikely to have any detrimental impact on the light outputs and in some cases may see improvements, this will not be the same on traffic routes. The way lanterns such as those on Surrey's traffic routes incorporate many factors to achieve the output of light in each specific design which would be almost impossible to replicate with a retrofitted LED gear tray.

Recommended option:

5. Option 4 ensures the Council can maintain (and possibly slightly improve) the levels of lighting on its roads following a conversion to LED.
6. Skanska Construction UK as the Principal Contractor ran an open tender supported by council officers from both Highways and Procurement. Having completed this process, the Council has been able to determine more accurate costs and a clearer understanding of the savings profile.
7. The table below shows a simple comparison of the difference in street light energy consumption following conversion to LED:

	<b>Annual Consumption (Kilowatt Hours)</b>	<b>Annual Cost (at today's prices)</b>
Existing Street Lighting	22.3 million	£3.5 million
Street Lighting Following LED Conversion	8.9 million	£1.5 million
<b>Difference</b>	13.4 million	£2 million

8. In line with the approved recommendation in the January 2018 report, the Council has issued a Change Notice under the PFI Contract.

**Overall Street Lighting Savings**

9. The current costs for street lighting are £14.85 million per annum. Alongside the energy costs, the Council's PFI contract covers repayments of the original funding to upgrade and replace the street lights from 2010-14 (which are the majority of the costs) and the operation & maintenance of the street lights. These costs (currently £11.35 million per annum) cover:

- a. Loan repayments for initial 5 year investment programme

- b. 24/7 emergency response for street lighting faults and damage
- c. Fault repairs including replacement of lanterns and columns where required
- d. Planned maintenance such as safety inspections every 2 years, electrical testing and lamp replacement every 6 years and structural testing every 12 years
- e. Management of the Central Management System to identify faults and monitor energy consumption.

10. The table below shows a comparison of the total cost of street lighting between now and when the conversion would be completed.

	PFI Contract Costs	Energy Costs (5% inflation per annum)	Energy Costs (14% inflation per annum)
No Change			
2018/19	£11,348,865	£3,500,000	£3,500,000
2023/24	£11,728,038	£4,254,272	£5,911,361
Following conversion to LED			
2018/19	£11,348,865	£3,500,000	£3,500,000
2023/24	£11,728,038	£1,823,259	£2,533,440
<b>Difference</b>	<b>£0</b>	<b>-£2,431,013</b>	<b>-£3,377,920</b>

11. The savings illustrated above are simply the avoided energy costs following conversion to LED but do not include the cost of conversion. The final table below shows estimated net savings over the next 10 years after taking account of the cost of capital (assuming conversion is funded through external borrowing, and 5% energy inflation per year):

Year	Energy Saving	Annual Repayment	Annual Net saving
2019/20	-£351,000	£69,000	-£282,000
2020/21	-£1,174,000	£499,000	-£675,000
2021/22	-£2,074,000	£997,000	-£1,077,000
2022/23	-£2,646,000	£1,426,000	-£1,220,000
2023/24	-£2,762,000	£1,496,000	-£1,266,000
2024/25	-£2,900,000	£1,496,000	-£1,404,000
2025/26	-£3,045,000	£1,496,000	-£1,549,000
2026/27	-£3,197,000	£1,496,000	-£1,701,000
2027/28	-£3,357,000	£1,496,000	-£1,861,000
2028/29	-£3,525,000	£1,496,000	-£2,029,000

#### **CONSULTATION:**

12. Officers prepared a stand outlining the reasons for LED, some of the key “questions and answers” being asked and the benefits including the financial ones of converting street lights to LED. The stand was present along with Highways Officers at each of the 11 District and Borough Joint and Local committees which took place during the early summer months of 2018.
13. In addition, the Council published an online Consultation between 29 June 2018 and 17 August 2018 which was shared with Members and publicised via the Council’s social media sites via email to the Highways Customer



Panel (c. 1500 members) and as part of the display at the committees as described in paragraph 12.

14. There were a total of 84 respondents with 49 in favour of the proposals, 20 who stated they were neutral and 15 who indicated they were not in favour of the proposal.
15. Of the 15 that stated an opposition their responses were categorised as follows:
  - a. 5 believed it was a waste of money or a weak business case
  - b. 9 stated they do not like the light LEDs emit
  - c. 1 advised they were aware of publicised health risks which should be fully investigated before proceeding.
16. An overview of progress was presented to the Local and Joint Committee Chairman's meeting in September 2018 and received positive feedback.

#### **RISK MANAGEMENT AND IMPLICATIONS:**

17. There is potential for a risk that residents see equipment being upgraded or replaced that has only been installed in the past 4-8 years and question the value of doing so when savings are trying to be made across the Council. Ahead of the work being completed a communications plan will be developed to ensure residents are aware of why the work is being carried out and the savings that will be made as a result alongside clearly stating the impact of not replacing the lights with LED.
18. Replacing 89,000 lights is a significant construction project. There may be localised disruption as lights are changed and this could include lane closures to safely carry out the work. However the work involved does not require any excavation or major road works – in most cases the replacement can be fully carried out in 15-30 minutes to each lantern. As part of its maintenance regime, Skanska already carry out visits of a similar nature to each column at least once every 6 years which would include similar traffic management and impacts where appropriate to ensure the safety of the travelling public and the operatives carrying out the work. Early and ongoing engagement with the Council's Streetworks team will ensure the programme is managed effectively minimising any disruption.
19. Although the energy price projections indicate a rise of between 5% and 14% per annum over the next 10 years, officers have used the lower of these to develop the business case to ensure generated savings will exceed the cost of carrying out the work. Finance Officers have calculated that even if energy prices remained static, the savings generated by converting to LED over their 20 year minimum life would still cover the cost of replacing them. Prices rose by just over 11% in October 17 when prices were last due to be changed.

#### **Financial and Value for Money Implications**

##### **Costs and Savings**

20. The cost of converting the lights is estimated to be £19.9 million which will be spread across 3 years as the programme of conversions is carried out.

There is a further cost estimated to be £474,000 to deliver the contract change itself (including technical and legal advisors for the Service provider and funders of the original investment capital) which the Council is responsible for. These costs are higher than the estimated values of £18.5 million and £350,000 respectively presented in the January Cabinet report.

21. Whilst still estimates, the updated values are reflective of more developed understanding of the project including a well-developed scope, a more accurate price for the equipment following the tender and detailed pricing around aspects of delivery such as design work and the average number of units that can be converted per day.
22. The change process will see the cost model developed and refined before the Deed of Variation can be executed. Furthermore, there are aspects to work through which officers expect to see reduce the installation costs – for example, Skanska operatives carry out a site visit to each street light at least once every 6 years to clean the lighting equipment, replace the lamp and carry out and certify an electrical test. As these activities will be carried out when converting the lantern to LED (including completing an electrical test), the labour costs associated with this work can be used to offset the cost of converting the lantern reducing the £19.5 million figure.
23. The above costs are therefore the upper threshold used in the business case with officers seeking to reduce those prior to completing the Deed of Variation. The final business case will be reviewed by the Council's Investment Panel prior to proceeding.
24. The savings projected in the January 2018 Cabinet report of 60% energy reduction which is equivalent to approximately £2 million (at today's process) have however been borne out and are in fact expected to be even better. Current estimates suggest savings could be in excess of 65% (generating an additional £180,000 savings per year). The business case has been calculated on the assumption of 60% reduction with any additional savings being used to offset pressures elsewhere in the Council.

### **Value for Money**

25. Under the terms of the PFI contract, the Council cannot conduct a separate tender and so require the existing service provider to develop a solution based on the Council's revised requirements and specification.
26. To ensure the contract and the LED conversion continues to provide the Council with value for money, the service provider has conducted an open book tender with officers from both Highways and Procurement involved in the process. This has allowed officers to scrutinise the product selection as well as prices to achieve that objective.

27. A competitive tender was carried out over the summer with 7 lantern manufacturers and 4 Central Management System (CMS) providers to assess the market and select the best possible solution. Providers were assessed on a number of criteria including overall cost and the ratio of conversion cost to energy saving (for example, a product that cost slightly less overall might deliver 5% less savings scoring less on this aspect than the slightly more expensive product).
28. The evaluation panel comprised officers from both the Highways and Procurement functions alongside operational and procurement colleagues from within Skanska.

### **Financing**

29. The costs of retrofitting and replacing the lanterns and the CMS is currently estimated to be £19.9 million over 3 years from April 2019. The business case has been prepared on the basis of external borrowing (e.g. through the Public Works Loan Board).
30. The January 2018 Cabinet report outlined alternative borrowing and financing sources which included the Green Investment Bank and Salix Energy Efficiency loans alongside working with the Enterprise M3 and Coast to Capital Local Enterprise Partnerships to identify grant funding opportunities. As the final solution and pricing is developed, the Executive Director of Finance will identify the most advantageous financing solution in line with the Council's approved Treasury Management Policy.

### **Section 151 Officer Commentary**

31. The council currently spends £3.5m each year on energy for street lighting, with the potential for prices to continue to increase in future years. Converting street lights to LED would allow the Council to reduce its energy consumption, and therefore cost, while maintaining services to residents. Converting to LED and upgrading the Council's Central Management System is currently estimated to cost £19.9m plus professional fees. This would deliver a reduction in energy consumption, producing an annual net saving of approximately £2m at current prices, after allowing for capital investment costs. The saving would increase if energy costs continued to rise.
32. The costs and savings quoted in this report are estimates. Once the specification and price have been agreed, a final business case (including appropriate price sensitivities) will be considered by the Council's Investment Panel prior to a final decision being made. The current business case assumes that the Council will finance this investment through external borrowing. A number of financing options are being evaluated, and the final solution will be determined by the Executive Director of Finance, in line with the Council's approved Treasury Management Policy.

### **Legal Implications – Monitoring Officer**

33. The Council is the highway authority for its area by virtue of Section 1 of the Highways Act 1980 ("the Act"). The power to provide street lighting is wide and grants discretion to each highway authority to determine the necessary extent or provision of lighting on their highway network. Section 97(1) of the Act states "a highway authority may provide lighting for the purposes of any

highway or proposed highway for which they are or will be the highway authority, and may for that purpose...construct and maintain such lamps, posts and other works as they consider necessary”.

34. Under Section 3(1) Local Government Act 1999 the Council is under a general duty of best value to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”. In addition to achieving monetary savings, energy efficiency and carbon reduction are an integral part of Government policy and the LED conversion programme will go some way in supporting this.
35. The Council is able to modify existing contracts in certain circumstances set out in Regulation 72 of the Public Contracts Regulations 2015. The modifications proposed in this report fall within these circumstances and as such are permissible without a new procurement procedure.
36. Cabinet will want to satisfy itself that the proposed works and associated costs represent appropriate use of the Council’s financial resources and will enable it to achieve its general duty to secure best value in the delivery of its functions.

#### **Equalities and Diversity**

37. An Equalities Impact Assessment was carried out prior to the January 2018 Cabinet report and nothing has changed during that time. The section from that report is extracted below:
  - a. The outcome of converting street lights to LED will deliver the same levels of lighting as present.
  - b. In terms of the work to do this, it will replace the “bulk lamp change” programme which sees all lights visited in a 6 year period to change the lamp (aka bulb) with no excavation and each visit to a column probably lasting around 15-30mins (similar to a fault repair visit). In certain locations lanes may be closed or overnight working scheduled but this is again the same as would be carried out for the bulk lamp change programme.
  - c. As a result of the Equality Impact Assessment Screening, it is determined that no protected groups will be impacted either positively or adversely.

#### **Environmental sustainability implications**

38. The conversion to LED will have 2 notable environmental impacts:
  - a. The conversion to LED will reduce annual electricity consumption from 22.3 million Kwh down to 8.9 million Kwh. This saving of 13.4 million Kwh translates to a saving of around 6,200 tonnes of carbon dioxide each year.
  - b. As it has been determined that retro-fitting the 23,000 Arc lanterns is not viable, this will require the lantern to be replaced in full. Inevitably

this will result in a considerable amount of redundant lanterns. As much as possible this will be mitigated in the following ways:

- i. In the early phases of LED replacements, old Arc lanterns can be reused to repair damaged or faulty lanterns due for replacement at a later stage. This will reduce the need to produce new lanterns for the short term whilst maintaining uniformity.
- ii. Since the PFI contract commenced in 2010, all waste material generated (including throughout the initial replacement programme) has been 100% recycled and this would also be the case for the above replacements.

### **Public Health implications**

39. The January 2018 Cabinet report explored a 2016 report from the American Medical Association (AMA) and a subsequent report by Stockport City Council's Public Health team much of which interpreted the above AMA report.
40. A specific recommendation from the Stockport City Council report was the lower likelihood of any adverse impact by selecting LEDs with lower colour temperatures (3000k or lower) where cost considerations permit. As the colour temperature reduces, the less blue light emitted and the "warmer" the light appears.
41. In the early deployment of LED in street lighting, 5700k colour temperatures were the norm with harsher appearing bluer light being emitted. As recently as 12 months ago many authorities were deploying either only 4000k LEDs or a combination of 4000k and 3000k LEDs.
42. The difference between these LEDs are coats of phosphor being applied to the LED lens (more phosphor to achieve lower colour temperatures). Whilst the differences in manufacturing costs were minimal, the amount of power required to achieve the same level of light output on the ground increased as colour temperature lowered. As a result, installing a lower colour temperature LED increased the power level required to achieve an equivalent replacement product. These increased energy costs when scaled up over the entire asset meant the business case was less attractive.
43. However, the continued developments in the manufacture and use of LED in all applications and in street lighting in particular means the energy required to power LEDs with different colour temperatures has reduced significantly and in most cases is only marginal. As a result Council highways officers have been able to specify a 3000k colour temperature solution across all street lights the Council is responsible for.

### **WHAT HAPPENS NEXT:**

44. Subject to approval by Cabinet:
  - Officers will finalise the specification and price to convert the Council's street lights to LED

- The final business case will be reviewed by the Council's Investment Panel, prior to a delegated decision being made.
- Supported by the Council's Legal team, the contract amendments and a Deed of Variation will be drafted, reviewed and agreed by all parties and executed in early 2019.
- A period of mobilisation will take place following the execution of the Deed of Variation likely to be 3-4 months covering:
  - Development and publication of a programme of work showing which areas are planned to be converted and when. This will be supported by information being published via the Council's website and updated on a regular basis as work is completed over the conversion period
  - Allow for the manufacturers to commence production of the new equipment ahead of work starting
  - Commence the design work on traffic routes
- Work will commence in 2019/20 following the mobilisation and is planned to be completed over a 3 year period.

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**Consulted:**

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Mike Dawson – Customer Service and Improvement Manager (SCC)  
Richard Bolton – Local Highway Services Group Manager (SCC)  
Harriett Harvey – Contracts and Supply Manager (SCC - Orbis)  
London Borough of Barking and Dagenham  
Kent County Council  
Skanska Infrastructure Services Ltd  
Surrey Lighting Services  
Local and Joint Committee Chairmen's Group  
Highways and Growth Select Committee

**Annexes:**

No Annexes

**Sources/background papers:**

- Cabinet Paper – January 2018 – Converting Street Lights to LED - <https://mycouncil.surreycc.gov.uk/documents/s43052/ITEM%2013%20-%20LED%20Conversion%20-%20Cabinet%20Report%20Final%20PW%20amendments%20170118.pdf>

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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