

# Cabinet



**SURREY**  
COUNTY COUNCIL

**Date & time**

Tuesday, 29  
November 2022  
at 2.00 pm

**Place**

Surrey County Council,  
Council Chamber,  
Woodhatch Place, 11  
Cockshot Hill, Reigate,  
Surrey ,RH2 8EF

**Contact**

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**Cabinet Members:** Natalie Bramhall, Clare Curran, Kevin Deanus, Matt Furniss, Marisa Heath, David Lewis, Sinead Mooney, Mark Nuti, Tim Oliver and Denise Turner-Stewart

**Deputy Cabinet Members:** Maureen Attewell, Jordan Beech, Paul Deach and Rebecca Paul

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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 Huma Younis or Sarah Quinn on 07866899016 or 01372 832606.**

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## **1 APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

## **2 MINUTES OF PREVIOUS MEETING: 25 OCTOBER 2022**

(Pages 1  
- 14)

To agree the minutes of the last meeting as a correct record 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**

The deadline for Member's questions is 12pm four working days before the meeting (23 November 2022).

### **b Public Questions**

The deadline for public questions is seven days before the meeting (22 November 2022).

### **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**
- To consider any reports from Select Committees, Task Groups, Local Committees and any other Committees of the Council.
- 6 LEADER / DEPUTY LEADER / CABINET MEMBER/ STRATEGIC INVESTMENT BOARD DECISIONS TAKEN SINCE THE LAST CABINET MEETING** (Pages 15 - 20)
- To note any delegated decisions taken by the Leader, Deputy Leader, Cabinet Members, Strategic Investment Board and Committees in Common Sub-Committee since the last meeting of the Cabinet.
- 7 CABINET MEMBER OF THE MONTH** (Pages 21 - 30)
- To receive an update from Marisa Heath, Cabinet Member for Environment.
- 8 2023/24 DRAFT BUDGET AND MEDIUM-TERM FINANCIAL STRATEGY TO 2027/28** (Pages 31 - 94)
- The Council has a statutory duty to set a balanced budget in advance of each financial year. The Final Budget for 2023/24 will be approved by Cabinet in January 2023 and full Council in February 2023. This report and the attached 2023/24 Draft Budget and Medium-Term Financial Strategy to 2027/28 sets out progress towards delivering a balanced budget.
- (The decisions on this item can be called-in by the Resources and Performance Select Committee)*
- 9 2022/23 MONTH 6 (SEPTEMBER) FINANCIAL REPORT** (Pages 95 - 110)
- This report provides details of the County Council's 2022/23 financial position as at 30 September 2022 (M6) for revenue and capital budgets, and the expected outlook for the remainder of the financial year.
- (The decisions on this item can be called-in by the Resources and Performance Select Committee)*
- 10 RESPONDING TO THE RISING COST OF LIVING IN SURREY** (Pages 111 - 120)
- This report provides an update on the rising cost of living situation nationally, as well as a review of local data showing the emerging picture across Surrey. It outlines work by Surrey County Council, along with partners and key stakeholders, that is already underway to support households facing financial hardship. The report also sets out the proposed strategic approach to the rising cost of living over the short to medium term, including initiatives that have been identified to provide additional support to the most vulnerable.
- (The decisions on this item can be called-in by the Communities, Environment and Highways Select Committee)*

- 11 SURREY HOMES FOR SURREY CHILDREN: A STRATEGIC APPROACH TO GROWING CAPACITY IN CHILDREN'S HOMES IN SURREY** (Pages 121 - 176)
- To seek endorsement of proposals to use Surrey County Council capital funding to grow the capacity of children’s homes in Surrey, enabling more looked after children to live closer to the communities they are from.
- (The decisions on this item can be called-in by the Children, Families, Lifelong Learning & Culture Select Committee)*
- 12 COORDINATED ADMISSIONS SCHEME FOR SEPTEMBER 2024** (Pages 177 - 200)
- For Cabinet to agree the coordinated admissions scheme that will apply to all schools for 2024.
- (The decisions on this item can be called-in by the Children, Families, Lifelong Learning & Culture Select Committee)*
- 13 SURREY SCHOOLS & EARLY YEARS FUNDING 2023-24** (Pages 201 - 276)
- This report sets out the recommended funding formula for Surrey mainstream schools in 2023/24 and also proposes the principles to be adopted in the funding of early years in 2023/24.
- (The decisions on this item can be called-in by the Children, Families, Lifelong Learning & Culture Select Committee)*
- 14 ADULT SOCIAL CARE STRATEGY FOR PEOPLE WITH PHYSICAL DISABILITY AND SENSORY IMPAIRMENT 2022 - 2027** (Pages 277 - 282)
- Cabinet is asked to endorse the new strategy for people with physical disabilities and/or sensory impairments 2022 – 2027.
- (The decisions on this item can be called-in by the Adults and Health Select Committee)*
- 15 PROGRESS REPORT OF THE GREENER FUTURES CLIMATE CHANGE DELIVERY PLAN** (Pages 283 - 350)
- This report provides an overview one year on from the launch of The Plan, including an update on progress towards the 2050 net zero county emissions target, successes achieved, challenges faced and any recommended changes in approach for the next year of implementation. This report also provides a progress on Surrey County Council’s net zero 2030 target.
- (The decisions on this item can be called-in by the Communities, Environment and Highways Select Committee)*
- 16 TRAFFIC REGULATION ORDER POLICY** (Pages 351 - 362)
- The purpose of the report is to secure agreement from Cabinet to remove Surrey County Council’s Traffic Regulation Order (TRO) Policy for Byways Open to All Traffic (“BOATs”) on Public Rights of Way and to seek approval for a new BOATs policy which sets out how the Council will manage BOATs in the future including the use of TROs.



*(The decisions on this item can be called-in by the Communities, Environment and Highways Select Committee)*

- 17 SURREY INFRASTRUCTURE PLAN - PHASE 3 SCHEMES** (Pages 363 - 382)

This report recommends the approval of a further phase of schemes to be implemented, identifies additional schemes requiring further development and provides a brief update on the status in the earlier phases which were approved by Cabinet in October 2021 and May 2022.

*(The decisions on this item can be called-in by the Communities, Environment and Highways Select Committee)*

- 18 SURREY PUBLIC ELECTRIC VEHICLE CHARGEPOINT ROLL OUT PLAN** (Pages 383 - 392)

In January 2022, Cabinet agreed that Surrey County Council (SCC) undertake a procurement exercise with the aim of appointing a single supplier to work in partnership with the Council and its delivery partners to deliver public Electric Vehicle (EV) chargepoints at a large scale across the county of Surrey. This report details the background and progress of that procurement and puts forward a recommendation to contract with the supplier most advantageous to SCC.

*(The decisions on this item can be called-in by the Communities, Environment and Highways Select Committee)*

N.B There is a Part 2 annex at Item 20.

- 19 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**

- 20 SURREY PUBLIC ELECTRIC VEHICLE CHARGEPOINT ROLL OUT PLAN** (Pages 393 - 396)

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 the authority holding that information).

*(The decisions on this item can be called-in by the Communities, Environment and Highways Select Committee)*

- 21 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.

## 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

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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*

**MINUTES OF THE MEETING OF THE CABINET  
HELD ON 25 OCTOBER 2022 AT 2.00 PM  
COUNCIL CHAMBER, SURREY COUNTY COUNCIL, WOODHATCH  
PLACE, 11 COCKSHOT HILL, REIGATE, SURREY ,RH2 8EF.**

These minutes are subject to confirmation by the Cabinet at its next meeting.

Members: \*= Present

\*Tim Oliver (Chairman)  
\*Natalie Bramhall  
\*Clare Curran  
\*Matt Furniss  
\*Mark Nuti  
\*Denise Turner-Stewart  
\*Sinead Mooney  
\*Marisa Heath  
\*Kevin Deanus

Deputy Cabinet Members:

\*Maureen Attewell  
\*Rebecca Paul  
\*Paul Deach  
Jordan Beech

Members in attendance:

Andy MacLeod, Vice Chairman of the Communities, Environment and Highways Select Committee and Local Member for Farnham Central  
Jonathan Essex, Green Party Group Leader and Local Member for Redhill East  
Will Forster, Liberal Democrats Group Leader and Local Member for Woking South

**PART ONE  
IN PUBLIC**

**145/22 APOLOGIES FOR ABSENCE [Item 1]**

Apologies were received from Jordan Beech.

**146/22 MINUTES OF PREVIOUS MEETING: 27 SEPTEMBER 2022 [Item 2]**

These were agreed as a correct record of the meeting.

**147/22 DECLARATIONS OF INTEREST [Item 3]**

There were none.

**PROCEDURAL MATTERS [Item 4]**

**148/22 MEMBERS' QUESTIONS [Item 4a]**

There were two member questions. The questions and responses were published as a supplement to the agenda.

**149/22 PUBLIC QUESTIONS [Item 4b]**

There were three public questions. The questions and responses were published as a supplement to the agenda.

Jenny Desoutter queried if the countryside estate would commit to a low intervention minimal felling approach and whether Surrey would commit to seeking input from local experts and specialists who have very important knowledge about species and habitat. The Cabinet Member for Environment explained that Surrey's new policy was about only removing trees when there was a danger. The Cabinet Member for Environment stated that there was a lot of work going on around nature recovery within the authority and the council was considering how it manages the whole estate in regards to habitat and biodiversity. Engagement was welcomed across the board with local groups.

**150/22 PETITIONS [Item 4c]**

There were none.

**151/22 REPRESENTATIONS RECEIVED ON REPORTS TO BE CONSIDERED IN PRIVATE [Item 4d]**

There were none.

**152/22 REPORTS FROM SELECT COMMITTEES , TASK GROUPS, LOCAL COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL [Item 5]**

The Vice-Chairman of the Select Committee introduced the committees response to the Surrey skills plan stating that this was an appropriate role for the council to be playing and the councils role would be of a co-ordinating body between the private sector and other partners. The Vice-Chairman felt the adult education budget in Surrey could be better used to help with the Surrey skills plan. The Cabinet Member for Transport, Infrastructure and Growth agreed that the adult education budget could be used to support the skills plan and its delivery.

The Vice-Chairman thanked the Cabinet Member for Environment for the response to the Select Committees recommendations on the Greener Futures Climate Change Delivery Plan. The Committee were pleased to see its recommendations had been accepted and stated that the councils work on climate change had progressed well with cross party support. The Vice-Chairman encouraged the Cabinet and Leader to continue their work with government to ensure their full support for climate change. The Cabinet Member for Environment commented that the task group had worked well with the service to ensure the right outcomes could be achieved and staff and members had worked collaboratively.

**RESOLVED:**

That the two reports from the Communities, Environment and Highways Select Committee be noted.

**153/22 LEADER / DEPUTY LEADER / CABINET MEMBER/ STRATEGIC INVESTMENT BOARD DECISIONS TAKEN SINCE THE LAST CABINET MEETING [Item 6]**

There were eight decisions for noting.

**RESOLVED:**

That the decisions taken since the last Cabinet meeting be noted.

**154/22 CABINET MEMBER OF THE MONTH [Item 7]**

The Cabinet Member for Property and Waste introduced the report and highlighted some key points. Within the land and property service children's homes at Epsom, Walton and the Shaw Family Contact Centre in Woking were under construction. In Dorking, the Children's Home and Care Leavers Accommodation had been submitted for planning. 273 new pupil places had been delivered in September 2022 from a range of projects, work continued on the next phase which would deliver an additional 190 pupil places by September 2023. A number of high profile planning applications covering schools, supported independent living, extra care, Gypsy, Roma and Traveller sites would be due at the planning committee imminently. It was explained that an emergency task force had been formed to look at reducing energy consumption within all our operational buildings. The Eco-Park anaerobic digester was now processing all of Surrey's food waste, the gasifier had been awarded an Acceptance Certificate by the Independent Certifier in March 2022. The Deputy Leader and Cabinet Member for Communities and Community Safety commented on the high levels of specification that had been applied within the design standards for the new fire provision.

**RESOLVED:**

That the Cabinet Member of the Month update be noted.

**155/22 A COUNTY DEAL FOR SURREY [Item 8]**

The report was introduced by the Leader who stated that the new Prime Minister had already made an ongoing commitment to continue with the levelling up programme. The Leader provided the Cabinet with someone background into the county deal programme explaining that there were three levels of the deal an authority could apply for. Discussions had taken place with partners and presentations had been given to each of the district and boroughs with a request for them to put forward any requests they would like to see in the submission to government. No comments had been received yet but the Leader encouraged the district and boroughs to submit feedback. Both the Levelling Up White Paper and LEP integration guidance letter signalled a new direction and set out the steps the council would need to follow in order to take on LEP functions and roles, ensuring a strong business voice remains at the heart of decision making. The county had put forward a request to be appointed as the climate change lead authority.

The Deputy Cabinet Member for Levelling-Up welcomed the progress made on the Council's plans to secure a county deal for Surrey explaining that securing such additional powers would better enable us and our partners to deliver on our ultimate ambition that no one is left behind. She further added that it was positive to see the level of engagement that had already happened across the county with key local partners on the opportunities a deal could bring. The Executive Director for Partnerships, Prosperity and Growth and his team were thanked for all the work they had done around the county deal proposals. This was endorsed by the Leader.

The Deputy Leader and Cabinet Member for Communities and Community Safety recognised the structures that had been put in place in anticipation of the powers coming through. Will Forster urged the county council to work with the district and boroughs to submit a joint county deal proposal. The Leader restated that he had visited all the district and boroughs and welcomed the input from each. There had been an understanding that a paper would be taken to Cabinet in October and the Cabinet welcomed feedback on proposals from each of the district and boroughs. There was a short discussion around the possibility of using the UK prosperity fund alongside Section 106 funding which was welcomed by the Leader.

#### **RESOLVED:**

1. That Cabinet note the leading role the council has taken to engage with partners and key stakeholders to develop initial draft proposals for negotiation with Government on a County Deal for Surrey.
2. That Cabinet approve the initial draft core set of proposals for negotiation with Government for inclusion in a County Deal for Surrey, that have been developed in line with Level 2 of the Government's Levelling Up Devolution Framework.
3. That Cabinet endorse the approach to begin preparations for the integration of Surrey-wide LEP functions into a County Deal, subject to the outcome of negotiations with Government
4. That Cabinet endorse the approach to begin exploring appropriate governance arrangements for each of the "core" proposals in collaboration with the relevant Surrey's strategic partnership boards and other relevant key stakeholders.
5. That Cabinet approve the approach to negotiations with Government, noting that the initial draft proposals are likely to be subject to change during negotiations and that any final County Deal for Surrey deal will be brought to Cabinet and Full Council for approval.

#### **Reasons for Decisions:**

The Government's Levelling Up White Paper presents a rare opportunity for the council to pursue a devolution deal for Surrey that will bring new powers, freedoms and flexibilities, better enabling the council to deliver for residents against the 2030 Community Vision, the council's four strategic priorities (Growing a sustainable economy; Tackling health inequality; Enabling a

greener future; and Empowering communities), and work towards the overarching ambition of No One Left Behind.

*(The decisions on this item can be called-in by the Communities, Environment and Highways Select Committee)*

## **156/22 A COUNTY STRATEGY FOR HOUSING, ACCOMMODATION AND HOMES: BASELINE ASSESSMENT [Item 9]**

The Cabinet Member for Children and Families introduced the report explaining that the report outlines the background to and drivers for the initiation of a county-wide housing, accommodation and homes strategy and sets out the initial findings of a baseline assessment exercise, upon which key priorities and action will be derived, through a partnership-based, collaborative deliberation programme. Quality sustainable housing would contribute to the councils community vision priority areas and would play a critical role in Surrey's economy. The Cabinet Member explained that she would be launching a housing strategy roadshow alongside the Executive Director of Prosperity, Partnerships and Growth and would be meeting all the Leaders across the district and boroughs and the planning and housing portfolio holders to start discussions around housing in Surrey. Will Forster asked for some details around the funding for this work. The Cabinet Member stated that she would find out this information and provide the member with a written response.

### **RESOLVED:**

1. That Cabinet endorse the consultative research work undertaken in partnership, to establish a strategic baseline assessment of accommodation and housing across the county
2. That Cabinet approve the proposed deliberative engagement approach to secure the views and buy-in of partner bodies to the identification of strategic priorities for accommodation and housing in Surrey
3. That Cabinet agree to a further report, confirming the Accommodation and Housing Strategic needs and priorities, coming to the Cabinet meeting in January 2023.

### **Reasons for Decisions:**

1. The housing circumstances and conditions in which one lives have a profound effect on many aspects of our lives. Housing, accommodation, and homes across Surrey reflect a complex mix of tenures, provision, quality, quantity and affordability and accessibility and in a number of these respects presents serious challenges. Housing also has a distinct impact on the economy and its potential to grow.
2. In considering these issues, it is apparent that an evidenced, joined-up, county-wide partnership strategic approach to housing, accommodation and homes would be beneficial in providing ambition, focus, direction, and alignment across the whole Surrey housing system.
3. Acknowledging the complexity and potential sensitivity, the recommendations seek to secure endorsement at this stage of the

engagement, assessment and analysis of the current position and proposed next steps, to provide a common platform of awareness and understanding of the key issues, in order to drive strategic priorities for action and improved delivery and outcomes, over time, in pursuit of ensuring more residents in Surrey live in secure, affordable, and sustainable housing, are able to fulfil their full potential and make their best contribution to economic, civic and community life.

*(The decisions on this item can be called-in by the Communities, Environment and Highways Select Committee)*

### **157/22 A SKILLS PLAN FOR SURREY [Item 10]**

The Cabinet Member for Transport, Infrastructure and Growth started by saying that a Surrey Skills Summit would be taking place on 10 November at Sandown Racecourse and would be open to businesses and education providers. The report introduces the Skills Plan for Surrey, which is being produced with a focus on the role that skills development has in securing economic and inclusion outcomes across the county. The Government had set out its intent that every area would have a Local Skills Improvement Plan (LSIP) agreed with Government by Summer 2023. The primary purpose of the LSIPs is to put the voice of employers' front and centre of the development of skills provision, using an evidence led approach to make sure that the LSIP is capable of underpinning future funding decisions and directly influencing future provision. However, it solely focused on post-16 formal education, rather than a 'lifetime of learning' approach.

The Cabinet Member explained that overall, the UK's skills system was complex and largely fragmented and Surrey was no exception to this. Activity generally takes place on an institution-by-institution basis with no coherent Surrey-wide perspective on what good practice is being delivered and where opportunities to operate at scale and make improvements might be implemented. Work was being done with the Surrey Business Leadership Forum to engage on recruitment challenges. A key part of the plan would be to drive various career pathways at a very early stage. The skills plan will help to support economic growth and provide greater opportunities for Surrey's residents, supporting the principle of leaving no one behind. There was full support from the Cabinet on this report.

#### **RESOLVED:**

1. That Cabinet endorse the emerging outcomes and priorities of the Skills Plan for Surrey and recognise its role in relation to the forthcoming 'Lifetime of Learning' strategy.

#### **Reasons for Decisions:**

The Skills Plan for Surrey sets out the challenges and opportunities facing the Surrey economy in terms of recruitment and skills. Due to the combination of factors impacting the Surrey labour market which have seen substantial increases in demand for people and skills against a decreasing level of supply, action is required by both Surrey County Council and a wide range of partners, including businesses and training providers, to positively impact this agenda. Through doing so, we can help to support economic growth and



provide greater opportunities for Surrey's residents, supporting the principle of leaving no one behind.

*(The decisions on this item can be called-in by the Communities, Environment and Highways Select Committee)*

### **158/22 HEALTHY STREETS FOR SURREY DESIGN GUIDE [Item 11]**

The Cabinet Member for Transport, Infrastructure and Growth introduced the report explaining that Cabinet were being asked to endorse the new guidance and adopt it as county council policy. The refreshed approach to the street design will support active travel and movement to enrich the counties biodiversity and to support happy, healthy and sustainable lives. Following a two-year review of the County Council's design standards for new streets, new guidance had been produced. The Guide had been produced to assist developers; Borough and District officers and councillors; and local communities understand what the County Council would be seeking when considering the highways and transportation elements of proposals for development. The aim would be to deliver high quality, attractive, safe, accessible and sustainable developments. All development schemes will be assessed against the Guides' principles and design elements. The overarching principles of the guide were highlighted by the Cabinet Member. Surrey had been chosen as a Design Pathfinder which aims at developing new ways to empower communities to have their say on the development of new homes, buildings and amenities, such as shops and workspace, in their area and help restore people's pride in the places they live.

#### **RESOLVED:**

1. That Cabinet endorse the Healthy Streets for Surrey guide.
2. That Cabinet agree adoption of the guide as County Council policy for the design of streets in all new developments in the County.
3. That Cabinet agree to apply the approach to all County Council public realm schemes.
4. That Cabinet strongly recommends the guidance to the Boroughs and Districts.
5. That Cabinet delegates any amendments to the policy to the Cabinet Member for Transport, Infrastructure and Growth and the Executive Director for Environment, Transport and Infrastructure.

#### **Reasons for Decisions:**

Surrey County Council has a significant role in the design and implementation of new development, particularly in respect of streets specifically and transportation in general. As such, the County Council as the local Highway Authority advises the county's Boroughs and Districts on the transportation implications of applications for planning permission. The Surrey Street Design Guide, 'Healthy Streets for Surrey,' is being produced in order to assist developers, the Boroughs and Districts and the community to understand what standards the County Council will be seeking when considering

proposals. The aim is to deliver high quality, attractive, safe, accessible and sustainable development and well-designed places.

*(The decisions on this item can be called-in by the Communities, Environment and Highways Select Committee)*

**159/22 DE-REGISTRATION OF LAND AT STRINGERS COMMON AND DESIGNATION OF REPLACEMENT LAND TO FACILITATE JUNCTION IMPROVEMENT WORKS FOR WEYSIDE URBAN VILLAGE [Item 12]**

The Cabinet Member for Transport, Infrastructure and Growth introduced the report explaining that the development of Weyside Urban Village requires widening of the Moorfield Road / Woking Road junction onto a part of Stringers Common. The proposed junction improvements include the widening of Woking Road and associated works on its west side which is on County Council land and outside of the existing highway. Some widening was also required on the east side of Woking Road owned by Guildford Borough Council. The consent of the Secretary of State under section 38 of the Commons Act 2006 was required for works which impede access to or over common land or involve its resurfacing. Suitable replacement common land is also required, which has been identified off Jacobs Well Road, which will be considered as part of the application process.

**RESOLVED:**

Subject to the agreement of the matters arising in paragraph 57 of the report with GBC, it was agreed that Cabinet delegate authority to the Executive Director of Environment, Transport and Infrastructure, in consultation with the Cabinet Member for Transport, Infrastructure and Growth and Cabinet Member for Environment, to:

1. Undertake a public consultation exercise into the proposed de-registration of land at Stringers Common and related works.
2. Finalise the exact plot boundaries for the Commons Act applications in light of matters arising from public consultation, completion of the junction design and agreement of suitable mitigation measures.
3. Further to such consultation and subject to consideration of responses, prepare and submit a joint application with GBC under section 16 of the Commons Act to the Secretary of State seeking to:
  - de-register land at Stringers Common to facilitate junction improvement works at Moorfield Rd / Woking Rd – shown on the indicative accompanying plan (Annex A); and
  - register suitable replacement common land at Jacobs Well Road - shown on the indicative accompanying plan (Annex A).

**Reasons for Decisions:**

Planning permission was issued by GBC in March 2022 for the Housing Infrastructure Fund-enabled Weyside Urban Village (WUV), a major mixed

used scheme including the construction of 1,550 dwellings, a local centre, employment uses, replacement Council depot and replacement traveller's site at Slyfield Green.

In order to facilitate that scheme, road and junction improvement works will be required at the Woking Rd junction with Moorfield Rd, for which Surrey are the highway authority. These improvement works are proposed to be undertaken on land which is currently registered common land at Stringers Common, where SCC is the landowner.

*(The decisions on this item can be called-in by the Communities, Environment and Highways Select Committee)*

### **160/22 NATIONAL BUS STRATEGY - BUS BACK BETTER - AN ENHANCED PARTNERSHIP FOR SURREY [Item 13]**

The Cabinet Member for Transport, Infrastructure and Growth introduced the report explaining that the report was the latest step in the Council's response to the challenges set by Government through the National Bus Strategy (Bus Back Better). The report seeks agreement for the Council to enter into an Enhanced Partnership with local bus operators in Surrey, which aims to improve bus services for residents. This report explains how the Enhanced Partnership will work and the responsibilities of the Council as the Local Transport Authority and bus operators as service providers. Establishing an Enhanced Partnership was the next step in the Council's response to Bus Back Better. The report sought agreement to consult residents and stakeholders on proposals for a future financially sustainable bus network that will be fit for the future and more responsive to transformed travel patterns following the Covid 19 pandemic. The results of the consultation would be reported to Cabinet in early 2023 for consideration.

A Member queried how the public consultation would be taking place and if there were opportunities for face to face engagement. The Cabinet Member for Transport, Infrastructure and Growth stated that the consultation would run from 3 November to the 6 January. It would be available for residents and stakeholders via online and hard copy surveys. There would be an easy read version of the consultation made available as well as it being provided in Braille or audio or other languages on request. A Member commented on the success of the on demand bus service in Mole Valley. It was commented that on demand bus service would be introduced into Guildford/Waverley next year.

#### **RESOLVED:**

1. That Cabinet agree the Enhanced Partnership Plan for Surrey, inclusive of proposed governance arrangements to start on 3 November 2022.
2. That Cabinet confirm support for the delivery priorities set out in the draft Enhanced Partnership Scheme, which will be formally agreed by the Enhanced Partnership Board for implementation, with progress and performance updates to be presented to the Cabinet Member for Transport, Infrastructure and Growth, who is also chair of the Enhanced Partnership Governance Board.

3. That Cabinet agree that a public consultation be carried out to obtain the views of residents and stakeholders on the future bus network in Surrey, with the findings and proposed next steps to be presented to a meeting of Cabinet in early 2023.
4. That Cabinet agree that the public consultation material be approved by the Director for Highways and Transport in consultation with the Cabinet Member for Transport, Infrastructure and Growth prior to the consultation launch.

#### **Reasons for Decisions:**

The National Bus Strategy aligns with several key themes in our recently adopted Surrey Transport Plan 4, in particular the hierarchy of modes and the ambition to shift journeys from the private car to other more sustainable modes. In our response to Bus Back Better, the Council has consistently highlighted the strong linkages to the aims and ambitions of the Council's Greener Futures programme and delivery of the Council's 2030 Community Vision.

With regard to future local bus provision, a public and stakeholder consultation is proposed to help us shape the future bus network and respond to the challenge of new travel patterns and bus use post Covid19. Furthermore, as part of the extension of Government's Bus Recovery Grant (revenue funding provided to LTAs to support bus services where patronage remains depressed post Covid19), the DfT requires all LTAs to undertake a bus network review. This aims to ensure the local bus network in each LTA is financially sustainable once Government recovery funding ends at the end of the current financial year.

Our proposed approach will meet Government's timeline of an EP being agreed by the autumn. It will also meet Government's requirement to assess the financial sustainable of the bus network, which is being support by the proposed public and stakeholder consultation that will help shape the future bus network in Surrey.

*(The decisions on this item can be called-in by the Communities, Environment and Highways Select Committee)*

#### **161/22 SURREY SAFEGUARDING ADULTS BOARD ANNUAL REPORT 2021/22 [Item 14]**

The Cabinet Member for Adults and Health introduced the Independent Chairman of the Surrey Safeguarding Adults Board explaining that Simon Turpitt would be leaving the role and publicly thanked him for his work with the Board. The Independent Chairman introduced the annual report explaining that the Board continues to see a large increase in concerns at 23%. More work was being done to engage with the public and safeguarding was now being made more personal. Highlights and concerns were described and closer working practices were being undertaken with the Children's Safeguarding Partnership. Staffing, financial environment, recruitment and retention would cause difficult times ahead. The Cabinet Member for Children and Families thanked the Chairman for all his work and dedication to the board. The Chairman stated that mental health issues was a key underlying issue when it came to safeguarding issues which had been exacerbated by Covid 19. It was explained that there had been no adult safeguarding issues

with refugees in Surrey. The Leader thanked the Independent Chairman for all his hard work and dedication to the Board over the last ten years.

**RESOLVED:**

1. That Cabinet notes the Surrey Safeguarding Adults Annual Report for 2021/22.

**Reasons for Decisions:**

This recommendation demonstrates that the Council is fulfilling its statutory requirement under the Care Act 2014 in having established a Safeguarding Adults Board in its area.

It will support the SSAB to be transparent by providing information to the public on the performance of the Board and its strategic plan.

**162/22 ALTERNATIVE PROVISION CAPITAL PROGRAMME [Item 15]**

The report was introduced by the Cabinet Member for Education and Learning who explained that the report would seek to improve the quality and capacity of alternative provision in Surrey. Alternative Provision (AP) is statutory education outside of school, arranged by local authorities or schools. This report sought approval of £43.2m capital investment that enables delivery of Surrey's AP Capital Programme in full. This was in order to provide a total of 240 state-maintained alternative provision school places for children who cannot attend mainstream educational settings because of permanent exclusion, health, emotional or mental health needs from September 2024 onwards. The Cabinet Member provided the Cabinet with an update of the proposals being brought forward including renovating, rebuilding and relocating units. It was explained that the units would be fit for purpose units that would provide for outdoor space and indoor learning.

**RESOLVED:**

1. That Cabinet approve delivery of the £43.2m Alternative Provision programme in full and the movement of £22.7m Alternative Provision Capital funding from pipeline to budget, and notes the proposed use of £14.7m grant funding and expected £5.77m capital receipts which can be used to fund the overall capital programme. This is in order to provide a total of 240 state-maintained alternative provision school places for children with who cannot attend mainstream educational settings because of permanent exclusion, health, emotional or mental health needs from September 2024 onwards.
2. That Cabinet approve the delegation of authority to allocate resources from the approved £43.2m budget required for individual projects to Cabinet Members for Education and Learning, Finance and Resources, and Property and Waste, following Capital Programme Panel approval.

**Reasons for Decisions:**

Delivery of a Fit for Purpose state-maintained AP Education Estate that is aligned with DfE (Department for Education) accommodation guidelines that

provides a full and high-quality education offer and meets the needs of vulnerable learners who cannot attend mainstream school for a variety of reasons including exclusion, or mental or physical health difficulties.

The provision of the full availability of 240 places for Surrey resident children to access on a short-stay basis across the county which supports the county-wide inclusion plan and adopted Alternative Provision Strategy.

Reduction in the sustained commissioning of high-cost independent AP places and more equitable deployment of resources, which enables SCC to provide for more local children on a stable financial footing.

*(The decisions on this item can be called- in by the Children, Families, Lifelong Learning & Culture Select Committee)*

### **163/22 2022/23 MONTH 5 (AUGUST) FINANCIAL REPORT [Item 16]**

The report was introduced by the Leader who explained that at Month 5, the Council was forecasting a full year deficit of £33.2m, against the approved revenue budget but was committed to delivering a balanced budget. Departments had been tasked with coming up with a budget recovery plan and ways of addressing the overspend. The Leader said real progress would be made within six months but challenges would be significant. The council would continue to lobby government for additional funding and called for a delay to the adult social care reforms even though the council was committed to these. Although frontline services would not be cut some other projects which were not 'core' would need to be paused due to the current global economic crisis.

#### **RESOLVED:**

1. That Cabinet note the Council's forecast revenue and capital budget positions for the year and the commitment to develop a budget recovery plan.
2. That Cabinet approve distribution of £2.4m of corporately held budget to uplift Directorates' pay budgets to align with the approved 2022/23 pay award (Para 12).
3. That Cabinet approve the transfer of c. £1m of the Council's £6.5m Transformation Investment for mental health interventions to the Public Service Reform directorate budget; transfer of the remaining £5.5m to the Council's reserves to sit alongside the £4m of funding received from Surrey Heartlands Integrated Care Board; and delegation of approval of future drawdowns of Mental Health Investment Fund monies to the Joint Executive Director for Public Service Reform (Paras 22-24).

#### **Reasons for Decisions:**

This report is to comply with the agreed policy of providing a monthly budget monitoring report to Cabinet for approval of any necessary actions.

*(The decisions on this item can be called-in by the Resources and Performance Select Committee)*

**164/22 EXCLUSION OF THE PUBLIC [Item 17]**

**RESOLVED:** 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.

**165/22 ALTERNATIVE PROVISION CAPITAL PROGRAMME [Item 18]**

The Cabinet Member for Education and Learning introduced the Part 2 report which contained information which was exempt from Access to Information requirements by virtue of Paragraph 3: information relating to the financial or business affairs of any particular person (including the authority holding that information).

**RESOLVED:**

See Minute 162/22.

**Reasons for Decisions:**

See Minute 162/22.

**166/22 PUBLICITY FOR PART 2 ITEMS [Item 19]**

It was agreed that non-exempt information may be made available to the press and public, where appropriate.

Meeting closed at 16:28

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**Chairman**

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**SURREY COUNTY COUNCIL****CABINET****DATE:** 29 NOVEMBER 2022**REPORT OF:** N/A**LEAD OFFICER:** JOANNA KILLIAN, CHIEF EXECUTIVE**SUBJECT:** LEADER/DEPUTY LEADER/CABINET MEMBER/ STRATEGIC INVESTMENT BOARD AND COMMITTEE-IN-COMMON 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 since the last meeting as set out in Annex 1.

**REASON FOR RECOMMENDATIONS:**

To inform the Cabinet of decisions taken by Cabinet Members, Strategic Investment Board and the Committee in Common subcommittee 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 Strategic 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 since the last Cabinet meeting.

**Contact Officer:**

Huma Younis, Committee Manager, [huma.younis@surreycc.gov.uk](mailto:huma.younis@surreycc.gov.uk)

**Annexes:**

Annex 1 – Delegated Decisions taken

**Sources/background papers:**

None

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**CABINET MEMBER DECISIONS:**

**CABINET MEMBER FOR COMMUNITIES AND COMMUNITY SAFETY DECISIONS**

**Decision:**

**1. Surrey Fire & Rescue Service Statement of Assurance**

**(i) Details of decision**

That the annual Surrey Fire & Rescue Service Statement of Assurance be approved for publication.

**(ii) Reasons for decision**

The requirement for an annual Statement of Assurance is set out in the Fire and Rescue National Framework for England.

*(Cabinet Member for Communities and Community Safety – 25 October 2022)*

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**CABINET MEMBER FOR HIGHWAYS & COMMUNITY RESILIENCE DECISIONS**

**Petition:**

**1. One petition was considered and a response given:**

**(i) Details of petition**

**ZEBRA CROSSING AND TWO SPEED CAMERAS IN BLETCHINGLEY HIGH STREET**

We, the undersigned residents of Bletchingley, formally request that the present 30 mph speed limit within the High Street of Bletchingley (between The Bletchingley Arms and The Red Lion) remains in force taking into consideration the following factors:

- Restricted sightlines for residents accessing and exiting the main A25 from driveways and parking directly fronting the A25 and also the service roads throughout the village are extremely dangerous.
- Restricted sightlines for pedestrians (including school children and senior citizens) crossing either side of the A25 at any point throughout the High Street due to traffic travelling at speed through the village, including a very large number of articulated lorries and trucks.
- Lack of speed cameras here into the village at either end will not only further compromise our safety on a daily basis encouraging drivers to go even faster but will impact on our environment.
- Repairs to the A25 after the gas works last July have not been restored to the quality prior the works and as a result there are bumps left in the road.
- When larger vehicles hit these at speed, not only is this not safe, all of the older properties on the A25 shake with the impact. Given how many lorries pass through the A25 on a daily and nightly basis we all worry about the structures of our properties over time. This would be greatly reduced if there were measures throughout the village to slow their speed appropriately.

Solutions to improve the present road conditions for motorists travelling along this section of the A25 as well as pedestrians are as follows:

- A more holistic approach be taken, specifically with regards to the safety of all pedestrians (including school children and the elderly), cyclists, parked cars and drivers in contact with the A25 and surrounding roads.
- We propose two active speed cameras, one either end of the village (e.g. from The Bletchingley Arms coming into the village from Godstone and by the barbers at the top of the village coming into the village from Redhill).
- We also propose a zebra crossing near the Village Store almost opposite the Whyte Hart (not opposite the Post Office which is further up the High Street).
- In the meantime we would like to have SIDS installed either end of the High Street (as specified above). We know drivers their current speed so they are reminded to slow down entering the village. Therefore, data from these can be monitored by the council to assess typical speeds of drivers currently travelling through the village.

Submitted by: Lucy Denny and Lisa Marriott

### **Cabinet Member Response:**

The A25 High Street, Bletchingley is part of the principle A25 linking Redhill in the west with Surrey's border with Kent in the east. This part of the A25 travels through several villages including, Nutfield, Bletchingley, Godstone and Oxted. The existing speed limit along this part of the A25 varies from 30mph within the villages to 40mph/50mph along the rural sections between the villages.

The A25 High Street, Bletchingley between The Bletchingley Arms and The Red Lion pubs is 30mph. The character of the centre of Bletchingley, including that outside the Village Store and Whyte Hart (please see image below) is such that there is a wide-open public highway, with little to no formal footway. Wide areas of highway which could be formally designated as footway with a formal kerb are mostly taken up with parked vehicles.



**Image 1: High Street, Bletchingley – Whyte Hart on the left, Village Stores on the right**

There is an existing informal crossing point outside the Post Office, approximately 70m west of the Village Stores and the Whyte Hart.



**Image 2: High Street, Bletchingley – informal pedestrian crossing point**

Following the receipt of the petition in May 2022 a Highways Engagement meeting was held on 27th June 2022 with one of the petitioners, County Councillor Chris Farr, the Road Safety Team, the Highways Engagement & Commissioning team, Tandridge District Council members and members of the Parish Council.

During this meeting concerns were raised regarding vehicle speeds on the A25 High Street through Bletchingley, as well as epicormic vegetation at the base of trees located alongside the A25 next to Grange Meadow playing field shielding pedestrians trying to cross the A25. County Councillor Chris Farr raised concerns regarding the epicormic grown with Tandridge District Council. The remaining concerns are being addressed by the County Council as follows:

An assessment of the existing road signs will be carried out before the end of this financial, for any signing improvements to be funded in the 2022/23 financial year.

Each year local County Councillors can nominate a highway scheme to be put forward for prioritisation for funding from a central “Integrated Transport Scheme” budget. There are challenging technical difficulties that would need to be overcome to be able to implement a zebra crossing in the centre of Bletchingley, and it is not clear that these could be overcome. This is because there aren’t any footways, there would be a need to remove parking spaces which could be opposed by affected residents and businesses, and there would be understandable objections to positioning a zebra crossing with Belisha beacons immediately adjacent to the war memorial. Consequently, the Local Elected Member has not nominated this for prioritisation this year.

This stretch of road was also discussed at the Tandridge Road Safety Working Group meeting on 12 October 2022. This is a meeting hosted by the County Council’s road safety engineering team every six months and includes police and County Council road safety specialists who are invited to identify and discuss collision hotspots throughout the District.

It was noted that the stretch has suffered several collisions leading to injury (including some leading to serious injury). These were scattered throughout the length involving different road users and manoeuvres, with no clear pattern. Consequently, speed surveys will be commissioned using pneumatic tubes to assess the speeds at various locations within the 30 mph stretch including the outskirts and centre of Bletchingley. This data will be used to inform upon the extent, locations and nature of the speeding problem and help inform upon the best solutions. This could include average speed cameras, spot speed cameras, or vehicle activated signs. Investment in such measures in future years will depend on the number of casualties and extent of the speeding problem compared to other sites in Surrey.

*(Cabinet Member for Highways & Community Resilience – 25 October 2022)*



## Cabinet Member of the Month

**NAME:** Marisa Heath, Cabinet Member & Paul Deach, Deputy Cabinet Member

**PORTFOLIO:** Environment

### LOCAL NATURE RECOVERY STRATEGIES

Surrey is rich in wildlife and natural beauty, but we know that this is under threat from a variety of local pressures and climate change. I am therefore very excited about the Council's new responsibility under the Environment Act to lead on developing a Local Nature Recovery Strategy and the work ahead of us through this strategy to establish priorities for nature and map these across the county, through a collaborative and evidence-based process over the next 12 months. The strategy aims to make spaces for nature bigger, better and more joined up. This is critical to both halting the loss of biodiversity and declines in species abundance. It will also benefit people in communities across Surrey by creating greener communities and ecological networks that are more resilient to droughts and floods.

This is a significant opportunity, with Biodiversity Net Gain in planning and the transition to the new farming outcome-based incentive payment schemes known as ELMs (Environmental Land Management Schemes), being the key funding and delivery mechanisms for the strategy.

Each Local Nature Recovery Strategy will join up with neighbouring areas and as such, will form a key strand of the Nature Recovery Network across England. The LNRS will also be detailed enough to help inform proposals and decisions of individual landowners and farmers, developers, and regulators including Local Planning Authorities. The Council will work closely with the Surrey Nature Partnership, with the health sector and with infrastructure partners from highways to flood management, so investment opportunities across the spectrum are joined up.

### LAND MANAGEMENT & NATURE RECOVERY

The Natural Capital team has been working with partners on projects to support biodiversity across the Council's land holdings. These have included pilot projects which explore the potential to deliver Council outcomes if a broader approach is taken to how outcomes can be achieved.

#### Expanding the land protected by conservation designations

The Council have been working with Natural England to explore designating a new Super National Nature Reserve in West Surrey to protect Surrey's extended areas of heathland habitat outside the Thames Basin Heaths area. Heathland is a vital habitat for ground nesting birds and other heathland habitats in Surrey are protected at an international level. Heathlands are prone to bush fires during episodes of extreme heat as Surrey experienced this summer. The project will test the viability of 'wetting up' or raising the water levels on heath to provide it with a greater level of protection from fires.



Fire crews tackle the extensive fire

at Bisley Heath in July 2022.

At a smaller but just as important scale, the Council are working with Surrey Wildlife Trust and our local tenant farmer on land between Howell Hill and Priest Hill nature reserves in Epsom. The project will safeguard a rare flowering plant which grow in the arable fields between the two chalk downland sites. The aim is to create a larger nature reserve which supports nature recovery alongside farming.

## 7 Carrying out important restoration work

The Council continue to support Surrey Wildlife Trust to conduct important conservation work on the protected land it owns. 98% of the sites are in favourable or improving condition which is testament to the conscientious work carried out by the Trust.

The Council hosts three conservation partnerships in the county to support works on sites owned by borough and district councils as well as private landowners. They harness over 2,000 hours of volunteer time a year towards conservation. This year they have been supporting the local parish council in Brockham to restore the limeworks as well as maintaining ancient woodlands at Staffhurst Wood in Tandridge.

Volunteers from the Council's Green Champions Network will be helping with conservation work on the Basingstoke Canal this month. Team leaders from the Basingstoke Canal Society, trained by the Basingstoke Canal Authority will be guiding them to clear pennywort, a highly invasive non-native floating plant that can grow up to 20cm a day drawing light and oxygen from the canal's wildlife. Mechanical removal is the only method available given the harm posed by chemicals in this protected environment.



Volunteers who had been working to clear scrub at Jubilee Wood met the giraffes who gladly received the brush for feed at Chessington World of Adventures.



Volunteers clearing ragwort at Norbury Park this summer.

A cross Council team has been working with Contractors to restore a brownfield site at Caterham Downs. The project has cleaned the soil to restore over two acres of chalk downland (a habitat as richly diverse as the Amazon rainforest) and has won a Green Apple award for its results.





### **Increasing biodiversity through natural flood risk management – Horsell Common**

The Flooding and Climate Resilience Team have been working with the Horsell Common Preservation Society to tackle local flooding and to improve the biodiversity and accessibility of Horsell Common as well as planting trees.

The project has seen the construction of new wetlands which help reduce flood risk in Woking as well as an amazing new habitat made up of three large ponds and a wooden boardwalk for increased public access for recreation which improves a popular commuting route. The works are planned to be complete this Autumn.



### **Protecting land through acquisitions with partner organisations**

This year the property team at the Council led on the partnership purchase of Tice meadow, a former quarry site which has been made into a nature park. The handover was complete last month and commemorated with the planting of a tree. The Council is now reviewing how the site can be joined or linked with other publicly owned assets, such as Tongham Pools and the Black Water Valley route, to create nature corridors via a masterplan for the area.





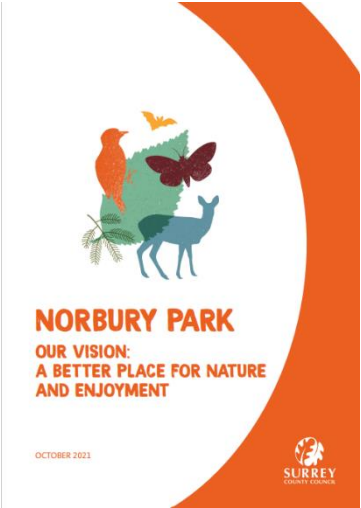
The River Thames Scheme is the Council's largest environmental project where it is working in partnership with the Environment Agency on a £600m project to reduce the risks of flooding from the River Thames in the boroughs of Spelthorne and Runnymede. It takes a whole landscape approach to adapting the Thames River basin to support flooding, people, property and nature. It will deliver a 20% net increase in biodiversity by creating a new network of habitat areas and green open space. It is a vital corridor for supporting nature year-round and for migrating birds as they venture north or south. The project team are hosting a series of public consultation events throughout November and into December which has also attracted media coverage including from BBC London News: [England's largest flood defence scheme begins - YouTube](#). This highlights the multiple opportunities that come with the scheme as well as the discovery of a rare mayfly identified during environmental surveys that are taking place ([River Thames: Rare species found as flood defences considered - BBC News](#)).

### **Working with our farmers to generate more positive land management outcomes**

The Council owns 17 farms, and the service has recently been asked by the Property team to help support positive outcomes for both farmers and natural capital. A more sustainable approach to land management is being trialled on at least five of our farms by adopting regenerative farming practices and reviewing the investment potential with tenant farmers for projects such as solar panels and anaerobic digestion. Alongside a whole farm/estate approach to increasing the natural value of our assets, we are also working with specific tenant farmers to replace hedges, plant trees, trial agroforestry techniques and support the development of localised food hubs and centres of excellence on successful farming on grade 3 farmland.



At Norbury Park we have agreed a vision for the estate which prioritises maximising natural capital in the park. The vision will now be followed by the collation of data to support a holistic approach to land management which enables growth in its carbon sequestration and nature conservation value. This will drive a new approach to decision making which favours investment in natural capital as well as increasing farmer’s income from new market schemes such as carbon credits and biodiversity net gain, and new food markets such plant-based protein. This will make farming in the Park more sustainable environmentally and economically.



**Delivering biodiversity benefits at all our operational sites**

The service manages the grounds of over 260 operational sites, including libraries, schools, care homes and council offices. This year across these sites over six hectares of land has been set aside for meadow creation. Next year this will be extended to plant or restore hedges on site.

The Tree Planting team have recently recruited an Ecologist dedicated to supporting schools with nature and habitats in their outdoor spaces. This will include tree planting, meadow creation and information on how to best support local nature on site.



Leatherhead Trinity School



Buckland Primary School

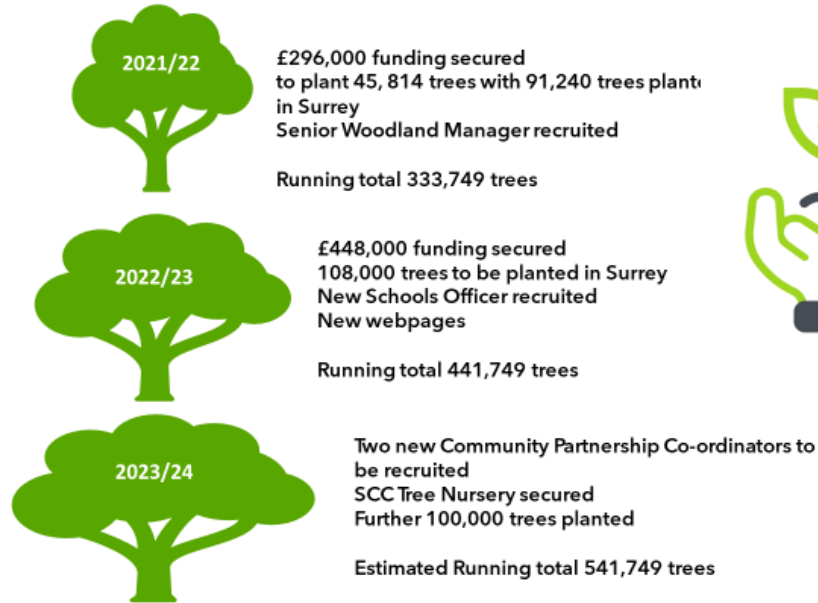


Bramley C of E Infant and Nursery School

**Working towards our target to plant 1.2 million trees**

The Council continues to make excellent progress in its ambition to plant a tree for every resident by 2030. The slide below sets out its current journey and successes including securing £448,000 in match funding this year.





## Educating the next generation

This year the service has completed the refurbishment of the Discovery Centre at Newlands Corner which provides electronic displays on nature and recreation at all SCC's Countryside Sites. Conservation is an important element of education in the centre which overlooks a new wildlife area. Next year new features will include a section on the ancient yew trees at Newlands Corner and how visitors can support their protection. Interest in biodiversity is harnessed and encouraged through visitor blogs and recording of flora and fauna especially on national butterfly day. The play equipment installed, using sustainable local timber logs, is designed to promote play in the natural environment and promote links between children and nature.

Each of the Council's 19 countryside sites have a collection of five icons in their branding, each representing the unique collection of species at that site. These are being used to create new trails. For example at Newlands Corner there is a short dormouse trail and a longer deer trail.



Newlands Corner Discovery Centre



The Service has been working in partnership with the Council's Youth Teams to reopen the Sawmill at Norbury Park as part of a woodland hub focused on supporting woodland management on the estate. The teams will be using the workshop to train apprentices and provide young people with skills in woodland and wood crafts. The partnership has been particularly innovative in the products it will be providing the wider community. Schemes include the provision of sustainable urban drainage planters for trees in urban areas, timber logs from ash die back felling for schools to create fire circles and using coppiced materials from the park's woodlands for fence making. Spare logs will also be chopped for fuel poverty schemes.



The Sawmill at Norbury Park

## CLIMATE CHANGE ADAPTATION STRATEGY

In addressing the challenges of climate change it is important that we recognise that there are two sides to the coin of the climate emergency:

Firstly, we need to meet the net zero challenge to maintain our Greenhouse Gas emissions below the threshold at which climate impacts become excessively dangerous to our global society (i.e., 1.5 to 2°C). SCC's approach to tackling this is set out in the Surrey Climate Change Strategy and Delivery Plan.

Secondly it is essential that we work now to adapt to the climate impacts already built into the system even if we meet Net Zero – those deemed potentially manageable but that still require us to be more resilient and change how we operate and run everything in our society.

This summer we have seen that these impacts are already affecting Surrey residents, our services and infrastructure with record breaking temperatures followed by drought and then more recently surface water flooding.

Although the existing Surrey Climate Change Strategy and Greener Futures programmes acknowledge the need for climate change resilience it is important that we work with our partners to develop a collective strategy and action plan to ensure Surrey adapts to the already changing climate.

This strategy is under development, being written in-house by two key Climate Change Adaptation specialists, with a draft due in early 2023. A strategic cross-sectoral workshop has taken place this month at the WWF Living Planet Centre with key technical officers from SCC, Districts and Boroughs and lead partner organisations. Below is the word-cloud from participants regarding what they would like to see Surrey be like in 2050:

The Strategy is identifying high level pathways to ensure that we are resilient and adapting to increased flooding, droughts, heatwaves, wildfires, and other knock-on impacts, such as food security, disease burden and impacts on agriculture and other sectors. High level discussions on trade-offs and financing will need to take place in the coming years. Strong governance, and partnerships will be key in ensuring that we can work collectively across organisations to ensure a resilient and climate adapted Surrey into the future.

What one word describes your vision for Surrey 2050 within this agenda?



An Action Plan will be included with the Strategy and across SCC directorates more detailed risk assessments will need to take place.

This work will be further outlined in the members seminar on Monday 28th November.

## COMMUNICATION & ENGAGEMENT

Communications activities have most recently been focused on support for residents amid the cost-of-living crisis and using this engagement to also deliver greener future objectives. Campaigns have featured energy saving tips, promotion of the sustainable warmth grant and the launch of warm hubs. The objectives of these campaigns are to:

- Mitigate the impact of inflation and cost of living for Surrey's residents, particularly those most at risk of food and fuel poverty over the winter
- Increase resident understanding of financial and welfare support available
- Increase uptake of, and access to, support available
- Encourage behaviour change to reduce bills, protect the environment, improve health & wellbeing
- Increase awareness of SCC support and delivery.

A broad range of communication channels have been used to deliver messages including media, social media, google advertising, articles in D&B/ Parish and other magazines, our website, hard-copy publicity materials in food banks, libraries, GPs etc and advertising at shopping centres, railway stations and bus stops.

Some recent communication highlights:

- **Sustainable Warmth Grant** – Following distribution of a Directory of Support to every Surrey household and 45, 000 flyers to targeted locations, calls to Action Surrey about the grant rose by **a third in just 5 days** and have continued to grow. Additionally, **15, 000** people have been reached so far on social media. The response is well-beyond what is expected at this stage.
- **Warm Hubs** – while it is early days for warm hubs, over **6, 600** people have seen our social media posts and **362** have clicked through for more information already



- **Greener Matters Newsletter** – recently re-branded and promoted. This has led to a **113% increase in subscribers**
- Promoting this weekend's **tree giveaway** at selected libraries has so far been seen by **over 32, 000 people** on Facebook alone
- Highlighting our work at Horsell Common in Woking to alleviate flooding which was featured on **BBC Surrey** and in the **Woking News and Mail**.

### **Working in partnership with District & Borough Council Colleagues**

We continue to work together with Surrey's District and Borough Councils on our approach to tackling Climate Change and becoming a net-zero carbon emissions county by 2050. At the latest Greener Futures Partnership Steering Group, a meeting of the Lead Councillors and Directors for Climate Change across the County, District and Borough Councils, we had an interesting and productive discussion about developing new collaborative projects across all 12 councils. We have already achieved both emissions and financial savings for local residents and businesses by working together on programmes like Sustainable Warmth and LoCASE, and we look forward to delivering more collaborative projects to maximise the impact of our resources. We also recognise the fantastic progress the District and Borough Councils have made on reducing carbon emissions, as evidenced by the case studies they contributed to the upcoming assessment of the Greener Futures Climate Change Delivery Plan

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**SURREY COUNTY COUNCIL****CABINET****DATE: 29 NOVEMBER 2022****REPORT OF: TIM OLIVER, LEADER OF THE COUNCIL****LEAD OFFICER: LEIGH WHITEHOUSE, DEPUTY CHIEF EXECUTIVE AND EXECUTIVE DIRECTOR OF RESOURCES****SUBJECT: 2023/24 DRAFT BUDGET AND MEDIUM-TERM FINANCIAL STRATEGY TO 2027/28****ORGANISATION STRATEGY PRIORITY AREA: GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT/ TACKLING HEALTH INEQUALITY/ENABLING A GREENER FUTURE/EMPOWERING COMMUNITIES****Purpose of Report:**

The Council has a statutory duty to set a balanced budget in advance of each financial year. The Final Budget for 2023/24 will be approved by Cabinet in January 2023 and full Council in February 2023.

This report and the attached 2023/24 Draft Budget and Medium-Term Financial Strategy to 2027/28 sets out progress towards delivering a balanced budget. It is good practice as far as possible, to set out in advance the draft budget to allow consultation on and scrutiny of the approach and the proposals included.

**Key Messages:**

The Council has worked hard over recent years to improve its financial resilience and the financial management capabilities across the organisation. This has strengthened our position, compared to where we were in 2018.

Through our hard work and diligent financial management, we have built a stronger financial base from which to deliver services. We have reduced our financial risk, delivered service improvement, ambitious investment and built back depleted reserves. We have continued to be responsible with taxpayer's money; minimising increases in Council Tax and delivering services in a more effective and efficient way, providing a stable platform to invest in the county's future, as well as enabling us to manage challenges and uncertainties, as evidenced throughout the pandemic

From this strengthened position, we were anticipating now being the time we could push our ambition forward and implement innovative change. However, the cost of living crisis, global financial uncertainty and government policy changes, mean we are facing some severe challenges to our financial position in the coming years.

Our focus will need to be on protecting service delivery and a continuation of the need to be forward looking to the medium term, as well as the delivery of significant efficiencies required each year in order to achieve a balanced budget position. We are however confident that our improved financial position and focus on budget accountability, provides a solid foundation for us to achieve this. We will focus on protecting our critical services to ensure our objective that no one in Surrey is left behind, can be fulfilled.

We remain an ambitious and forward looking organisation and we are optimistic in our ability to overcome these financial challenges. The Council has established a strong track record in recent years of delivering efficiencies and transformation and a total focus on our financial management responsibilities.

The production of the 2023/24 budget has been developed through an integrated approach across Corporate Strategy, Transformation and Finance, ensuring that revenue budgets, capital investment and transformation plans are aligned with each Directorate's service plans and the corporate priorities of the organisation. Ensuring that each aspect of planning for 2023/24 and the medium-term are completely aligned provides a stable foundation for delivering services to Surrey residents in the face of challenges presented by the cost of living crisis, the medium term ongoing impacts of the Covid-19 pandemic and wider local government policy pressures.

Although good progress has been made over the last few months in identifying efficiencies and opportunities there remains a provisional budget gap for 2023/24 of £14.4m, driven primarily by significant inflation, policy changes and ongoing demand pressures within priority services.

The gap will require further actions to close, which will be extremely challenging, given the level of pressure forecast, and may require the Council to further review the timing of the rollout of some of our transformation programmes. The extent to which further efficiencies or other measures to close the budget will need to be identified, will be dependent upon the Local Government Finance Settlement in December, and confirmation of District and Borough Council Tax Bases in January.

The gap is expected to continue to grow over the medium term financial strategy period. The Council recognised that tackling this gap will require a medium-term focus and a fundamentally different approach. We are focusing not only on the short term pressures in 2023/24, but simultaneously looking to address the medium-term horizon. Cross-cutting Directorate transformation opportunities contribute to the efficiencies already identified in this Draft Budget and work continues to identify additional areas of focus, including a planned organisational review.

#### **Recommendations:**

It is recommended that:

1. Cabinet note the 2023/24 Draft Budget and Medium-Term Financial Strategy to 2027/28, including progress to date in setting out spending pressures and efficiencies, as set out in Annex A.
2. Cabinet note the provisional budget gap of £14.4m for 2023/24 and the next steps required to close the gap.
3. Cabinet note the proposed Capital Programme for 2023/24 to 2027/28 of £1.9bn set out in Section 6 and Annex B
4. Cabinet note the Executive Summary of Resident Engagement and next steps set out in Section 9.

#### **Reason for Recommendations:**

In January 2023, Cabinet will be asked to recommend a Final Budget for 2023/24 to full Council for approval in February. The draft budget sets out proposals to direct available resources to support the achievement of the Council's corporate priorities, balanced against a challenging financial environment, giving Cabinet the opportunity to comment on the proposals and next steps.

The draft budget also provides an update on the continuing transformational programme, including identified cross cutting opportunities which are required to ensure that the Council can continue prioritising outcomes for residents, while managing growing demand for services and safeguarding future financial resilience and sustainability.

#### **Details:**

1. The Draft 2023/24 Final Budget Report and Medium-Term Financial Strategy to 2027/28 and supporting Annexes set out the context (both internal and external), approach and assumptions underpinning the development of the budget.

#### **Consultation:**

2. Section 9 of the Draft Budget sets out the consultation undertaken to date and the plans for further consultation between now and approval of the Final Budget.

#### **Risk Management and Implications:**

3. The attached report and annexes have been prepared with a view to risk management from a financial, operational and reputational perspective. The financial risk implications are set out throughout Section 5 (Financial Strategy and Draft Budget 2023/24) of the attached document and exemplified in the S151 commentary below.

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

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

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

5. Although significant progress has been made to improve the Council's financial position, the financial environment remains challenging. The UK is experiencing the highest levels of inflation for decades, putting significant pressure on the cost of delivering our services. Coupled with continued increasing demand and fixed Government funding this requires an increased focus on financial management to ensure we can continue to deliver services within available funding. In addition to these immediate challenges, the medium-term financial outlook beyond 2022/23 remains uncertain. With no clarity on central government funding in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term.
6. The Council has a duty to ensure its expenditure does not exceed the resources available. The Section 151 Officer confirms that the Draft Budget has been based on reasonable assumptions, taking into account all material, financial and business issues and risks at the time of preparation.

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

7. The draft budget does not constitute final approval of policies or sums of money to be saved under the service proposals. The proposed draft revenue budget and capital programme in the report do not commit the Council to implement any specific efficiency proposal.

8. If the Cabinet is required to consider making specific decisions on efficiencies, , focussed consultations and the full equality implications of implementation will be considered in appropriate detail. If it is considered necessary, in light of equality or other considerations, it will be open to those taking the decisions to spend more on one activity and less on another within the overall resources available to the Council.

### Equalities and Diversity

9. Where appropriate, Equality Impact Assessments will be undertaken to assess the efficiency proposals set out in budget, along with any further measures that emerge as part of closing the draft budget gap. Proposals will only be implemented once Members have actively paid due regard and considered all possible actions and mitigations to achieve the aims of the Public Sector Equality Duty, namely the need to:
- Eliminate discrimination, harassment, victimisation or any other conduct 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.
10. A report on the cumulative equality implications of the efficiency proposals to identify multiple impacts on the same groups, as well as individual Impact Assessments for proposals that need them, will be presented to Cabinet in January.

### What Happens Next:

11. Section 10 of the report sets out detailed next steps; in summary they are:
- a) Review income and funding assumptions - particularly in light of the Local Government Finance Settlement;
  - b) Ensure that contingencies in the 2023/24 budget are set at the right level to deal with continuing uncertainty around the economy, inflation and the impact of the cost of living crisis on demand for services, recognising the Council's improved reserve resilience alongside the high risk operating environment;
  - c) Review Directorate budget envelopes for further efficiencies; and
  - d) Continue to review opportunities and drive further cross cutting efficiencies.

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#### Consulted:

Cabinet, Executive Directors, Heads of Service

#### Annex:

Annex A – Draft Directorate Pressures and Efficiencies

Annex B – Draft Capital Programme



**Draft Budget  
Report 2023/24,  
and Medium-Term  
Financial Strategy  
to 2027/28**



# 1. EXECUTIVE SUMMARY

## Delivering priorities, ensuring *no one is left behind*

- 1.1 This Council is determined that the Community Vision for Surrey 2030 continues to be delivered to ensure the county is 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 where no one is left behind.
- 1.2 Our Organisation Strategy sets out our contribution to the 2030 Vision. Within it, the Council's four priority objectives and guiding principal that *no one is left behind* remain the central areas of focus as we deliver high-quality and sustainable services for all.

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- 1.3 The purpose of the Budget and Medium-Term Financial Strategy is to set out how the Council will use its funding to deliver its priority objectives and core services. These priority objectives sit at the core of the budget process, leading our approach to allocating resources and developing investment plans.
- 1.4 The Council's purpose and approach to improving the lives of residents across the four priority objectives, as well as ensuring that no one is left behind, is set out in The Surrey Way (section 2) and reflected throughout this budget report.



- 1.5 The period covered in the report, represents a challenging time for the Council's finances with inherent uncertainty in the planning process and significant pressures identified in relation to both the high levels of inflation being experienced nationally and ongoing forecast increases in demand for key services. The Chancellor's Autumn Statement delivered on the 17<sup>th</sup> November 2022 set out an extremely challenging medium term outlook for the public finances, with Local Government unlikely to be spared the impact of that over the medium term. It is therefore even more important that the Council continues to direct its resources using the most efficient means possible towards achieving its purpose and priorities, while ensuring that core services are delivered to residents.

### **Developing the Draft Budget and Medium-Term Financial Strategy**

- 1.6 The 2023/24 Draft Budget Report and Medium-Term Financial Strategy to 2027/28 updates on the progress to deliver a balanced budget for 2023/24 and outlines the continuation of ambitious, sustainable and resilient medium-term financial plans, balanced alongside an uncertain political and economic national environment.
- 1.7 The Council has worked hard over recent years to improve its financial resilience and the financial management capabilities across the organisation. From this strengthened position we have been able to be ambitious in our outlook and look to continue to drive improvements and investment in our services, as well as enabling us to manage challenges and uncertainties, as evidenced throughout the pandemic. This stability will not necessarily allow us to avoid difficult decisions, but it will allow us the time and space to make them in a considered and measured way, underpinned by an earned confidence in our ability to deliver.
- 1.8 However, we recognise that this financial year and the next 2-3 are likely to represent an extremely challenging period and our focus will need to be on protecting service delivery in the first instance, not retreating, but being realistic about our ambitions whilst we manage the challenges ahead. We need to focus on the medium term as well as the delivery of significant efficiencies required each year in order to deliver a balanced budget position. We are however confident that our improved financial position and focus on budget accountability provides a solid foundation for us to achieve this and that we will be able to continue to deliver the Council's priorities.
- 1.9 As in previous years, the production of the 2023/24 budget has been developed through an integrated approach across Strategy, Transformation and Finance, based around 'Core Planning Assumptions' which set out likely changes to the environment in which we deliver our services. The integrated approach ensures that revenue budgets, capital investment and transformation plans are aligned with each Directorate's service plans and the Corporate Priorities of the organisation. Ensuring that each aspect of planning for 2023/24 and the medium-term are completely aligned provides a stable foundation for delivering services to Surrey residents in the face of challenges presented by the cost of living crisis, the medium term ongoing impacts of the Covid-19 pandemic and wider local government policy pressures.

### **The financial outlook**

- 1.10 Local Government funding remains highly uncertain, with a number of factors likely to result in significant changes to our funding position over the medium-term (as set out in section 5). Funding for 2023/24 is not yet clear, although the Autumn Statement provides the first official indications of this. The anticipated consultation on changes to local government funding over the summer did not occur due to the prime ministerial leadership contest. Through the fiscal event/mini budget on 23 September 2022 government also made us aware that there will not be a new spending review which could have taken into account the vastly different levels of inflation experienced compared to what was assumed when the current one was announced last year. On 17 November, immediately prior to publication of this report to Cabinet, the Chancellor of the Exchequer made further fiscal announcements through his Autumn Statement. A number

of these were of direct relevance to our services and financial strategy, including the delay to the implementation of Adult Social Care Reforms, additional funding for schools and social care and changes to the levels of Council Tax rises that are allowable before a referendum, all of which have an impact on the Council's budget position. This provided important pointers to what we might see in the Local Government Finance Settlement, and assumptions have been updated based on estimates of the impact, however the first opportunity to understand in detail the direct impact of funding arrangements for the Council will be with the provisional Settlement itself, which is expected in late December, with a final settlement in January 2023. Until this is available, significant uncertainty on funding remains.

- 1.11 The Autumn Statement set out the extent to which events such as government spending to combat Covid-19 and mitigate its impact on business and individuals and more recently the mini budget announced by Government on 23 September 2022 has put significant pressure on public sector borrowing and has had a damaging effect on the UK economy, which in turn influences the level of funding available for Local Authorities.
- 1.12 The overall outlook for 2023/24 is one of significant challenge, with budget envelopes remaining relatively static in the face of substantial increases in the cost of maintaining current service provision and increased demand. Despite a small increase in the projected levels of funding, pressures anticipated for 2023/24 are significantly higher than in recent financial years. These pressures relate to a number of factors occurring simultaneously, namely high levels of inflation, Europe's energy crisis, workforce and labour shortages, high interest rates and the ongoing impact of the pandemic. The Council continues to see large increase in demand for services, particularly within Adults and Childrens' social care and the impact of the cost of living crisis on residents is expected to further increase demand for key services. In addition, the projected cost of implementing the Government's Adult Social Care Reform proposals is anticipated to put significant financial pressures of the Council over the medium term, well in excess of the funding being made available. The recent announcement to delay the implementation of these reforms reduced the immediate pressures, but material uncertainty remains over the medium term.
- 1.13 While the financial environment is very challenging, the Council has established a strong track record in recent years of delivering efficiencies and transformation and taking our financial management responsibilities very seriously. The Finance Improvement Programme, implemented in 2018, enabled the Council to strengthen its financial resilience and financial management capabilities before the impact of Covid was felt. This enabled the Council to approach the pandemic in a way that prioritised our residents.
- 1.14 Although good progress has been made over the last few months, at the point of publication there remains a provisional budget gap for 2023/24 of £14.4m, driven primarily by significant inflation, policy changes and the need to maintain the delivery of priority services experiencing significant demand pressures. The gap will require further actions to close, which will be extremely challenging, given the level of pressure forecast, and may require the Council to postpone some activity that contributes directly to the achievement of our ambitions. The extent to which further efficiencies will need to be identified, will be dependent in part upon the Local Government Finance Settlement in December, and confirmation of District and Borough Council Tax Bases in January.
- 1.15 The gap in 2023/24 and the following four years is expected to continue to grow, based on current projections, to the order of £221m. The Council recognises that tackling this gap will require a medium-term focus and a fundamentally different approach. We are focusing not only on 2023/24, but simultaneously looking to address the medium-term horizon. Cross-cutting Directorate transformation opportunities contribute to the efficiencies already identified in this Draft Budget and work continues to identify additional areas of focus, including a planned organisational review.

## Engagement and next steps

- 1.16 In 2021, we carried out in-depth research with residents to understand their priorities for how the council should spend its money. Residents indicated that they were willing to accept increases in Council Tax and the Adult Social Care Precept if it was for the purpose of protecting services that work with some of the most vulnerable people in Surrey. The engagement demonstrated that resident priorities align with those of the council, with top priorities for residents including Social Care for people of all ages, Waste services and Fire and Rescue. There was also support for more investment in preventative services and for placing those residents most at risk of being left behind in Surrey at the heart of decision-making. Residents wanted a more active role in what happens in their localities.
- 1.17 These results continue to provide a robust foundation from which to shape budget decision-making and, in 2022, have been complemented by a lighter touch approach to engagement. In May 2022, we held three virtual focus groups exploring themes including factors that make a good place to live and what local area improvements residents would like to see irrespective of who is responsible for their delivery. The groups also discussed services particularly important to resident households and in need of more support from Surrey County Council. They highlighted:
- Making sure people get access to the services they need
  - Helping people cope with the rising cost of living
  - Community safety / managing crime / anti-social behaviour
- 1.18 Additionally, in August 2022, a cost-of-living survey was asked of the Surrey Health and Wellbeing Panel which looked at areas including the challenges they have faced in the previous three months (1 May – 31 July) and if they had had to alter their behaviours. This survey will be repeated in winter to see if there has been any further change.
- 1.19 The key findings show that while the majority of Surrey residents are not in crisis situations, they are beginning to make cutbacks. It is important to note that some residents are in crisis already.
- 1.20 We have also engaged closely with members, staff and partners to shape this Draft Budget and plan to continue engagement until early into the new year as the budget is finalised. This includes launching an open survey in November seeking views on the Draft Budget, how resources are proposed to be spent and the impact on our communities.
- 1.21 Potential impacts of the budget proposals are considered by services in a variety of ways, including through services' own consultation and engagement exercises and the use of Equality Impact Assessments (EIAs). EIAs are used to guide budget decisions and will be included in the final Budget paper alongside an overview of the cumulative impact of proposed changes. At Surrey County Council, we consider impacts not just on the nine protected characteristics, but also other vulnerable groups.
- 1.22 Between now and February 2023, when the budget is approved by Full Council, officers and Cabinet Members will work closely together to close the current budget gap; challenge and refine assumptions and finalise the development of the medium-term Capital Programme. Impacts of budget proposals, both positive and negative, will also be considered by services including via Equality Impact Assessments which will be included in the Final Budget proposals.



## 2. THE SURREY WAY: A HIGH PERFORMING COUNCIL, ENSURING THAT NO ONE IS LEFT BEHIND

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OUR PURPOSE



OUR ORGANISATION



OUR PEOPLE

- 2.1 The Community Vision for Surrey 2030, which was created with residents, communities and partners on behalf of the whole county, sets out how we all want Surrey to be by 2030. Together, we are all working to deliver 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 where *no one is left behind*. The Council plays a big part in the joint effort to realise this vision.
- 2.2 Our purpose as a council is to tackle inequality and make sure that no one is left behind; reinforcing the aims of the Community Vision for Surrey 2030. It is our responsibility as a council to support those in need and deliver everyday improvements to residents in all walks of life.
- 2.3 We focus on a small number of organisational priorities that will let us create the conditions for Surrey to thrive. Our Organisation Strategy (2021-26), sets out four priority objectives which reflect where we think we can have the greatest impact on tackling inequality and improving outcomes for people living and working in the county:

**GROWING A SUSTAINABLE ECONOMY**

We want to support economic growth among people and businesses in Surrey. Economic growth helps to improve health and well-being and general living standards. We will reorder infrastructure plans in line with the changing needs of residents.

**TACKLING HEALTH INEQUALITY**

Drive work across the system to reduce widening health inequalities, increasing our focus on addressing mental health and accelerating health and social care integration to reduce demand on services while improving health outcomes for residents.

**ENABLING A GREENER FUTURE**

We continue to tackle environmental issues, improve air quality, and focus on green energy to make sure we reach our net zero targets. We are building on behaviour changes and lessons learned during lockdown to make further progress.

**EMPOWERING COMMUNITIES**

We aim to empower, enable and engage communities to tackle local issues and grasp opportunities. It should be easier for everyone to play an active role in the decisions that will shape Surrey's future.



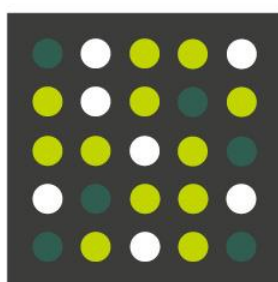
- 2.4 Our main duty as a council is to deliver high-quality core statutory services, and these services are the building blocks for meeting our four priority objectives. Core services aim to support people to live independently and well in their communities, ensure children and families reach their full potential, protect Surrey’s residents and businesses, and take care of Surrey’s environment and highways.
- 2.5 We also want to go beyond what we’re required to do, to be a truly outstanding council. We are playing a wider strategic role in ensuring Surrey is ready to engage the big challenges and opportunities now and in the future. By working collaboratively across the county to mobilise around these key emergent issues, the lives of Surrey residents are improved, demand on services is reduced, and better outcomes and opportunities for Surrey residents are achieved.
- 2.6 To achieve excellence in services and ensure Surrey can meet our priority objectives, we are transforming how our organisation operates and the culture and behaviours our people embody. Outcomes within this transformation will enable us to plan our activities and measure progress in each of the four priority objectives. Progress here will help the council become more resilient, add more value, make greater impact, and reduce demand on services as residents become more empowered and resilient.
- 2.7 In order to achieve our purpose, this transformation around how **Our Organisation** operates has four principles which guide us:



OUR ORGANISATION

- We organise ourselves around outcomes and make it easy for others across Surrey to collaborate with us.
- We help people and communities to help themselves and devolve decisions and service design as close to them as we can.
- We maximise the potential of digital and data to transform the way we work and improve accessibility.
- We seek out preventative, commercial and efficient approaches to help us be financially sustainable.

- 2.8 To support our purpose, the transformation around the culture and behaviours **Our People** embody also has four commitments about how we work:



OUR PEOPLE

- An inclusive and compassionate place where we value diversity and can be ourselves at work.
- A collaborative and inviting place where we are open, trust each other, and work as one.
- An ambitious and outcomes-focused place where we are passionate about our purpose and take accountability for delivering great results.
- An inventive and dynamic place where we promote a learning mindset and adapt to new insights and opportunities.

- 2.9 Key to this new strategic framework and contributing to the 2030 Vision will be a commitment to monitor how we make decisions, operate, and perform against these principles and commitments. This will include measurement of performance on priority objectives, core service delivery, and organisational effectiveness, and will directly inform primary council functions like the budget process.

### 3. CROSS CUTTING TRANSFORMATION

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- 3.1 In 2021, we recognised there was a need for a new approach to delivering financial efficiencies and ways of working to support a balanced Medium-Term Financial Strategy. This approach needed to be rooted in the outcomes we were seeking for Surrey's residents and businesses and enable a financially sustainable footing over the medium-term.
  - 3.2 This approach focuses on embracing cross-cutting transformation (previously referred to as the 'Twin Track' approach to 22/23 budget setting) and emphasised the need for services across the organisation to work together on the design and development of initiatives to improve outcomes and reduce costs. It aims to move beyond the limitations of Directorates developing efficiencies in isolation, with a focus on medium-long term financial sustainability.
  - 3.3 Collaboration across Directorates, and with residents, businesses and other partners is essential to supporting council priorities and facilitating greater innovation and challenging existing ways of delivering services and budget setting.
  - 3.4 £30m of cross-cutting efficiencies have been identified to help close the budget gap in 2023/24, with a total of £65m across the MTFS period (plus an additional £7.5m of cost containment). A number of these initiatives will transition into the council's transformation programme as they enter the delivery phase. These efficiencies look differently at, and stretch our ambitions for, how we make use of our collective financial resources. Strategies for identifying these efficiencies include:
    - Focusing on improving and streamlining demand-led services and externally facing delivery, products and processes whether wholly by us or with partners and other stakeholders.
    - Implementing better ways of managing our budgets for commissioning, contracts, procurement, and grants.
    - Optimising our income and funding levels through being a more commercial organisation and working more closely with our Districts and Boroughs.
    - Identifying and exploiting successful operating models for support services, co-production and multi-disciplinary teams to fulfil the potential of our workforce strategy.
  - 3.5 Executive Directors have led the shaping of these opportunities through a new leadership model, embracing a thematic approach to change. This model removes the directorate silos to change and provides strategic support and challenge to officers leading on cross-cutting projects and programmes in a collaborative space. It enables peer expertise to help shape the scope and ambition of work and supports unblocking and connections to be made with other organisations and partners to make the work go further.
  - 3.6 In addition to designing projects and programmes to help inform the future shape of transformation work at the council, work has also been delivered to generate insight to identify further opportunities for efficiencies. These include building a comprehensive view of our spend to determine whether the right proportion of our budget is invested in preventing health and wellbeing issues for residents and avoiding the need for them to access statutory services, and modelling future demand for Adult and Children's Social Care and identifying interventions that could make the largest impact in reducing this demand.
  - 3.7 We are already looking ahead to opportunities to inform efficiencies for 2024/25 and beyond. Aligned to the focus areas set out in paragraph 3.4, further business cases will be developed and, where needed, other insight work will be commissioned to identify further opportunities. Where there is scope to do so, we will

also seek to deliver additional efficiencies in-year for 2023/24 over and above the £30m already identified.

- 3.8 The programme is implementing a learning framework as part of this approach to cross-cutting efficiencies that gathers and analyses information from teams on what is supporting and what is hindering change while developing their proposals and business cases. The leadership model for example is piloting an independent peer review mechanism during early design stages and business case development in cultivating innovative thinking and solutions. The programme, and its findings identified through the learning framework, will support, and ultimately make up, part of the future model for design and change across the council.

## Transformation Programme

- 3.9 The progress the Council has made in recent years has been underpinned by an ambitious and effective approach to transformation. Since its inception in 2018/19 the Transformation Programme has improved vital services for residents, introduced innovative new service models, built capacity and competency, and made a significant contribution to stabilising the Council's finances. This will include achieving c£90m of ongoing efficiencies by the end of 2022/23 and containing costs in areas of growing demand.
- 3.10 Linked to our commitment that no-one is left behind, there are a range of continuing transformation programmes that are specifically focused on improvements within our Children's and Adults' Services. These are already leading to better outcomes for children & young people, residents and service users. Programmes such as Additional Needs (SEND) including the Safety Valve Agreement are complex and take time to deliver with many spanning multiple years. It is imperative we continue to drive delivery of these programmes through to completion as key priorities for the Council. We are committed to delivering long term, sustainable improvements in a range of service areas.
- 3.11 Governance and reporting arrangements are well established with visibility and ownership at senior levels including Cabinet Members and Corporate Leadership Team (CLT); this includes the Transformation Assurance Board which is chaired by the Leader and has regular attendance from Cabinet Portfolio Holders.
- 3.12 Moving forward the transformation programme will be integrated with the cross cutting transformation agenda, set out above, and the governance and reporting arrangements in place will support the delivery of this integrated programme. In addition to the cross-cutting efficiencies set out above, the continuation of existing transformation programmes will also deliver significant financial benefits, with a total of £6m efficiencies included in the draft budget for 2023/24 and a further £8m<sup>1</sup> identified through to 2027/28. In addition, transformation will contribute to the delivery £91m of cost containment throughout the MTFS, preventing pressures to that value needing to be reflected in future years.
- 3.13 The transformation programme is not just about delivering financial benefits. The broad range of initiatives in 2023/24 will continue to drive service quality and performance benefits that will directly contribute to better outcomes for our residents, services users and businesses in the County.
- 3.14 Any large scale and dynamic change programme must continue to flex and adapt if it is to meet strategic objectives in an ever-changing operating environment. We therefore review and refresh the Transformation Programme regularly, ensuring we continue to build on and improve what we do for our residents.
- 3.15 The Transformation Support Unit (TSU) works closely with key stakeholders across the organisation to develop and refine requests for investment, ensuring business cases are developed, benefits defined and therefore investment is made in programmes that will enable us to continue to focus on our strategic priorities, improve service quality and performance. The cost of the internal transformation capacity id

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<sup>1</sup> This figure is expected to rise as opportunities are further developed and business cases approved

included in the revenue budget on an ongoing basis. In addition, there is £8m available annually to contribute to one of transformation investment.

3.16 Categorisation of change programmes has been further developed through the Transformation Assurance Board in conjunction with the Leader, and has led to a revised categorisation approach which recognises that not all change programmes have the same level of complexity and outcomes, we have now introduced this revised categorisation approach for all new programmes:

- True Transformation Programmes - Big strategic initiatives, with senior and political support. Driving fundamental change to operating models and/or service delivery that lead to significant measurable outcomes and benefits in the medium term.
- Service Improvement & Change - Continuous improvement and the implementation or embedding of new service models that lead to tangible performance and quality impacts that will be noticeable to service users.
- Strategic Priorities - linked to the Council's overarching organisational priorities.
- Invest to Save – where short term investment is required to generate ongoing financial efficiencies.

3.17 Funding will be invested in initiatives that clearly demonstrate the achievement of improved outcomes, this may entail the use of funding on programmes that do not have financial efficiencies associated with them and therefore the return on investment will be based on non-financial benefits for example, improved independence, faster response times and better coordinated and joined up service provision.

## 4. SERVICE STRATEGIES

### ADULT SOCIAL CARE

#### Context

- 4.1 Adult Social Care's (ASC) vision is to **promote people's independence and wellbeing**, through personalised care and support that focuses upon their strengths, the outcomes they want to achieve and enables choice and control.
- 4.2 ASC provides advice and information, assessment, care and support services for people aged 18+ with Physical and Sensory Disabilities, Learning Disabilities and Autism, Mental Health needs and for frail Older People.
- 4.3 ASC operates in an incredibly challenging environment with reductions in government funding; an ageing population with increasing acuity of care needs and growing numbers of young people moving into adulthood who need services; an increasingly fragile care market; and radical changes in national policy. This is in all the context of the ongoing impacts of the Covid-19 pandemic and the cost of living crisis which are having profound effects on Surrey's residents who have ASC needs, along with their families and carers, social care providers, third sector support organisations, the health system and other key partners.
- 4.4 ASC has **four strategic priorities**:
- Improving mental health services across the whole system.
  - Delivering new accommodation with care and support models.
  - Implementing ASC charging and fair cost of care reforms and CQC assurance framework.
  - Integrating commissioning and delivery across health and care at place.
- 4.5 These priorities are underpinned by **four system enablers**:
- Culture change including embedding strengths-based practice across the whole health & social care system.

- Maximising the benefits of digital and technology, both in managing interactions with residents and operational processes, as well as in supporting the delivery of care and support services.
  - Managing expenditure within available budget resources.
  - Ensuring there is a sustainable ASC workforce, recognising that SCC will need to increase its workforce to effectively manage the ASC charging reforms.
- 4.6 The Council is committed to integrating health and social care in Surrey to improve outcomes for residents. A key focus of this is enhancing preventative services in the community. This is challenging to achieve though in the context of the NHS' relentless national focus on reactive services in the acute hospital system and the pressures facing social care providers and community based voluntary sector organisations, all set against a backdrop increasing demand and growing acuity and complexity of care needs. Collective investment across all of these components is required – fixing one component is not enough.

### Current 2022/23 budget position

- 4.7 At month 6 ASC is forecasting an overspend of £3.9m against a budget of £402.8m so equivalent to a pressure of 0.9%.
- 4.8 Care package spending has risen considerably above the planned budget for 2022/23, driven by the ongoing impacts of the Covid-19 pandemic, the unwinding of national funding for Discharge to Assess (D2A) from hospitals, market pricing pressures accentuated by the wider economic turmoil, increased demand for care and rising ASC assessed charging debt driven in part by the cost of living crisis. An overspend of £12.5m is currently forecast against the 2022/23 care package budget across all client groups.
- 4.9 The significant pressure in 2022/23 on care package spending is being partially mitigated by a range of largely one-off factors including temporary staffing budget underspends, additional one-off income or funding and some accrued liabilities that it is considered likely will not now need to be paid. These one-off in-year mitigations cannot however be sustained on an ongoing basis.
- 4.10 At month 6, the full year net care package commitments are £17m higher than the 2022/23 budget assumption. The 2023/24 Draft Budget assumes that this pressure can be reduced to £7.4m on a full year basis through delivery of efficiencies and other mitigations in the remainder of the year. Achieving this reduction in spending commitments will be challenging.

### Financial pressures

- 4.11 ASC's Draft Budget position includes £52.6m of pressures in 2023/24 and £214m across the MTFs period. These pressures relate to:
- Price inflation for care packages, wider contracts and grants of £27.5m in 2023/24 and £108m across the MTFs. This is the biggest budgeted pressure for ASC. Budgeted inflationary uplifts in 2023/24 take account of the expected increase to the National Living Wage and wider inflationary pressures. It is assumed that inflation will reduce to lower levels from 2024/25.
  - The latest estimated mid-point funding gap for the ASC charging reforms of £14m in 2025/26 rising to £33m in 2026/27 based on the delayed implementation date of October 2025. (see paragraphs 4.18 – 4.20 below).
  - Increased demand for care packages across all client groups of £6m in 2023/24 and £35m across the MTFs, including young people who will transition from children's services.
  - A budgeted carry forward care package pressure from 2022/23 of £7.4m. As set out above, this is reliant on the achievement of planned actions to reduce the full year impact.
  - Pressures of £5.3m in 2023/24 related to the ongoing impact of the end of national funding for Discharge for Assess (D2A) from hospitals which ceased from April 2022. The impact of the new D2A



model has also contributed to the 2022/23 care package pressure above. It is important to note that were D2A to cease, cost pressures would likely increase as the system would revert to assessing people in hospital beds which often leads to over-prescribing of long-term care services.

- Pay inflation and other staffing related pressures of £6.3m in 2023/24 and £16.7m across the MTFS, this excludes any staffing related impacts arising from the ASC charging reforms.
- Expected additional costs associated with the planned implementation of Liberty Protection Safeguards (LPS) regulations by government, replacing the current Deprivation of Liberty Safeguards regulations. The timing of the new regulations is currently unclear, Draft Budget assumptions are pressures of £7.2m from 2024/25 – 2025/26.

## Financial efficiencies

4.12 ASC's Draft Budget position includes efficiencies of £19.8m in 2023/24 and £57.2m over the MTFS. This covers a challenging set of efficiency plans designed to mitigate cost pressures or increase income without adversely affecting service delivery to residents. Efficiencies include:

- Strength based practice and demand management efficiencies of £4.5m in 2023/24 and £22m across the MTFS, including redesigning ASC's "front door," maximising digital opportunities, enhancing strength based across Surrey's D2A model and strength based reviews of people's existing care packages.
- £1.3m in 2023/24 and £5m across the MTFS driven by moving away from institutionalised models of care to promote people's independence. This includes remodelling learning disability and autism day support services and associated transport, supporting people with a learning disability and/or autism to move from residential care to supported independent living and the expansion of extra care housing, primarily for older people.
- Efficiencies of £2.7m in 2023/24 and £9.6m across the MTFS, relating to the effective purchasing of older people nursing and residential placements, home based services across all client groups, maximising occupancy of block contract residential care beds and ensuring costs of care for people with learning disability and/or autism who are over 65 are appropriate in line with changes to their behaviours and needs.
- Efficiencies of £8.8m in 2023/24 and £12.9m across the MTFS associated with changes to ASC in-house services, including the decision taken by Cabinet in February 2022 to close 8 older people residential care homes and planned efficiencies relating to in-house provided learning disability and reablement services.
- Ensuring ASC receives appropriate funding from the NHS under the Continuing Health Care (CHC) and Section 117 (S117) Aftercare policy frameworks. Continued work in this area is expected to generate efficiencies above the current baselines of £2.1m in 2023/24 and £5.5m across the MTFS.
- Contract management and maximising income efficiencies of £0.6m in 2023/24 and £2.4m across the MTFS.

## Capital programme

4.13 ASC has a small capital budget of £1.6m per year managed directly by the service. This largely relates to the capitalisation of community equipment.

4.14 ASC's Accommodation with Care & Support programme is developed alongside the Land & Property Service and involves capital investment across the following areas:

- The development by 2028 of 725 new units of affordable Extra Care Housing (ECH), primarily to support older people with care needs. It is expected that ECH schemes will generally be developed on existing sites and developed on a Design, Build, Finance and Operate basis with tender processes undertaken to secure strategic housing partners to develop and manage the sites, limiting the requirement for direct capital investment by the council. To date expenditure of up £20.8m for the first six DBFO sites has

been approved in the capital budget along with £3m of feasibility funding to confirm which further SCC owned sites would be suitable for ECH developments so these business cases can be brought forward for Cabinet approval.

- The creation of 500 new units of Supported Independent Living (SIL) for people with a learning disability and/or autism by 2030. These units will be secured through a combination of de-registration and conversion of existing residential care homes operated by independent sector providers, providers developing new SIL services and the development of new SIL accommodation on existing sites. The capital budget includes £31m relating to 3 specific developments and a multi-use community hub including SIL accommodation, which have already been approved.
- The potential development of specialist short breaks respite accommodation for people with LD&A needs to fill a significant gap in provision.
- The potential development of specialist accommodation for people with mental health needs, which would be focused on either supporting people to recover from a mental health episode or a place to call home to enable people to manage their mental health and develop greater independence in the long term.

## Horizon scanning

- 4.15 The ASC system both nationally and in Surrey is under incredible strain. The pandemic added to the already huge demand and cost pressures facing the sector and its increasingly fragile care markets. There is a workforce crisis with an estimated 165,000 social work vacancies nationally<sup>2</sup> and while the ASC charging reforms, due to come into effect from October 2023, will benefit individuals, primarily those people who currently self-fund their own care, they will not address the acute challenges already facing the sector.
- 4.16 Since 2018, ASC has embarked on an ambitious transformation programme, focused on enhancing and embedding strength-based practice, promoting people's independence and wellbeing and shifting away from institutionalised models of care. As well as improving service delivery, this has delivered clear financial benefits and enabled significant cost containment with the Council's spending on ASC increasing at a lower rate than other comparable authorities.
- 4.17 There remain opportunities to improve service delivery and achieve further efficiencies which are reflected above. However, the scale of efficiencies and cost control measures that are achievable without reducing the service offer to residents is diminishing. Increases in ASC expenditure is required year on year to meet demand and cost pressures and maintain market sustainability, as well as to enable effective implementation the ASC charging reforms. The Council will continue to robustly engage with government about the funding required for ASC, but if adequate funding is not provided by government, then then this will require very difficult decisions to make about how to sustainable fund ASC going forwards.

## Adult Social Care (ASC) Reforms

- 4.18 The 2023-28 Medium Term Financial Strategy is being prepared against the backdrop of the most significant reforms to the ASC system in decades. The financial implications of these reforms are significant and the inadequacy and allocation mechanism of funding available to local authorities to support these changes remains unresolved.
- 4.19 The planned reforms included far reaching changes to the ASC charging system from October 2023. However, the Chancellor announced on 17<sup>th</sup> December 2022 that implementation would be delayed by two years to October 2025. The reforms include the introduction of a lifetime cap on the amount people are eligible to contribute to their costs, an increase in the upper and lower capital threshold limits that determine when people qualify for local authority funding, changes to the rules for "top-ups" and an extension of the criteria which enables people to request local authorities to commission services on their

<sup>2</sup> [Skills for Care's 2022 report](#)

behalf. In addition, the fair cost of care policy agenda seeks to ensure fees paid by local authorities are sufficient to maintain market sustainability in the context of these reforms and a new assurance framework is due to come into effect, against which the Care Quality Commission will inspect performance. The draft budget contains pressures of £14m in 2025/26, rising to £33m in 2026/27, based on the mid-point of the latest estimated funding gap between anticipated cost increases to the council and indications of available funding and mechanisms for distribution.

- 8
- 4.20 While the Council supports the reforms overall and the benefits it will provide in terms of limiting the cost to individuals of funding their own care, these reforms do not address the underlying problems and underfunding of the current ASC system. The announcement to delay the implementation of these reforms and target the available funding at existing service pressures is therefore welcome.

## PUBLIC SERVICE REFORM AND PUBLIC HEALTH

### Context

4.21 The Public Health (PH) service improves and protects the health and wellbeing of people living and working in Surrey. It achieves this by:

- Providing public health intelligence and evidence to enable decisions based on people's need and what is effective.
- Providing specialist public health expertise and advice to NHS commissioners to support them in improving the health of their population through prevention and through effective commissioning
- Improving health through partnership working, policy development, behaviour change and the commissioning of health improvement services for all ages which are targeted to those at risk of health inequalities
- Working with partners to protect Surrey residents from communicable diseases and environmental hazards
- Providing oversight and support in the review, development and delivery of the Surrey Health and Wellbeing (HWB) Strategy

4.22 The PH service commissions a range of services centred on key PH priorities including:

- Healthy lifestyle services including stop smoking, weight management and mental health;
- 0-19 services including health visitors and school nurses;
- Substance misuse services relating to drugs and alcohol;
- Sexual health services including contraception and genitourinary medicine (GUM).
- NHS health checks.

4.23 The services commissioned by PH are all preventative in approach and targeted at reducing health inequalities. This is one of the Council's key strategic aims and an overall ambition of Surrey's Health and Wellbeing strategy.

4.24 The PH service has continued to focus on supporting Surrey's recovery from the Covid-19 pandemic as well as remaining vigilant for other potential threats such as monkey pox or avian flu. PH uses its expertise to ensure that accurate and up-to-date information is provided to decision makers.

4.25 The wider Public Service Reform (PSR) directorate includes a range of jointly funded services that are accountable to both Surrey County Council and Surrey Heartlands Integrated Care System and focus on driving the continuous improvement of a public service model that supports the delivery of our integrated health and social care strategies.

4.26 This includes the Insights and Analytics unit which is bringing together research & analytics across a range of functions within SCC (PH, population insight and surveys and research) and Surrey Heartlands Integrated Care Board (business analytics and population health management PHM) to:

- develop shared health and care analytics, by understanding the needs of the population and how that can be delivered efficiently and effectively
- incorporate the bigger picture of the drivers of health and care, and the wider determinants of those drivers such as economy, transport, community networks
- design the move from reactive to preventative interventions care by moving from descriptive analytics to more predictive and prescriptive driven by evidence and insight
- develop new and collaborative ways of working among our teams as well as with our partners.

#### 4.27 Key responsibilities to deliver this vision will include:

- Facilitating innovative decision-making at all levels of Surrey’s Integrated Care Systems and the County Council.
- Driving cross-system priorities, helping to reach across traditional organisational boundaries.
- Steering a Population Health Management (PHM) approach to care planning and delivery.
- Helping to drive transformation of all services delivered as part of the ICS and SCC through evidence and insight driven operational decision making.
- Understand the lived experience of people in Surrey in order to demonstrate the human aspects of the data.
- Working closely with stakeholders across the whole system to ensure understanding of population needs at local and system level.

### Current 2022/23 budget position

4.28 The current directorate budget is £35.4m, £34.5m of which relates to Public Health and the remaining £0.9m to Public Service Reform functions. A balanced budget outturn is expected for 2022/23.

4.29 In addition to its core budget, the PH service has continued to manage deployment of the remaining £10.6m Contain Management Outbreak Fund (COMF) monies carried forward from 2021/22. This funding is expected to be fully spent on activities to support the recovery from the Covid-19 pandemic and to manage additional costs that are still being experienced due to the pandemic.

### Financial pressures

4.30 Surrey’s PH service continues to operate in a very challenging financial environment. Surrey continues to receive a very low level of PH funding – the third lowest allocation per head of population in the country and more than 40% below the national average allocation. Although Surrey’s PH grant has increased by £4.1m in the last three years, this has come with new responsibilities and has failed to make-up for cuts to PH funding that the government mandated in earlier years after the responsibility for PH transferred to SCC in 2013/14.

4.31 SCC’s PH grant in 2022/23 is £39.6m. £34.5m of this is allocated to fund preventative services commissioned by the PH service and the remaining £5.1m is allocated to services delivered or commissioned by other parts of SCC that contribute to meeting PH outcomes with the remit of the grant criteria. This has required the PH service to make reductions to the preventative services it directly commissions, although of course if the funding was allocated instead to the PH service this would require reductions in other SCC services.

4.32 The combination of the above factors has meant Surrey’s PH service has had to significantly reduce expenditure on the services it directly commissions in recent years.

4.33 PH’s latest MTFS proposals include pressures of £1.2m in 2023/24 and £4.6m across the whole 2023-28 MTFS period. These pressures relate to pay and non-pay inflation. Pressures are offset by the assumed increases in the ringfenced PH grant in future years. It is assumed that inflationary pressures can be contained within increases to PH grant funding, but there are risks that this may not be the case for all service areas, most notably in relation to NHS Agenda for Change pay rises which impact on several services

that PH commission. Given the wider economic situation, it is also possible that there will be no increase to, or a reduction in, the public health grant funding.

- 4.34 The wider PSR directorate currently employs £1.4m of posts working on data insights and supporting broader integration across Surrey's health & social care system. These posts are currently funded on a temporary basis outside of PSR's budget.

### Financial efficiencies

- 4.35 There is no efficiency requirement for the PSR directorate in the Draft Budget position as the PH service's budget is fully funded by the ringfenced PH grant. It is assumed for planning purposes that service pressures can be contained within future year increases to PH grant.

### Horizon scanning

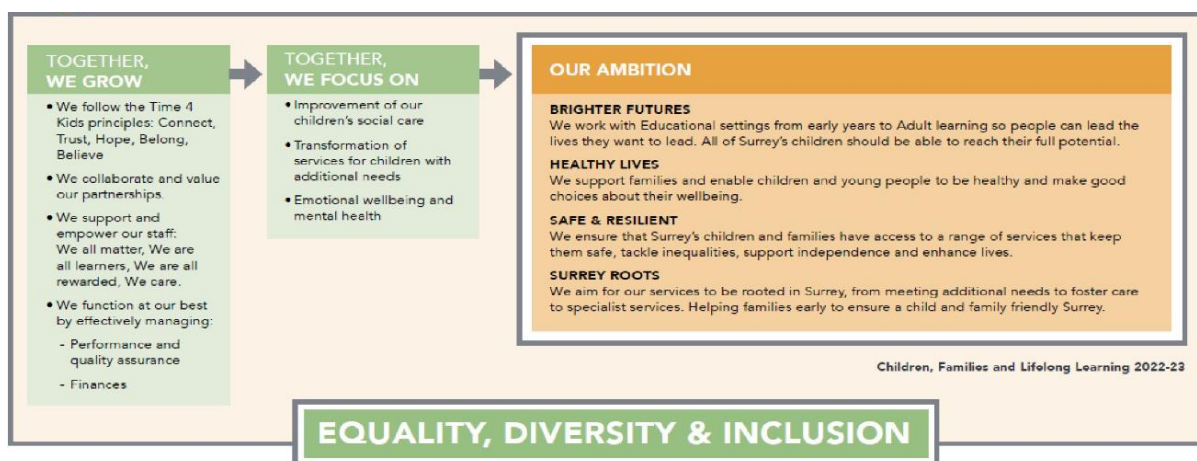
- 4.36 At present the future of the PH grant remains unclear. It was expected that the PH grant ringfence would be removed as part of wider local government funding reform, but this remains uncertain. PH will need to remain responsive to any changes in grant funding. In the meantime, they will continue to lobby for increased PH funding to support the delivery of the health and wellbeing priorities for Surrey residents.
- 4.37 Most of PH's major service contracts are coming up for renewal in the next few years. A key focus of the service will therefore be ensuring new service specifications take account of the latest health status of Surrey's population and targeting service provision to address health inequalities. The procurement processes will consider how refreshed services can be commissioned to maximise value for money for residents.
- 4.38 Through a focus on research, partnering with academia and industry, and data across the wider Public Service Reform directorate, the team will be looking at how we drive health and social care devolution to its full potential, lobbying and influencing government where appropriate on future models of public service that transforms peoples' lives. Working effectively in this space, the council hopes to be able to influence future public policy, leading to a more sustainable public service model.
- 4.39 Part of this will be seeking to maximise investment in preventative services commissioned by PH, that deliver key long-term financial and non-financial benefits. The PH service has been reviewing areas where additional investment is needed to address the priority of reducing health inequalities and fulfil the priorities of Surrey's Health & Wellbeing Board strategy. Potential investments totalling £6.5m have been identified, which can be flexed depending on available resources. This investment has not been included in Draft Budget at this stage, in response to the scale of the remaining budget gap. The ambition to increase investment in PH services in the future remains.

## CHILDREN, FAMILIES AND LIFELONG LEARNING

### Context

- 4.40 The Children, Families and Lifelong Learning directorate's strategic focus is set out in the graphic below. We root children and families in our hearts and minds because it is our purpose to ensure that every child is seen, heard, feels safe, and can grow





### Current 2022/23 budget position

- 4.41 At the end of September, there is a forecast variance of £24.6m within CFLL driven by variances across a number of key areas.
- 4.42 The most significant is Home to School transport which is forecasting an end of year overspend of £15m against a budget of £41m. The overspend is driven by an increase in route costs of c20% since last year due to inflationary impacts on fuel prices. This is combined with an anticipated increase in demand of 9% from September 2022 in line with Education, Health & Care Plan (EHCP) rate projections.
- 4.43 Children Looked After (CLA) placement costs are forecast to overspend by £4.1m. This pressure is a result of the lack of suitable placements being available within the provider market and continued demand for placements. This has resulted in a number of very high cost supported accommodation placements, with this category accounting for £3.0m of the £4.1m.
- 4.44 Staffing overspends within Family Resilience and Corporate Parenting of £2.5m are driven by the use of agency staff to cover vacancies and the double funding of some posts while newly trained social workers get up to speed. In order to secure permanent staff, appointments are also being made above the bottom step of the grade which reduces the impact of any permanent appointments compared to previous assumptions.
- 4.45 In addition to the staffing pressures, children with disability care budgets are also forecasting an overspend of £2.5m due to the levels of demand and pressures in direct payments and personal support. This level of demand is a continuation of pressures experienced during 21/22.

### Financial pressures

- 4.46 The financial pressures forecast during 2022/23 are almost all ongoing pressures which are expected to continue into 2023/24. The two largest areas of pressure are Home to School Travel Assistance £19.2m and LAC placements £7.0m.
- 4.47 Both are being driven by a combination of demand and inflation increasing costs year on year. For Home to School Travel assistance as well, there is the need to address the significant in-year overspend in the 2023/24 base budget. This level of overspend was a result of average route costs increasing by c20% in 2022/23 compared to 2021/22.
- 4.48 Another similarity between CLA placements and Home to School Travel Assistance, is the impact of a lack of sufficiency in their respective markets. The shortage of suitable placements for LAC is a national issue causing an increase in the use of 'unregulated' placements due to a lack of alternatives. These placements

often come at particularly high costs and the situation means that authorities are competing with each other as places become available.

- 4.49 Whilst not such a nationally publicised issue, a lack of drivers is also impacting the Home to School Transport services and one of the reasons for the increase in costs over the last 12 to 18 months. A lack of providers in certain regions of Surrey mean that there are both difficulties in finding suitable provision, but also bids are not driven down through natural competition.
- 4.50 Improving recruitment and retention within the service is another pressure within the 23/24 position. In order to address the 22/23 overspend caused by the level of agency workers in roles, a number of proposals are being introduced to increase the number of permanent workers. These come with an upfront cost with the aim of longer-term efficiencies. In 23/24 £1.3m of costs are included associated with the trainee social worker scheme, apprenticeships and pay progression for existing staff.

### **Financial efficiencies**

- 4.51 The largest efficiencies are within CLA placements through a combination of social work practice reducing escalation of needs and more specific programmes to target particular cohorts, such as the reunification programme (£0.4m).
- 4.52 The completed Children's Services Diagnostic undertaken alongside IMPOWER identified potential efficiencies based on reviewing past social work cases and considering alternative decisions that would have had a different outcome. This enforced existing assumptions about the impact of new practice models and, based on the high range scenarios, is estimated to be able to produce an efficiency of £2.6m in 23/24.
- 4.53 In addition to the diagnostic, other work is being considered to deliver efficiencies to mitigate growth in CLA costs. Stretch targets of a further £3.4m have been included to consider potential opportunities to further expand the Capital programme and sufficiency offer within the County, aligning the needs of children with the cost of service provision may also help to identify potential anomalies which may lead to cost efficiencies.
- 4.54 As well as the practice changes, increasing capacity for Social Care placements within Surrey is estimated to deliver further efficiencies. This is through both building additional bed spaces through the CLA Capital programme (£0.3m) and block purchasing beds from external providers for discounted rates (£0.3m).
- 4.55 Efficiencies within Home to School Travel Assistance are based around reducing the reliance on taxis and solo routes to more self-sufficient transport options such as bursaries, Independent Travel Allowances (ITA) and Independent Travel Training (ITT). These are estimated to build on efficiencies delivered in 23/24 to provide a further £2.2m in 23/24.
- 4.56 As well as the Children's Diagnostic work, there are two further efficiencies linked to the cross-cutting transformation programme. These are part of corporate wide projects focused on identifying contract efficiencies (£0.5m) and additional income from fees and charges (£0.3m) and a further reduction in staffing headcount (£0.2m).

### **Special Educational Needs & Disabilities (SEND) / Dedicated Schools Grant High Needs Block (HNB)**

- 4.57 In the 2023/24 MTFS the previously required Dedicated Schools Grant (DSG) High Needs Block (HNB) offsetting reserve contribution budget is being reduced by £22m to leave a residual £5m budget. This is as a result of the 'safety valve' agreement which was signed in March 2022. This agreement sees the Council receive £100m of DSG funding in exchange for a contribution from its own general fund (from the existing

HNB offsetting reserve) and schools through a 1% block transfer for five years, in order to eradicate the HNB cumulative deficit.

- 4.58 At the end of 2022/23 the council's HNB offsetting reserve will have sufficient balances to make the agreed contributions so, assuming the Council can remain on the current trajectory, there will be no requirement for further contributions.
- 4.59 To date, the Council has completed the first two quarterly monitoring reports to Department for Education (DfE) which are a requirement to continue receiving the additional grant funding. Whilst these identified that the Council remains currently on track, they highlighted the significant change in circumstances from March 2022 to the present time, in particular the impact of inflation on costs for schools and the Council, which has been logged with the DfE as a risk. The DfE also did not make the full requested capital contribution to the expansion of specialist places that the Safety Valve agreement relied upon and instead is requiring the Council to secure the capital through its Free School programme. Because a successful bid to this programme is not guaranteed, this is also a risk (see below).

## Capital budgets

- 4.60 The SEND and Alternative Provision (AP) Capital Strategy is the most significant lever being used to reduce costs within the DSG HNB. By creating more spaces within the County's maintained and special schools, this reduces the requirement to place children in the more high cost Non Maintained Independent (NMI) sector whilst also supporting the aim of inclusivity for those children. On average an NMI placement is c£30k more expensive so reducing the use of these is key to achieving financial stability within the HNB.
- 4.61 As mentioned above the impact of inflation has been significant over the past year and that is also the case within the Capital programme. Following a lower allocation from DfE of safety valve capital grants (£56m bid and £8m awarded) the Council is looking for ways to ensure the full SEND programme remains funded. This includes submitting bids for two new special free schools as part of the recent DfE bidding round.
- 4.62 In addition to the SEND Capital programme, a number of other capital projects impact directly within CFL. A number of these are managed through Land and Property (L&P) but the service benefits or costs would be seen within CFL budgets. As well as the SEND strategy referenced above, there is £101m for the Schools Basic Need programme (grant funded) and £71m for capital maintenance in schools across the MTFS period.
- 4.63 In a similar way to SEND, the Council is also wanting to expand the in-house provision for CLA as a lack of sufficiency within the County means that securing good value placements is increasingly difficult. As well as refurbishing existing children's homes, the CLA Capital programme is focusing on creating additional capacity through new homes in the County. This programme is also looking to support Care Leavers through increased provision including Houses of Multiple Occupancy (HMOs).

## Horizon scanning

- 4.64 The national pressures within Children's social care recruitment and placement sufficiency will continue to influence the operating environment for CFL for a number of years, as will the cost of home to school transport in those local authority areas with extensive rural communities such as Surrey.
- 4.65 In Surrey we anticipate being one of the likely early local authorities to be inspected under the new inspection framework (currently being piloted by Ofsted and CQC) for the area's SEND provision, which may take place as early as 2023. Within the timeframe of the Medium-Term Financial Strategy there is also likely to be a full children's social care Ofsted inspection (in addition to one or more focused visits) and HMIP Youth Justice inspection. These service areas are all actively engaged in improvement work which it is essential to maintain in order to secure reliably good services for our children and families and to work towards delivering outstanding services.

4.66 Any financial implications resulting from the ongoing legislation changes from the schools white paper (Opportunity for All) and SEND Green paper (SEND review: right support, right place, right time) will be monitored. To date there is no anticipated direct impact on the General Fund of the Council, but the potential move towards multi-academy trusts (MATs) is one area where this may occur.

## ENVIRONMENT, TRANSPORT AND INFRASTRUCTURE (ETI)

### Context

- 4.67 ETI is a future-focused Directorate which aims to shape places, improving the environment and reaching sustainability and climate change targets. ETI provides many “universal services” to residents, services which many or all residents access - including waste management and highways. Key service areas include:
- Waste management, including recycling or disposal of household waste and operation of community recycling centres;
  - Highway maintenance and street lighting;
  - Public transport;
  - Countryside;
  - Planning & Development; and
  - Supporting the county’s and Council’s response to climate change and carbon reduction
- 4.68 Over the period of the Medium Term Financial Strategy, ETI’s key priorities are to:
- Continue to build upon the new Directorate organisation design - implementing and embedding the new Highways structure, coupled with further reviews of our Waste, Greener Futures and Planning functions;
  - Strengthen our financial sustainability to provide value for money to communities by leveraging available funding opportunities, identifying new commercial opportunities, opportunities for partnership working, innovating service delivery and developing our Greener Futures Finance Strategy;
  - Mobilise Ringway as the new Highways contract provider, improving quality of works across the county, continuing to identify opportunities to innovate and work more effectively, and delivering against carbon reduction outcomes including immediate adoption of a minimum 11% EV fleet with commitment to reach net zero by 2030;
  - Strengthen engagement with customers and communities through delivery of our Customer Enquiry Improvement Plan and establishing the cross cutting Greener Futures Engagement and Behaviour Change Working Group;
  - Working with key partners and members, finalise the design of our future waste services and conclude the waste contract dispute;
  - Deliver the Council and county’s carbon emission reduction targets in line with our Climate Change Delivery Plan. With 46% of Surrey’s emissions resulting from Transport, a key part of delivering these targets will be supported by delivery of the Surrey Transport Plan, EV network rollout and Bus Back Better plans;
  - Deliver the capital programme including the River Thames flood alleviation scheme in partnership with the Environment Agency, and £70m of capital schemes identified in phases 1-3 of the Surrey Infrastructure Programme and develop the pipeline for future schemes;
  - Implement a new governance model to better support delivery of the Climate Change Delivery Plan and Surrey Infrastructure Plan; and
  - Continue to maximise external funding toward revenue and capital activities, including grants, income and developer contributions

## Current 2022/23 budget position

- 4.69 ETI's current annual revenue budget is £141m. Key areas of spend include managing the recycling and disposal of the county's domestic waste collected at the kerbside and deposited at community recycling centres, managing the county's 3,000 miles of highways including repairing and maintaining the county's roads, streetlights, bridges and other assets, passenger transport including contracting bus services and operating the concessionary travel scheme for elderly and the disabled, and management of the countryside including providing visitor services.
- 4.70 A significant proportion of the Directorate's budget is linked to contracts, and ETI therefore recognises the need to work in close partnership with providers and markets to explore opportunities for efficiencies.
- 4.71 At month 6 ETI forecasts no variation against revenue budgets, although a number of pressures and risks are being offset or managed, and are recognised in draft budget plans. Key issues include:
- Higher than budgeted waste contract inflation is offset by improved prices of dry mixed recycling (£2m), and both are reflected in the future MTFS assumptions
  - Additional costs of bus services, reflecting increased operating and fuel costs, are offset by additional government bus recovery funding. The 22/23 budget includes £2.1m to offset the ongoing impacts of changes in travel behaviour post-covid. Concessionary fares volumes are currently below the budgeted amount, and this benefit is expected to continue.
  - Street lighting energy prices have increased and are creating a pressure (£0.7m), currently offset by other highways underspends and additional income in the current year.

## Financial pressures

- 4.72 The ETI 2023/24 draft revenue budget includes pressures of £14.9m, £30.4m for the whole 2023-28 MTFS period; including:
- Inflation: significant spend within ETI is delivered through medium and long term contracts, including bus services, highway maintenance, and waste management. Most contracts include provision for an annual inflationary uplift, e.g. to recognise that materials and labour costs are increasing. Inflation is currently high, with the need to reflect inflation in 2022/23 where higher than originally assumed in the budget, as well as additional inflation for future years, totalling £11.7m in 2023/24.
  - Supporting and enhancing ETI services: other pressures in 2023/24 include the introduction of a young person's travel scheme, a new highway works management system, adjusting for changes to prior year plans, and addressing the impact of ash dieback. This follows investment in previous years to support the recovery of bus services following the Covid-19 pandemic, additional resources to deliver Council priorities including Greener Futures, and investment in managing the countryside including maintenance of public rights of way.

## Financial Efficiencies

- 4.73 The ETI 2023/24 draft revenue budget includes efficiencies totalling £3.5.4m, including the following:
- Waste management: the cost of dealing with dry mixed recyclable materials has reduced this year. Waste materials (e.g. paper) are a commodity and prices are influenced by supply and demand within a global market. At least in the short term this trend is expected to continue, providing a net benefit of £2m; and
  - Other efficiencies include the expectation that reduced volumes of concessionary bus journeys will continue, efficiencies anticipated from cross-cutting reviews of contract management (£0.2m) and fees & charges (£0.2m), continued enforcement of on street parking restrictions (£0.3m), use of developer funding (£0.4m), and completion of the council's programme to convert streetlights to LED (£0.3m).

## Capital budgets

4.74 ETI delivers infrastructure improvements through the Capital Programme, which includes the capital budget for projects which are in or approaching delivery, and the capital pipeline for schemes under development and subject to business cases. ETI's current 5 year capital programme is £0.9bn. Key programmes and schemes include:

- Structural maintenance of roads, bridges and other highway assets
- The River Thames flood alleviation scheme and wider flood alleviation programme
- Highways and transport improvement schemes and programmes, such as the A320 Improvements, low emission buses, and the Surrey Infrastructure Plan
- Greener Futures, the Council's ambitious carbon reduction plan.

## Horizon scanning

4.75 In future years further opportunities are anticipated in a number of areas including

- Following an extensive procurement process the Council's new highways maintenance and improvement contract, delivered by Ringway, started this year. The Council and its contractor will work in partnership to explore further efficiencies, for example innovations in working practices and use of improved materials.
- The Government is consulting on its Waste and Resources Strategy which could have implications for how the Council manages domestic waste, and the cost of doing so. The Strategy includes provision to improve the reuse of products, to make producers responsible for the cost of managing the disposal of products and packaging, and to change the way waste and recyclable materials are collected – all of which could provide opportunities for achieving efficiencies in ETI's budget over the MTFS period and beyond.
- Other projects expected to deliver efficiencies in the medium term include the creation of a county-wide parking management contract and highway enforcement activities (e.g. of bus lanes and other moving traffic offences).

## SURREY FIRE & RESCUE SERVICE

### Context

4.76 The Surrey Fire and Rescue Service (SFRS) is a statutory service which aims to make Surrey a safer place to live, work, travel and do business. In recent years, in response to now His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMCFRS), SFRS has put in place a major improvement programme which is set out in the Making Surrey Safer Plan (MSSP) 2020-24. A big part of the MSSP is about improving how we deliver prevention and protection activities, helping to prevent emergencies from happening in the first place.

4.77 Partnership working is key to the success of the MSSP, starting within Surrey County Council with Adult Social Care and Integrated Commissioning, Children, Families and Lifelong Learning and Public Health services, to help prioritise support to our most vulnerable residents. SFRS also aim to work better with other emergency services, District and Borough Councils and closer working with businesses to support the Surrey economy.

### Current 2022/23 budget position

4.78 SFRS currently has an annual revenue budget of £33m. At month 6 Fire forecasts an overspend of £2.1m on revenue budgets including:

- increased "logistics" costs including fuel, vehicle repairs, cross border support (where neighbouring fire authorities are closer and therefore respond to incidents), and communications, £0.8m



- recruitment, training and retention costs following London Fire Brigade transfers, £0.7m
- staffing pressures from increased usage of on-call staffing, inability to fully make operational staff vacancy factor and trainee back pay for additional hours worked, £0.7m
- Ill health retirements and other, £0.2m
- The above pressures are mitigated by offsetting underspends and efficiencies of £0.3m

## Financial pressures

4.79 The SFRS 2023/24 draft revenue budget includes pressures of £6.4m, £9.3m for the whole 2023-28 MTFS period; including:

- Expected growth through pay inflation, including anticipated growth from nationally agreed firefighter's pay awards in 2022/23 and 2023/24, totalling £2.7m next year.
- Existing cost pressures including vehicle repairs and maintenance, communications system costs, higher training costs due to staff turnover, increased costs of neighbouring fire authorities where they are nearer and respond to incidents in Surrey, totalling £1.3m in 2023/24.
- Recruitment and resilience measures designed to offset the ongoing impact of firefighters leaving the authority, including additional recruitment of both temporary and permanent operational staff, enhanced skills, incentives to retain firefighters and additional learning and development, totalling £1.4m in 2023/24.
- Other smaller pressures total £0.9m in 2023/24 and include general inflation and additional staffing pressures.

## Financial Efficiencies

4.80 Following significant transformation and modernisation of the Fire service across 2019-21, which included re-alignment of resources into prevention and protection teams alongside a more efficient response operating model, efficiencies in future years (£0.9m in 2023/24) are focussed on optimising spend through continual improvement and consideration of alternative funding, including use of grants and capital funding, commercialisation of some services and assets, and anticipated reduction in overtime resulting from recruitment and resilience.

## Capital budgets

4.81 SFRS currently has a Capital Programme of £23m across 2022-27 which includes replacement of fire appliances, other vehicles and equipment.

## Horizon scanning

4.82 Efficiency measures subject to further development include a shared fleet maintenance facility, fleet rationalisation through use of telematics, more effective use of property such as co-location with other services, and a review of learning & development provision. The Community Risk Management Plan will be reviewed and updated for the end of 2024, and will include a wider review of the service, including efficiency and an opportunity to consult on any changes.

## PROSPERITY, PARTNERSHIPS AND GROWTH

### Context

4.83 The Directorate plays a key leadership role in convening and developing lasting and effective relationships and partnerships with key organisations locally, regionally and nationally and in driving forward the Council's ambitions and Economic Growth Strategy for Surrey through innovative, targeted delivery programmes.

- 4.84 Relationships and partnership work with Government departments and officials, national agencies, national and regional representative bodies, District and Borough Councils, other authorities, County organisations and local bodies contribute to the achievement of the Community Vision 2030 and all four of the Council's strategic priorities. This is most obviously manifested in the proactive planning, preparation, positioning and activity in relation to Government policy and programmes, such as Levelling Up White Paper and the potential to secure a County Deal for Surrey.
- 4.85 'Surrey's Economic Future: Our 2030 Strategy Statement' and the partnership delivery programme that supports it, directly contribute to the Council strategic priority of 'growing a sustainable economy so everyone can benefit'. They also contribute to the 'reducing health inequalities', 'enabling a greener future' and 'empowering communities' priorities.
- 4.86 They set out the path to economic recovery and prosperity, identifying four main themes/opportunities for the County's post Covid-19 resilience and growth, including:
- Delivery of Surrey's Inward Investment Programme and promotion of the Surrey Story;
  - Convening and place leadership to reimagine Surrey's High Streets for the future ;
  - Skills for growth: maximising opportunities through skills development for the future; and
  - Delivery of key Infrastructure across Surrey, including gigabit capability, highways and transport, and business networks and partnerships.
- 4.87 Specific interventions are already being taken forward to drive a more innovative, inclusive, and productive economy. These include the launch of a Surrey Skills Plan developed in partnership with business and providers, and a new Surrey-specific approach to inward investment, a strategic, community-led approach to placemaking, the development of a county-wide accommodation, housing and homes strategy and a programme of work to improve full fibre digital connectivity in Surrey.

### Current 2022/23 budget position

- 4.88 The Prosperity, Partnership and Growth Directorate has a total budget of c£1.6m, which is materially targeted at the Economic Growth Team and associated costs. The directorate is forecasting a small underspend of £54k, due to recruitment delays and reductions on project spend.

### Financial Pressures & Efficiencies

- 4.89 For 2023/24 there is a requirement to strengthen the team further by adding a role to deliver the Surrey Story. Pay and price inflation add a further cost, creating a total pressure of £0.2m. This pressure is offset by recognising the 2022/23 underspend due to recruitment delays and staff turnover plus ending the funding for LEPs.

## CUSTOMER AND COMMUNITIES

### Context

- 4.90 The Directorate includes the following services:
- Community Partnerships and Engagement
  - Customer Services
  - Libraries, Arts, and Heritage
  - Registration Services
  - Coroners
  - Trading Standards and Health & Safety
- 4.91 Customer and Communities delivers critical day-to-day services and operations, while also shaping and driving several connected key strategies and transformation programmes that are central to the successful

achievement of the Surrey County Council (SCC) Organisation Strategy, 2030 Community Vision and Surrey Health and Wellbeing Strategy.

- 4.92 The Directorate is at the forefront of shaping and delivering the Council's priority ambition of empowering communities. Supporting the development of thriving communities is essential to delivering a greener future, driving a sustainable local economy, and tackling health inequalities - and strong and active communities are a crucial ingredient in enabling more people to live independently for longer.
- 4.93 The Directorate is delivering key transformation programmes that continue to adapt and improve services to meet the changing needs to our residents and ensure financial sustainability:
- **Customer Experience** - making people's experience of dealing with the council quicker, easier, and better by shaping a new relationship with our customers, managing their enquiries in a more efficient, proactive, and connected way and increasing our use of digital self-serve technologies and data insights;
  - **Libraries and Culture Transformation** - delivering a modern and efficient set of services across Libraries, Arts and Heritage reducing net cost and increasing impact for communities in Surrey; and
  - **Enabling Empowered Communities** – designing and introducing new approaches to reinvigorate our relationship with residents, empowering communities to tackle local issues and support one another, while making it easier for everyone to play an active role in the decisions that will shape Surrey's future.

### Current 2022/23 budget position

- 4.94 The net budget for the Directorate for 2022/23 amounts to c£17m. This includes significant income budgets in excess of £15m, primarily across Cultural Services (Libraries & Surrey Arts) and Registrations. Income to Cultural Services comes primarily from weddings (from providing registrars services at both registry offices and licenced venues), music lessons provided by Surrey Arts in schools, archaeology services, and fines and reservation charges in libraries.
- 4.95 All areas have delivered significant service improvements and cost reductions over the last three years. For example, the Libraries net budget has reduced by 34% and the Customer Services budget has reduced 15% since 2019/20. The ambition is not only to ensure the sustainability and quality of services provided, but to also think creatively about how services are delivered.
- 4.96 The forecast is an overspend of £0.9m:
- £0.4m Coroners Service, which comprises £0.2m staffing pressures due to bank staff, assistant Coroner and pathologist cost pressures, continuing from 2021/22. A further £0.1m due to the re-procurement of the funeral director contract plus £0.1m revised staffing costs to address operational staffing issues and to deliver an efficient case progression service;
  - £0.6m Libraries and Surrey Arts income will not be achieved due to reduced footfall and the use of the services having not yet returned to the levels before Covid. The services will look to mitigate this by reducing costs directly linked to income where possible, however this is limited and a review of income will be undertaken to meet the challenge of returning income to pre-covid levels;
  - Offset by £0.1m of additional income which is delivering part of the 2023/24 efficiencies early, and one-off staffing vacancies.

### Financial pressures

- 4.97 Coroners, Trading Standards and Health & Safety transferred to Customer & Communities from the Community Protection Group this year with a net budget of c£6m. The Coroners service moved with a budget pressure of £0.7m, in part due to staffing and a recently re-procured transport contract. This pressure is partly mitigated this year by the use of a one-off reserve for special inquest costs.
- 4.98 The Directorate relies on significant income generation. Cultural Services continues to face challenging income targets which, for some services, have not yet returned to levels before the covid pandemic. Whilst

2022/23 has seen an increase in income since last year, Libraries and Surrey Arts income remains lower than in 2019/20, causing a budget pressure of £0.6m this year. Demand for services has changed, for example audio visual and PC rental has reduced. In contrast, Registrations income levels have returned well, particularly in relation to weddings.

- 4.99 There has been a budget planning assumption for 23/24 that income levels return to pre-pandemic levels but this will require further close monitoring over the next two months. Meeting this assumption requires significant activity to take place to ensure targets are achieved or that related expenditure reduces and that the Directorate can continue to manage emerging pressures from within the existing available budget envelope.
- 4.100 In addition to working to ensure that income levels return to pre-covid levels, the Directorate has identified additional budget pressures mainly relating to pay inflation (£1.5m) and also to reduced funding from the Police for the Coroners service.

## Financial Efficiencies

- 4.101 The Directorate has had to identify a range of options to offset these pressures. Specifically:
- £0.4m additional income generation with a particular focus on additional service offers through Registrations plus inflationary uplifts to fees and charges
  - £0.5m service & cross service efficiencies that can be made while largely maintaining the current agreed strategic direction and service delivery expectations – this includes:
    - Reducing staffing costs through digitalisation and scheduling optimisation of registration services;
    - Reduced staffing costs in Trading Standards;
    - No longer mediating non urgent highways calls through the Customer Contact Centre; and
    - Reducing business support following the introduction of the MySurrey platform.
    - Reducing spend on Community partnered libraries
  - £0.1m of one-off repayment of an agreed loan to Watts Gallery

## Capital

- 4.102 The Directorate has significant pipeline capital investment plans in development to transform the libraries estate and to provide improved mortuary provision.
- 4.103 The draft Capital Pipeline contains investment to enable the libraries transformation programme. This is a five-year programme of work to modernise library settings across Surrey to;
- Enable libraries to meet the changing needs of communities;
  - Support wider strategic priorities; and
  - Ensure library assets are fit and sustainable for the future.

## Horizon Scanning

- 4.104 Further efficiencies would materially reduce or slow aspects of agreed strategic priorities and direction.

## RESOURCES

### Context

- 4.105 As the Council continues to drive forward its ambitious transformation programme to improve the services we provide to residents and its commitment to the Community Vision for Surrey 2030, the Directorate is focused on ensuring that corporate support and enabling services are of the highest calibre, at the right cost.
- 4.106 The pandemic and the latest financial volatility have shown how teams are responsive, adaptable and collaborative in tackling extreme challenges. The Resources Directorate wants to build on this, to provide

the Council with a more joined up approach to support from back-office functions, generating opportunities to realise better customer experience and efficiency through digital innovation and creating 'teams around a service/project.' This is intended to help deliver a step change in the effectiveness of our services, and to meet aspirations to be best in class with regard to the support we provide to our service directorates. The skills and behaviours that this demands of Resources colleagues will be consistent with, and reflective of, those required from front line services that are more focused on place, communities and individual choice.

4.107 The Resources Directorate improvement programme aims to ensure the consistent delivery of high quality, trusted advice and services, performing to their full potential and in a collaborative way, as a key enabler for the County Council to achieve the best outcomes for local residents. In addition to a number of individual service improvement plans, there are the following cross cutting areas of focus within the programme:

- Business Partnering;
- Performance Management;
- Leadership Development;
- Value Tracking;
- Agile Organisation; and
- Digital Business Insights and Digital Transformation

4.108 Through this improvement programme, the Directorate are looking to provide efficient services without reducing the service offer. 2023/24 continues the process of identifying efficiencies following progress in stabilising and raising the quality of services provided. These efficiencies are driven through a number of areas and initiatives.

### Current 2022/23 budget position

4.109 The Directorate is seeing a number of financial pressures emerging, the largest being high energy and food inflation. In addition, there is an identified need to strengthen the capacity in some services in order to meet the organisational ambitions. There are also delays to delivering some of the planned efficiencies to the running cost of buildings. This is leading to a likely overspend of £0.5m this year, after mitigations.

### Financial pressures

4.110 The pressures in 2022/23 continue into 2023/24, these plus new pressures require budget growth of £8.9m. The inflation pressures for next year are estimated as £7.7m. The high level of demand for Legal services continues and additional capacity is required to support the council's corporate strategies, this adds a further £0.9m. Additional pressures of £0.3m relate to loss of income.

### Financial Efficiencies

4.111 Efficiencies of £6.3m have been identified to offset the pressures, leading to a budget gap of £1m. These efficiencies relate to:

- £2.7m of Land & Property (L&P) efficiencies, such as office rationalisation, resources, containing energy inflation by reducing usage. This is in addition to £9.4m of L&P efficiencies delivered since 2018;
- £0.5m additional income from the schools meals service. This includes increasing the price of school meals in April by 10% compared to September 2021 prices and increasing the rate of a universal free school meal by 2%;
- £1.1m of IT&D efficiencies, such as efficiencies enabled by MySurrey, additional income and mobile phone contract savings;
- Savings from the disaggregation of Orbis services will deliver £0.6m;

- £1.4m efficiencies from a variety of services including Business Operations transformation and improvements following implementation of MySurrey, additional income in Finance and contact cost savings.

4.112 The Directorate contains the Transformation Support Unit, which drives further financial efficiencies across the organisation through the ambitious and forward-looking transformation programme whilst ensuring a uniform and consistent approach to transformation and therefore making a significant contribution to achieving the financial sustainability required, so that the Council can deliver priorities, resulting in better outcomes for Surrey residents.

## 8 Capital

4.113 The Directorate has significant capital investment and delivery plans relating to the Council's Land and Property (£806m) and IT&D (£41m) services, over the MTF5 period. These investment plans are developed in close consultation with front line services to ensure that the Council's assets are used effectively and are fit to support the efficient delivery of services to our residents and to support our staff to carry out their responsibilities.

## COMMUNICATIONS, ENGAGEMENT AND PUBLIC AFFAIRS

### Context

4.114 The Communications, Engagement and Public Affairs service is responsible for developing a Communications Strategy for Surrey County Council, mapping out a high-level narrative based on organisational priorities, underpinned by 'super campaigns' and ongoing resident and stakeholder communications.

4.115 The Directorate:

- Through a clear and consistent narrative, ensures residents understand the Council's challenges and its transformation achievements;
- Delivers a public affairs strategy which focuses the Council's political activities and makes clear the Surrey offer to key national Government stakeholders;
- Is responsible for developing an internal engagement plan that cultivates a culture of inclusion, nurtures talent, promotes diversity and creates connected employee communities;
- Ensures the organisation is prepared to respond to high profile media interest, protecting the Council's reputation, particularly in the areas where we are making critical service improvements; and
- Ensures the Council is prepared to deal with reputational challenges by being able to provide crisis management and support, ensuring that the bigger picture and a clear direction is connecting with stakeholders and partners.

4.116 There is an ongoing requirement for the service to maintain good, clear, consistent communication in support of the County's recovery from the pandemic including providing enhanced communications relating to the medium-term impacts of the pandemic, such as mental health, domestic abuse and financial hardship.

### Current 2022/23 budget position

4.117 The Directorate operates within an overall budget of £2m, managing demand pressures within existing financial resources wherever possible. The latest forecast is a balanced position.

### Financial Pressures & Efficiencies

4.118 For 2023/24 pay and price inflation creates a total pressure of £0.1m. This pressure is offset by recognising reduced staffing costs due to staff turnover.



## 5. FINANCIAL STRATEGY AND DRAFT BUDGET 2023/24

5.1 This section sets out our approach to developing a Budget and Medium-Term Financial Strategy. We committed, as part of our Finance Improvement Programme, to assessing future budget setting processes against a best practice framework. This process began for 2020/21's budget and has continued in successive years. The following six hallmarks are used as a self-assessment tool, with current progress set out alongside.

**Table 1 – Self-assessment against the Hallmarks of building the Budget**

Hallmark	Self-Assessment
<b>The budget has a Medium-Term focus which supports the Strategic Plan</b>	<ul style="list-style-type: none"> <li>• The budget process has been coordinated across Directorate Leadership Teams, Strategy, Transformation and Finance; the integrated approach ensures that the budget is focussed on delivering Corporate priorities and linked to the core planning assumptions</li> <li>• Despite significant uncertainty in the financial planning environment, our approach continues to focus on a five-year Medium-Term period, which bears the hallmarks of sustainability and avoids short-term measures or depletion of reserves</li> <li>• The Council launched a cross-cutting approach to budget setting for 2023/24 onwards to ensure that dedicated focus, resource, and adequate time is dedicated to solving the medium-term budget gap</li> </ul>
<b>Resources are focused on our vision and our priority outcomes</b>	<ul style="list-style-type: none"> <li>• The budget is based on clear integration with the Organisation Strategy, the Transformation programme and corporate priorities; developed in partnership across the organisation through the Strategic and Integrated Planning Group</li> <li>• The draft budget has been subject to numerous iterations through Cabinet and CLT over the last five months to narrow the gap and clarify and update assumptions</li> <li>• The comprehensive application of a recognised PESTLE+ framework to review the likely environment for budget setting and service delivery</li> <li>• The assessment led to the development of Core Planning Assumptions, by representatives from across the Council's services, to provide a consistent framework for planning purposes</li> </ul>
<b>Budget not driven by short-term fixes and maintains financial stability</b>	<ul style="list-style-type: none"> <li>• The cross cutting approach, integrated with transformation and with a focus on opportunities required over the medium-term ensures that we are acting now to secure a sustainable budget over the next five years</li> <li>• Business cases are built around corporate priorities; focussing on benefits realisation and deliverability across transformation, invest to save and capital</li> <li>• For the past four years, we have not used General Fund reserves to support the budget – the planning assumptions are for a continuation of this strategy over the medium-term</li> <li>• We aim to continue to hold general fund reserves appropriate to meet the assessed risk environment and specific pressures to ensure our continued financial resilience despite an increasingly volatile and uncertain external environment</li> <li>• Our reserves exceed the 5%-10% range recommended by Grant Thornton in their document '<a href="#">Lessons from recent Public Interest Reports.</a>' This is deemed appropriate and reflects our risk assessment of the external local government environment in which we operate.</li> </ul>
<b>The budget is transparent and well scrutinised</b>	<ul style="list-style-type: none"> <li>• The Budget Task Group and Select Committees have been involved early in the budget process to set out the approach, covering the Core Planning</li> </ul>

	<p>Assumptions, cross cutting efficiencies and funding projections. They have been provided the opportunity to put forward suggestions to close the budget gap. In October, Directorate pressures and proposed efficiencies were shared in advance of finalising the draft budget proposals. These sessions will continue throughout the budget setting process.</p> <ul style="list-style-type: none"> <li>• Opposition Groups have been engaged earlier in the budget setting process for 2023/24. They have been consulted on the core planning assumptions, cross cutting efficiencies, funding projections and asked to contribute suggestions to close the budget gap.</li> </ul>
<p><b>The budget is integrated with the Capital Programme</b></p>	<ul style="list-style-type: none"> <li>• Section 6 sets out the Draft Capital Programme</li> <li>• The Capital Programme is developed alongside the revenue budget and is overseen by Capital Programme Panel. We continue to clearly demonstrate delivery of corporate and service priorities and set out the impact and linkages with the revenue budget</li> <li>• Where decisions on available funding have been required, prioritisation of capital bids have been reviewed by a sub-set of Cabinet and CLT, taking into account parameters such as alignment to corporate priorities and impact on the revenue budget</li> <li>• The full borrowing costs of proposed Capital Programme are reflected in the revenue budget and the trajectory for borrowing costs has been assessed over the long-term</li> <li>• The full lifecycle costs of new investment are assessed to establish the long-term financial impact</li> </ul>
<p><b>The budget demonstrates how the Council has listened to consultation with local, people, staff and partners</b></p>	<ul style="list-style-type: none"> <li>• Section 9 sets out our approach to consultation, in summary:</li> <li>• We undertook in-depth engagement with residents in 2021 to understand their priorities for our spending and to gauge their reaction to a number of proposals. We have continued to validate the outcomes of that exercise in 2022 with other exercises, including focus groups with residents to look at services particularly important to households. We have also undertaken a cost-of-living survey with residents through the Surrey Health and Wellbeing Panel</li> <li>• During November and December 2022, we will engage further with residents, businesses, districts and boroughs, other public service partners and the voluntary, community and faith sector to understand their views about the draft budget and whether we are prioritising our resources in the right places</li> </ul>

## Budget Principles

5.2 The MTFs for successive years has been built on a number of high-level principles which are used as a framework to set the budget. These have proven to be successful and have been reaffirmed for the 2023/24 budget.

5.3 The principles are:

- An integrated approach linking Organisation Strategy, Service and Transformation plans to the MTFs through cross-cutting business partnership;
- A balanced revenue budget with only targeted use of reserves and balances (i.e. using them for their intended purpose to cover one-off or time-limited costs);
- Regular review of reserves to ensure appropriate coverage for emerging risk;
- Budget envelopes set for each Directorate to deliver services within available resources;
- Budgets agreed and acknowledged by Accountable Budget Officers through Budget Accountability Statements;
- Cost and demand pressures contained within budget envelopes;
- Robust efficiency plans which are owned, tracked, and monitored;
- Managers accountable for their budgets;

- Scenario planning across pessimistic, optimistic, and likely assumptions to set realistic boundaries on the likely operating environment; and
- Working with partners to create best value for residents.

Principles more specifically related to setting sustainable Medium-Term budgets are:

- Developing and iterating five-year plans, integrated with transformation and capital investment across the Council;
- Continuing to adopt a budget envelope approach with a model to determine a consistent and transparent application of funding reductions to Directorate budget envelopes;
- Envelopes validated annually based on realistic assumptions and insight;
- Evidence bases used to underpin all efficiency proposals;
- Assurance that all efficiencies, pressures and growth are owned by Executive Directors with clear governance throughout the organisation;
- Pay and contract inflation allocated to Directorates to be managed within budget envelopes;
- A corporate transformation fund held centrally;
- A corporate risk provision/contingency held centrally; and
- A corporate redundancy provision held centrally.

### Revenue Budget Headlines

- 5.4 As an organisation we are constantly affected by our external environment, which has implications for both what we want to achieve and how we will deliver for our residents and communities. Understanding this context is integral in helping inform and shape how we plan and respond as an organisation to possible future scenarios.
- 5.5 The draft revenue budget has been developed during a period of significant uncertainty; with the impact of inflation forecasts, Government leadership and policy changes, funding, the impact of the cost-of-living crisis and likely demand for services in 2023/24 all very unclear. This uncertainty has been managed through the development and costing of a range of Core Planning Assumptions, which set out assumptions about the council's most likely operating context.
- 5.6 The assumptions have been developed from emerging policy trends and predictions drawn from government messaging, strategies, policy think tanks and other influential institutions to build an expectation of future conditions. They are not intended to define a specific future, but list important factors that may affect the council's resources and services to inform strategic and financial planning in the short to medium term.
- 5.7 The creation of the Core Planning Assumptions drew from subject matter expertise from across the council, forming a set of likely scenarios against which the service strategies and the Draft Budget were developed.
- 5.8 Directorate growth pressures have been subject to a number of iterations and changing assumptions, particularly in relation to forecast inflation; culminating in indicative pressures for the Draft Budget of £125.1m, including £6.8m of increased capital financing costs. The level of pressures represents a significant increase in the annual pressures identified, when compared to recent years, primarily due to the high inflation environment but also due to some significant pressures included as a result of Government policy proposals and continued demand pressures.
- 5.9 To date, efficiencies of £68.6m have been identified. Due to the high level of pressures identified, this also represents an increase when compared to the level of efficiencies required in recent years. Together with an increase in funding of £27.1m (as set out in para 5.19) and estimated additional Adult Social Care funding of £15m announced on 17 November 2022, these developments give a gap yet to be closed for 2023/24 of £14.4mm, as shown in Table 2 below.

5.10 Further information on pressures and efficiencies for each Directorate is set out in **Annex A**

**Table 2: Summary Draft Budget Position for 2023/24.**

Directorate	Base Budget £m	Pay & Contract Inflation £m	Demand & Other Pressures £m	Identified Efficiencies £m	Total Budget Require- ment £m	Budget Envelope (initial allocation of funding) £m	Remaining Gap £m
Adult Social Care	401.7	32.9	19.8	(19.8)	434.5	410.3	24.2
Public Service Reform and Public Health	34.3	1.2	1.2	0.0	34.4	34.4	0.0
Children, Families and Lifelong Learning	221.8	8.8	29.9	(10.4)	250.1	226.5	23.6
CFL - DSG High Needs Block	27.2			(22.2)	5.0	27.2	(22.2)
Environment, Transport and Infrastructure	141.7	13.2	1.7	(3.5)	153.1	144.7	8.4
Surrey Fire & Rescue Service	33.2	2.9	3.5	(0.9)	38.6	33.9	4.7
Customer and Communities	16.9	1.5	0.1	(1.0)	17.5	17.2	0.2
Prosperity, Partnerships and Growth	1.6	0.1	0.1	(0.1)	1.6	1.6	0.0
Comms, Public Affairs & Engagement	2.0	0.1	-	(0.0)	2.0	2.0	0.0
Resources	76.8	7.5	1.4	(6.3)	79.4	78.4	1.0
Central Income and Expenditure	81.9	0.2	1.6	(4.3)	79.4	89.9	(10.5)
<b>Directorate Total</b>	<b>1,039.0</b>	<b>68.4</b>	<b>56.7</b>	<b>(68.6)</b>	<b>1,095.6</b>	<b>1,066.1</b>	<b>29.4</b>
Central Funding	(1,039.0)		(27.1)	(15.0)	(1,081.1)	(1,066.1)	(15.0)
<b>Council Total</b>	<b>0.0</b>	<b>68.4</b>	<b>29.6</b>	<b>(83.6)</b>	<b>14.5</b>	<b>0.0</b>	<b>14.4</b>

5.11 Given the level of uncertainty nationally, and specifically for local government, a gap of £14.4m (1% of likely net revenue funding) represents acceptable progress in balancing the budget at this early stage.

Uncertainty still surrounds our funding position, we will be more certain once the provisional settlement is issued in December, which will outline how the additional funding announced by the government in the Autumn Statement will be distributed, with the method chosen likely to have a material impact on our position.

5.12 Given the level of efficiencies still required and the achievement of considerable efficiencies over recent years, it is extremely challenging for the council to identify this level of additional efficiencies. We continue to review our proposals and look to mitigate pressures wherever possible, but the scale of the challenge may mean we have to delay the achievement of some of our priorities in order to meet the financial challenge ahead. In addition, a review of the levels of reserves of the Council will be undertaken which will be done with regard to the current high risk operating environment. The extent to which this is necessary will depend on the allocation of funding from the Local Government Finance Settlement in December, and confirmation of District and Borough Council Tax Bases in January.

## National Funding Context

### Background

5.13 On the 17<sup>th</sup> November 2022, the newly appointed Chancellor of the Exchequer, the Right Honourable Jeremy Hunt MP, announced the Autumn Statement, alongside the publication of updated economic forecasts for the UK by the Office for Budget Responsibility (OBR). The announcements were widely anticipated, given the economic, political and fiscal uncertainty of the previous few months since the fiscal announcements made by the previous Chancellor at the end of September.

5.14 The Autumn Statement announced plans to close a significant fiscal gap (estimated at £55bn) through equal measures of reduced spending and tax increases. The Chancellor needed to provide confidence to the markets and the wider economy and set out plans that were both politically and economically credible. The announcements set out clear plans for the short-term and guidelines for the medium-term beyond 2025/26.

- 5.15 The Chancellor made some significant spending decisions for local government over the next 2 years, with increases in funding for social care and schools. Some of the additional funding has been found by postponing the implementation of the social care reforms from October 2023 to October 2025, using the resources available to manage existing service pressures. Details of how the additional funding announced will be distributed are yet to be announced, with the method chosen likely to have a material impact on council’s relative positions.
- 5.16 In addition, the Chancellor is using the ability to increase council tax to help manage the impact of inflation and the funding gap within local government. The Autumn Statement announced an increase in the referendum limit for core council tax increases from 1.99% to 2.99%, with an allowable additional adult social care precept of 2%, increased from 1%.
- 5.17 Details of spending plans for the medium term are not set out, these will depend on the speed and level of improvement and growth in the economy. This continues the trend of uncertainty and a real risk of reductions being required in public spending in the medium term.

### Funding Assumptions for 2023/24

- 5.18 For some years, the most significant anticipated influence on the Council’s funding has been the long-awaited implementation of fundamental Government funding reform; the Review of Relative Needs and Resources, alternatively referred to as the Fair Funding Review. Our assumption is that reform would see Surrey’s funding drop significantly over the medium-term. Informed views indicate that this is now unlikely to happen this side of the next General Election, so any impact would be in 2025/26 at the earliest.

**Table 3: Funding assumptions:**

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£m	£m	£m	£m	£m	£m
Council Tax	829.7	852.6	876.1	900.7	926.4	952.9
Business Rates	109.6	109.6	111.8	167.1	135.1	103.6
Grant Funding	103.4	106.1	97.5	12.0	12.0	12.0
<b>Funding before collection fund</b>	<b>1,042.7</b>	<b>1,068.4</b>	<b>1,085.4</b>	<b>1,079.7</b>	<b>1,073.5</b>	<b>1,068.4</b>
CT collection fund	1.6	0.9	2.6	2.6	2.7	2.8
BR collection fund	(5.3)	(3.1)	(2.3)	(2.3)	(2.3)	(2.3)
<b>Total funding</b>	<b>1,039.0</b>	<b>1,066.1</b>	<b>1,085.7</b>	<b>1,080.1</b>	<b>1,073.9</b>	<b>1,068.9</b>

### Council Tax Funding

- 5.19 Government announced on 17 November that councils could increase core council tax by up to 3% without the need for a referendum and can raise up to 2% in an additional adult social care precept. Consistent with our planning approach in recent years, council tax has been modelled assuming a **Band D rate increase of 1.99% throughout the budget process to date. The variable used is the tax base** which has been modelled at a 0.75% growth for 2023/24.

### Business Rates funding

- 5.20 A flat position has been modelled from 2022/23 to 2023/24, with the assumption that any inflationary increase in the multiplier would be offset through a section 31 grants if the multiplier is frozen.
- 5.21 In addition, 2022 includes the impact of the revaluation change. This relates to a package of reforms which supports the delivery of a three-yearly valuations cycle. Revaluations have previously been implemented in 1995, 2000, 2005, 2010 and 2017. Legislation had been introduced to bring the next Business Rates revaluation forward by one year from 2022 to 2021 but that was postponed due to the pandemic. It is now due to be implemented in 2022 and there will be a move to 3-yearly valuations hence forth.

## Grant funding

5.22 This includes a slight uplift on the business rates multiplier grant with the assumption that it will be frozen and compensated through a Section 31 grant. Alternatives were reviewed for grant funding in 2023/24 with consideration being given to New Homes Bonus and the Services Grants, both were due to cease from 2021/22 but given the lack of consultation, current budget assumptions are that they will remain at 2021/22 levels. The Public Health grant (£39.6m) is also anticipated to continue at the 2022/23 level as is the Social Care support grant (£31.2m). On 17 November, Government announced additional funding for Adult Social Care. Details of the amount that the Council will receive as a result of this announcement have yet to be released and confirmation is expected in December. The draft budget has been amended to include an estimated £15m of funding in 2023/24 as a result of this announcement. This is a prudent, but not worst case, assumption. The biggest determinant of the amount that SCC will receive is the distribution method used and the extent to which capacity to raise adult social care precept is taken into account in the distribution of government grant, a process known as “equalisation.” It is unlikely there will be large additions in any other grant funding due to prevailing economic circumstances.

## Collection Fund

5.23 The 2022/23 surplus is based on the Council Tax collection fund usually ending the year in a positive position. This is anticipated at 0.4% of Council Tax revenue.

5.24 For Business Rates an assumption has been made that the collection fund produces an in-year deficit. This is anticipated at c0.5% of current Non-Domestic Rates income, eliminating the movements in previous years caused by COVID.

## CIPFA Resilience Index Update

5.25 The 2022/23 Budget and Medium-Term Financial Strategy to 2026/27 report to Council in February provided an update on the Council’s performance in the CIPFA resilience index, based on provisional 2020/21 data. CIPFA has now released the final data for 2020/21 which confirms the finding in February’s report, in particular showing improvements in reserves sustainability. The level of reserves held, compared to other authorities is low, however the index for 2020/21 was significantly impacted by Covid-19 funding, which in many cases was received at the end of the financial year and contributed to reserves, resulting in some authorities showing significant increases in levels of reserves as at March 2021. Therefore, CIPFA recommends that it is viewed in the context of being a transitional year.

5.26 2021/22 data has not yet been released but will be analysed for the Final Budget report for February 2023, if it is available. When available, we anticipate the 2021/22 data to show a further improvement in resilience, particularly in respect of retained reserves which were further contributed to as a result of the 2021/22 outturn position.

## CIPFA FM Code of Practice

5.27 CIPFA has developed the Financial Management Code (FM Code), designed to ‘support good practice in financial management and to assist local authorities in demonstrating their financial sustainability.’

5.28 It is for individual authorities to determine whether they meet the standards and to make any changes that may be required to ensure compliance. The 2021/22 financial year represented the first full year of code compliance. Officers carried out a review against the guidance and concluded that:

- the Council can demonstrate overall compliance with the standards;
- evidence could be strengthened for a small number of indicators; and
- there are several areas where, as a result of various changes over the past three years including the Finance Improvement Programme and the Finance Academy, the Council’s arrangements exceed the standards.



- 5.29 The results of a full self-assessment against the Code will be shared as part of the Final Budget papers in January 2023, including areas where further development or improvement would be beneficial in 2023/24.

## 6. DRAFT CAPITAL PROGRAMME 2023/24 TO 2027/28

### Overview

- 6.1 This section provides an update on the development of the Capital Programme for 2023/24 to 2027/28, taking into account work that has been carried out by officers and Cabinet Members over the last six months.
- 6.2 Over the last two years the Council's capital ambition and delivery has grown significantly. We continue to invest in the County, aligned to the corporate priorities of the Council and in the areas of most importance to our residents. In 2020, The Council declared a Climate Emergency as it recognises that environmental sustainability has to be at the core of what we do especially when delivering a Capital Programme of this size. Our aspirations in this space are high and we are continuing to work with external partners for innovative ways to deliver our green agenda, in a way which is affordable for our residents. We are also investing in other equally important priorities such as school places including for children with special educational needs and disabilities, infrastructure and Adult Social Care accommodation with care and support.
- 6.3 The Capital Programme planning process began in June this year, maintaining the trend of starting the process earlier each year as part of a continual drive to improve governance, deliverability and accountability in capital.
- 6.4 An officer-led, Capital Programme Panel (CPP), ensures that the framework for setting the Capital Programme continues to focus on outcomes for residents, deliverability and affordability and contributes to the Community Vision for Surrey 2030 and aligning with the organisation's priorities.
- 6.5 Governance of the Capital Programme is led by CPP and the three Strategic Capital Groups (SCGs) for Property, Infrastructure and IT with support from Finance and Members. The SCGs are tasked with developing the Capital Programme based on an asset planning approach to ensure that affordable, value for money capital solutions are identified to meet the needs of residents.
- 6.6 CPP provides additional assurance that capital plans fit in with corporate priorities and that deliverability and benefits can be achieved. In collaboration with Finance, the impact of the Capital Programme on financial resources is assessed with each new iteration to ensure it is sustainable, with particular focus on overall borrowing levels and borrowing costs in the medium to long term.
- 6.7 Officers work closely with Cabinet to shape the development of the Capital Programme. Cabinet approve the addition of new schemes, as well as transfers from the capital pipeline into budget, following the rigorous business case process. Assurance on the delivery of high priority schemes is also provided through the Major Projects Board as well as specific project boards for individual major schemes.
- 6.8 Governance structures, processes and procedures of the Capital Programme are continually assessed to strengthen financial management, decision making, and accountability. This includes internal audit, external reviews and work led by CPP and SCGs in collaboration with Finance.
- 6.9 Due to the growing size of the Capital Programme, additional work has been undertaken to assess the impact of borrowing costs on the revenue budget in the short, medium and long-term. As a result of this work the following have been used as the foundations for establishing the Draft Capital Programme:
- Clear identification and prioritisation of schemes that will be self-funded, with borrowing costs directly met from the operating model through income and efficiencies. These schemes are not a burden on the revenue budget;

- Establishing a borrowing limit for schemes that will be funded centrally and setting out an improved framework to ensure prudent decisions are taken in the approval of capital schemes with “unfunded” borrowing, to prioritise those that provide the best value for money;

6.10 In addition to the above, Infrastructure and Property SCGs have set up Project Management Offices (PMOs) to further develop project management capacity and improve timely production of robust business cases for pipeline projects and accelerate the conversion of approved business cases to project delivery. The PMOs will also be key in benefit realisation and post completion reviews and will work collaboratively with the Benefits Board.

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6.11 For commercial capital investments, the Member led Strategic Investment Board (SIB) monitors the Council’s investment properties and subsidiary companies to ensure satisfactory performance and effective risk management. The financial returns delivered by trading and investment help to ensure that we continue to deliver quality services to our residents.

6.12 SIB provides effective oversight, ensuring alignment with the strategic objectives and values of the Council. SIB safeguards the Council’s interests and takes decisions in matters that require the approval of the Council as owner or as a shareholder of a company.

6.13 The Capital Programme is split between approved budget and capital pipeline. The pipeline allows the Council to reflect on ambitious spending plans providing a vision of the future to assess against emerging priorities and estimate potential impacts on the revenue budget, in particular borrowing costs. Pipeline schemes act as a placeholder for schemes in early stage of development which are moved into the approved budget only when their benefits and deliverability are adequately demonstrated to CPP and Cabinet.

6.14 Over the Summer, spending plans have been iterated and the SCGs have come forward with a refreshed set of proposals, which have been adapted to reflect priorities and available financial and operational resources. Each month CPP scrutinises the latest iteration with particular focus on deliverability (both in the programme itself and against the pipeline), benefits and funding assumptions, with particular focus on overall borrowing levels and borrowing costs.

6.15 A capital sub-group was established in October, consisting of members of the Council’s Leaderships Team, Cabinet and Corporate Finance. This group was tasked with reviewing the capital bids to ensure appropriate prioritisation of schemes and affordability of the overall capital programme. The latest iteration of the Capital Programme is set out in the sections below.

### **Capital Programme – MTFS Budget and Pipeline Summary**

6.16 The current programme was approved by Council in February, totalling c£1.9bn. In developing this programme, the Council carried out detailed modelling on the impact of the MTFS on borrowing costs and borrowing limits and ensured that revenue costs remained within the budget envelopes set out. This was achieved through a combination of refining the borrowing requirement for pipeline schemes and through identifying a number of schemes that will generate income or efficiencies sufficient to cover their borrowing costs. Self-funded schemes are scrutinised in detail at the business case stage and assessed during implementation and completion to provide assurance that benefits are realised and borrowing costs covered. When there is deviation, a governance framework exists to escalate and take action.

6.17 Where schemes do not generate sufficient income or efficiencies to cover borrowing costs, this borrowing is “unfunded” and the revenue costs are paid for centrally. Many schemes that have unfunded borrowing receive considerable match funding and are critical to improving infrastructure in the county, enabling the continuation of providing statutory services, improving services, and realising priorities such as climate change.

- 6.18 The modelling that was carried out when developing the current MTFS determined a limit on new unfunded borrowing of £40m from 2026/27 onwards, to keep borrowing costs within the revenue budget envelope. The programme for 2023/24 to 2027/28 has been developed in accordance with this affordability limit.
- 6.19 The challenge of developing an affordable capital programme that complies with this limit and effectively delivers Council priorities has grown, due to the impact of inflation driving up costs of delivery. Against this backdrop, SCGs and CPP have reviewed the appropriateness of budget allocations and challenged delivery plans, expenditure profiles and benefits of schemes. Opportunities to utilise other sources of funding have been factored into the proposed budget e.g. grants and external contributions.
- 6.20 The draft Capital Programme is set out in more detail in **Annex B**. To finalise the Capital Programme, CPP and SCGs will continue to test the justification, affordability and prudence of plans to increase borrowing. The outcome of this work will be presented in detail to Cabinet in January as part of the Final Budget Report, and in the Treasury Management Strategy and associated prudential indicators; both set to be approved in January 2023.
- 6.21 Uncertainty remains over the economic backdrop. Inflation remains at extremely high levels and a continued upward trend will drive up costs of scheme delivery. Uncertainty on the path of interest rates has increased significantly due to the possible risk of unknowns including further tax changes. The risk remains that interest rates will continue to increase thus putting further pressure on revenue financing costs that the Council will need to manage.

### MTFS Capital Budget 2023/24 to 2027/28

6.22 A total of **c£1,142m of schemes are included in the proposed approved capital budget over the MTFS (excluding pipeline)**. Business cases for these well-developed schemes have been prepared and subjected to appropriate testing and scrutiny before being approved. The schemes will be monitored during the year for cost control, deliverability and to ensure budget estimates remain realistic over the period of the Capital Programme. Table 4 below shows a breakdown of budget schemes into the three SCGs over the MTFS period:

**Table 4: MTFS Draft Capital Budget by Strategic Capital Group (excluding pipeline):**

Strategic Capital Group	MTFS Budget (£m)
Infrastructure	598
Property	520
IT	24
<b>Total Budget</b>	<b>1,142</b>

6.23 These schemes deliver priorities across the county, including investment in schools, the transport network, flood alleviation, making the most efficient use of the corporate estate and providing support to vulnerable residents. The top 10 schemes in the Capital Programme (excluding pipeline) make up 76% of the total estimated budget:

- £189m - Highway Maintenance – improvements to roads and footways across the County
- £146m - Surrey Flood Alleviation - River Thames Programme (element within the 5-year MTFS)
- £117m - SEND Strategy (Phases 4) – increasing sufficiency of provision for special education needs and disability in schools across Surrey
- £101m - Schools Basic Need – increasing school places and building schools across the County
- £71m - Recurring Capital Maintenance Schools – County wide schools maintenance programme

- £64m - Recurring Capital Maintenance Corporate (Non-schools) – County wide maintenance of service buildings, community facilities and offices
- £59m - SEND Strategy (Phases 1-3) – increasing sufficiency of provision for special education needs and disability in schools across Surrey
- £54m - Bridge/Structures Maintenance – improvements and safety maintenance of specialist infrastructure
- £36m - A320 North of Woking and Junction 11 of M25 – Homes England grant funded road and junction improvements
- £30m – Children Looked After (CLA) Schemes - capital investment across our residential estate to increase capacity in Surrey

## 2023/24 Capital Budget (excluding pipeline)

6.24 c£363m is provisionally included in the draft capital budget for 2023/24 as set out in the table, below. This will need to be thoroughly tested for deliverability prior to the final budget being approved but is consistent with the scale of forecast delivery for 2022/23:

**Table 5: 2023/24 Draft Capital Budget by Strategic Capital Group:**

Strategic Capital Group	2023/24 Budget (£m)
Infrastructure	199
Property	153
IT	11
<b>Total Budget</b>	<b>363</b>

6.25 Successful delivery of the 2023/24 budget is a key part of ensuring the Capital Programme overall remains on course. Between now and the final capital budget being presented to Cabinet in January 2023, CPP will work with SCGs on the profiling of the draft budgets to ensure deliverability. The focus of the 2023/24 budget will be on the schemes that comprise the majority of forecast spend. The top 10 schemes account for 73% of the 2023/24 budget:

- £71m - Highway Maintenance – improvements to roads and footways across the County. This includes an element of planned acceleration of highways maintenance spend across 2022-24.
- £36m - SEND Strategy (Phases 1-3) – increasing sufficiency of provision for special education needs and disability in schools across Surrey
- £36m - A320 North of Woking and Junction 11 of M25 – Homes England grant funded road and junction improvements
- £27m - SEND Strategy (Phase 4) – increasing sufficiency of provision for special education needs and disability in schools across Surrey
- £22m Independent Living (Batch 1)
- £18m - Schools Basic Need – increasing school places and building schools across the County
- £16m - Ultra Low Emission Vehicles (Buses)
- £13m - Bridge/Structures Maintenance – improvements and safety maintenance of specialist infrastructure
- £12m - Recurring Capital Maintenance Corporate (non-schools) – County wide maintenance of service buildings, community facilities and offices
- £12m – Local Highways Schemes

## MTFS Pipeline Schemes 2023/24 to 2027/28

6.26 **Pipeline schemes** include proposals developed to a stage where they can be earmarked against a flexible funding allocation built into the wider Capital Programme. The pipeline allows projects to be approved during the year subject to business case approval. The SCGs have come forward with an ambitious set of

proposals to support key strategic priorities and safeguard the future for Surrey residents. The table below shows a breakdown of pipeline schemes into the SCGs over the MTFS:

**Table 6: MTFS Draft Capital Pipeline by Strategic Capital Group:**

Strategic Capital Group	MTFS Pipeline (£m)
Infrastructure	402
Property	279
IT	17
Your Fund Surrey	60
<b>Total Pipeline</b>	<b>758</b>

- 6.27 The pipeline is key to the Council achieving its long-term objectives especially with regard to meeting climate change targets and to create a greener future for residents. Converting the pipeline into robust business cases that can be scrutinised for funding, deliverability and benefits through the existing governance framework is a priority for SCGs and CPP. The setup of the new PMOs in Property and Infrastructure is a direct response to increase pipeline conversion and deliver priorities.
- 6.28 The Council is committed to continue working with partners to unlock opportunities across the County, including large scale infrastructure projects to significantly improve transport links, unlock housing development for District and Borough partners and to regenerate towns and local economies. The top 10 pipeline schemes based on estimated spend over the MTFS period are shown below:
- £128m - Surrey Infrastructure Plan – County wide large infrastructure schemes
  - £115m - Farnham Infrastructure Programme A31 Hickleys Corner
  - £60m – Your Fund Surrey; investing in community-led place-making or place-improving projects.
  - £45m - Greener Futures - Net Zero 2030 – measures to reduce the Council’s carbon emissions
  - £43m - Pupil Referral Unit (PRU) Schemes – investment in County PRU places and improvements for improved pupil support
  - £43m - Extra Care Housing – part of the strategic ambition to building 725 units of affordable accommodation across Surrey by 2030
  - £30m – Greener Futures – Net Zero 2050 target
  - £28m - Corporate Asset Capital Programme Spend – estate rationalisation including building community hubs
  - £26m - Libraries Transformation Phase 1 – investment in libraries across the County
  - £21m – Materials Recovery Facility – construction of MRF in Surrey to deal with dry mixed recyclable material arising from kerbside collections
- 6.29 Of the total pipeline allocation in the MTFS, c.£340m or 45% is proposed for schemes that contribute to reducing carbon emissions, tackle climate change and enable a greener future for residents. A further £325 is included in the capital budget, bringing the total to c.£665m. The Council has brought in expertise to better understand and report on carbon impacts of the Capital Programme and to set established processes for assessing capital plans and capturing necessary information for business case scrutiny and benefits realisation.
- 6.30 All pipeline proposals are subject to ongoing development, scrutiny and challenge to ensure feasibility and deliverability before being approved to budget and confirmed into the Capital Programme.
- 6.31 The nature of the pipeline is to be a flexible portfolio of schemes that contribute to the Council’s strategic objectives. As a result, SCGs may update the pipeline accordingly to adapt to changing circumstances, emerging priorities and financial constraints.

## 7. FINANCIAL PERFORMANCE 22/23

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- 7.1 The Month 6 Finance Update report is reported to the same Cabinet on 29th November. Headline performance is set out below.
- 7.2 **Revenue:** As at September 2022 (M6) Directorates are projecting a full year £24.4m deficit, after taking into account £8m of budget recovery plans; The Directorate position is considerably more challenging than at the same point last year, recognising the challenge the economic climate and rising inflation has on the delivery of our services within available budget, in addition there has been significant additional demand in a number of service areas.
- 7.3 The current level of projected overspend is significant and it is imperative that this reduces before we reach the end of the year. Otherwise, there would be a material negative impact on the level of the council's reserves at a time when the level of external financial risk is extremely high. Therefore, Cabinet agreed that concerted action needed to be taken to reduce the forecast position.
- 7.4 The Council remains committed to budget accountability and the budget envelope approach and therefore Directorates which are currently forecasting an overspend position have committed to delivering a budget recovery plan, which requires the identification of targeted additional in-year efficiencies to mitigate the forecast overspend
- 7.5 The 2022/23 budget includes general contingencies and as such a balanced outturn overall is anticipated. However, it is still the expectation that Directorates manage the overspend within their budget envelopes to maintain overall budget resilience and reduce the pressure on 2022/23 and future years.
- 7.6 **Capital:** The Council approved a capital budget for 2022/23 of £210.9m in February 2022, after adjustments for carry forwards and acceleration the current budget is £215.8m. The forecast at M6 is for full year spend of £220.5m, which is the net effect of acceleration in some areas and slippage against other schemes, as detailed below.
- 7.7 More information on the revenue and capital position can be found in the 2022/23 Month 6 (September) Financial report to Cabinet on 29th November 2022.
- 7.8 Many of the factors impacting the 2022/23 expected outturn position for both revenue and capital will continue into 2023/24 and the medium term. Budget estimates for 2023/24 include the ongoing impact of Directorate variances from the current financial year, where they are expected to continue. Both the ongoing impact of inflationary pressures being felt this financial year and estimates of high inflation rates throughout 2023/24 are included in the starting point for 2023/24. Demand pressure trajectories have also been continued into 2023/24 in relation to those services experiencing pressures over and above the budget assumptions in 2022/23, specifically within adult social care and children's services. This provides confidence that the underlying budget, overall, is realistic and deliverable. These increased pressures significantly escalate the efficiency requirement in 2023/24.

## 8. MEDIUM TERM FINANCIAL OUTLOOK AND STRATEGY 2023/24 TO 2027/28

### Funding Context for the Medium-Term

- 8.1 Over the medium-term, the gap between expected Directorate spending pressures and projected funding grows significantly. By 2027/28, the Council will need to close a gap of c.£221m.



This is driven by:

- Growth pressures: including demand and inflation: c£371m;
- Increased borrowing costs of the capital programme: £40m;  
Offset by:
- An overall increase in funding: c£30m;
- Less efficiencies identified to date: c£160m.

8.2 Although our immediate priority is understandably closing the gap and setting a balanced budget for 2023/24; our medium-term focus means that transformation and service delivery plans are developing now, which already go a significant way to improving our medium-term financial outlook. These plans will iterate as funding projections gain more certainty. The gap increases steeply from 2025/26 reflecting the estimated impact of both Fair Funding Reforms and the delayed Adult Social Care Reforms.

**Table 7: MTFS Gap to 2027/28**

	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	£m	£m	£m	£m	£m	£m
Brought forward budget	1,039.0	1,080.5	1,120.3	1,188.8	1,246.6	
Directorate Pressures	118.3	59.5	78.5	66.3	48.3	<b>370.9</b>
Increased borrowing costs of Capital Programme	6.8	11.6	9.6	7.6	4.6	<b>40.2</b>
Identified Efficiencies	(83.6)	(31.3)	(19.6)	(16.1)	(9.0)	<b>(159.8)</b>
<b>Total Budget Requirement</b>	<b>1,080.5</b>	<b>1,120.3</b>	<b>1,188.8</b>	<b>1,246.6</b>	<b>1,290.4</b>	<b>251.3</b>
Change in budget requirement	41.5	39.8	68.5	57.8	43.8	251.3
<b>Opening funding</b>	<b>1,039.0</b>	<b>1,066.1</b>	<b>1,085.7</b>	<b>1,080.1</b>	<b>1,073.9</b>	
Funding (reduction) / increase	27.1	19.6	(5.6)	(6.2)	(5.0)	29.9
<b>Funding for Year</b>	<b>1,066.1</b>	<b>1,085.7</b>	<b>1,080.1</b>	<b>1,073.9</b>	<b>1,068.9</b>	
<b>Overall Reductions still to find</b>	<b>14.4</b>	<b>34.6</b>	<b>108.7</b>	<b>172.7</b>	<b>221.5</b>	
<b>Year on Year - Reductions still to find</b>	<b>14.4</b>	<b>19.9</b>	<b>74.3</b>	<b>63.9</b>	<b>48.9</b>	<b>221.4</b>

## Council Tax

- 8.3 A neutral scenario for Council tax has been modelled assuming a Band D rate increase of 1.99%. The variable used is the tax base which has been modelled at a 0.75% growth in 2024/25 and then 0.80% growth in 2025/26 increasing to 0.85% in 2026/27 and 2027/28.
- 8.4 No assumption is currently made on the level of Adult Social Care precept.
- 8.5 It is important to note that the Council's main funding source is Council Tax. On average, this funds 80% of net revenue expenditure, the impact of the cost-of-living crisis on residents affecting their ability to pay Council Tax make this area particularly difficult to predict. Local Council Tax Support schemes provide some assistance, with increasing support here likely to result in a reduced tax base approved by district and boroughs.

## Local Government Reform (Fair Funding Review, Review of Relative Needs and Resources) & Business Rates Reset

- 8.6 The review of Local Government funding distribution, the Review of Relative Needs and Resources or Fair Funding Review (FFR), and the move to 75% retention of Business Rates has been delayed again with no new information on when they are likely to happen.

- 8.7 Confirmation over the timing of the reform is crucial to planning, not least because we anticipate the results will reduce our overall funding. We assume transitional arrangements will be put in place, so the pace of reduction is phased and the impact more manageable. Under normal circumstances officers would review technical working group papers as a highly effective means of keeping informed about the potential direction of reform. However, working groups which were previously developing the new system have been suspended and so the ability to gather any new and robust intelligence has been reduced.

## Business Rates

- 8.8 For 2023/24 to 2024/25 an increase of 2% has been modelled, with the assumption some growth will occur through inflationary increases to the multiplier.
- 8.9 Business Rates reform is then modelled from 2025 onwards, although timings of this are currently still unconfirmed. Once this is implemented the Council will likely see an initial increase to Business Rate retention and a decrease to grant income as grants (such as Public Health) will be 'rolled-in' to the Business Rates formula, along with the Business Rates Multiplier and Social Care grants. The level of Business Rates retained has a direct relationship with funding reform and as such we expect this funding to reduce over the remainder of the MTFS as transitional arrangements unwind.

## Grant income

- 8.10 Minimal changes to grants are assumed until 2024/25 due to government indications that large changes are unlikely. From 2025 onwards, centrally held grants are reduced or eliminated altogether following the assumption of large-scale Business Rate reform.

## 9. ENGAGEMENT AND CONSULTATION

- 9.1 In 2021, the council agreed a robust approach to consultation and engagement to inform setting the 2022-23 budget, our medium-term financial strategy, and our next phase of transformation. Having previously undertaken an in-depth budget engagement exercise in 2018, this thorough, in-depth exercise in 2021, provides a strong foundation to shape budget decision making, meaning we could take a lighter touch approach to engagement over the next few years to continue validating the outcomes of this work.
- 9.2 Through September and October 2021, the council commissioned Lake Market Research to carry out in-depth research into Surrey residents' priorities for our budget. The aims of the exercise were to:
- Raise awareness with residents of the context we are working in, including local budget pressures, their views on the need to transform services, and new approaches to service delivery
  - Identify residents' informed spending preferences
  - Test spontaneous and informed attitudes towards service changes and residents' roles in supporting change – what would be acceptable, and what wouldn't be acceptable.
- 9.3 When presented with information about the council's financial context, residents expressed their surprise at the size of the efficiencies required and found it challenging to comprehend what the impact would be on residents if all departments were required to find savings.
- 9.4 The services residents most wanted to protect from funding reductions was social care for those aged 65 and over; followed by waste services, children's social care, education services, fire and rescue and social support services (such as services to support unpaid carers).
- 9.5 When residents were asked directly if they would agree with a 2% increase in Council Tax, over half (54%) thought it should not be increased and the £80 million required savings for 2022/23, on top of the £200 million already required over the medium-term, should come from somewhere else. However, when asked if they would support an increase to protect the most vulnerable, 67% of respondents agreed with an increase under those circumstances.

- 9.6 When asked if they would support up to 2.5% increase in the Adult Social Care Levy to spend more on the care of the most vulnerable adults and older people, 57% said they would support this if the council decided to take up the option. Support was higher amongst residents aged 65 and over and residents with a disability.
- 9.7 Other themes emerging from the research were:
- Residents wanted the council to prioritise making efficiencies through better use of land and assets and by supporting local communities to be more involved in delivery
  - Residents strongly supported investment in early intervention and prevention
  - They expect services to join up more effectively throughout planning and delivery to strengthen the chances of improved outcomes
  - They want the council to put residents most at risk of being left behind in Surrey at the heart of decision-making, such as people who are digitally excluded
  - Residents are demanding a greater role in decision-making and delivery in their localities, accompanied with more community engagement
  - They also want more practical guidance from authorities on changes they could make in their lives to make a difference to their local places and communities
  - They want the council to lobby central government for further support to enable the county to achieve net zero by 2050.
- 9.8 We have taken opportunities in 2022 to build upon the 2021 engagement exercise. In May 2022, Lake Market Research undertook qualitative research to explore:
- Awareness of County Council responsibilities
  - Factors that make a good place to live and what local area improvements they would like to see (generally / irrespective of who is responsible for their delivery)
  - Services particularly important to resident households and in need of more support from Surrey County Council
  - Top of mind reactions and importance of Surrey County Council's four strategic outcomes and their potential measurement
- 9.9 Three virtual focus groups were held with Surrey residents, with residents randomly sampled to take part via telephone interviews. Care was taken to obtain a mixed demographic profile in this research. Each group were split by age as follows with a mix of gender, working status and district / borough in each age group: aged 16-34, aged 35-54 and aged 55+.
- 9.10 Safety is a key component of feeling content with the area you live in (police presence, low crime rates, lighting). This was particularly evident amongst female residents across all age groups. Another area (linked to safety) is the local community and how local residents interact and support one another; an area considered particularly important in the context of the recent pandemic and isolation requirements. Access to green / open spaces and education are significant contributors amongst residents aged 35-54. Residents recognised the quality of service provision in these areas currently and referenced their desire to keep these / protect them from future funding cuts / planning.
- 9.11 With regards to what improvements residents would like to see to their local area, healthcare access is a common area residents would like to change in the near future. The availability of GPs, requirements for online access / consultations and mental health support were raised as concerns in all three groups and in considerable detail. Improvements to local town centres and shopping areas is seen as a key improvement area to residents aged 16-34. Whilst it was recognised that investment is underway in some areas, a number of this age group commented on needing to travel to other areas (in and outside of Surrey) for retail and leisure purposes.

- 9.12 There was considerable concern with regards to housing / planning and the thought given to the required surrounding infrastructure (particularly amongst residents aged 55 & over, residents living in rural areas).
- 9.13 Another area particularly pertinent to residents aged 16-34 is improvements to public transport; both trains and buses. Reliability, frequency, and cost are cited as key barriers to use / more frequent use amongst this age group. Road conditions as well as road user behaviour are concerns raised amongst residents aged 35 & over. Amongst those commenting these areas are seen as long-term issues and met with scepticism that the situation will change in the near future.
- 9.14 Residents were shown a list of areas that Surrey County Council is responsible for or has a role in delivering for the County. They were asked to think about which are particularly important to them and which need more support from Surrey County Council over the next few years. They highlighted:
- Making sure people get access to the services they need
  - Helping people cope with the rising cost of living
  - Community safety / managing crime / anti-social behaviour
- 9.15 Additionally, in August 2022, a cost-of-living survey was asked of the Surrey Health and Wellbeing Panel. The panel consists of 2,000 residents, and there was a response rate of approximately 800 for this survey. The data was then weighted to be representative for the county based on age and gender.
- 9.16 The key findings show that while the majority of Surrey residents are not in crisis situations, they are beginning to make cutbacks. It is important to note that some residents are in crisis already.
- 9.17 For further information, [Cost of Living Crisis Survey August 2022 | Tableau Public](#) contains the full results and graphs. This survey will be repeated in winter to see if there has been any change.
- 9.18 We have also taken the opportunity while shaping the 2023/24 Budget, to engage with members to get their views much earlier in the process than in previous years. An all-member briefing was held in June, the member Budget Task Group was held in July, September and November, and early engagement with Select Committees took place in July, and again in October, with further discussions planned for December.
- 9.19 We have also been speaking to our staff about the current budget context and other strategic challenges. For example, the Leader and Chief Executive have been discussing this in their check-in and chat staff roadshows in October.
- 9.20 Engagement will continue with residents, businesses, district and borough councils, other public service partners and voluntary, community and faith sector organisations in November and December 2023. This open survey will be launched alongside the publication of the Draft Budget and will ask for views on the Draft Budget, how resources are proposed to be spent and the impact on residents and communities. The results from this will be published in the final Budget paper for Cabinet in January and full council in February.
- 9.21 Impacts of budget proposals, both positive and negative, are considered by services in a variety of ways, including through services' own consultation and engagement exercises and the use of Equality Impact Assessments (EIAs). EIAs are used to guide budget decisions and will be included in the final Budget paper alongside an overview of the cumulative impact of proposed changes. At Surrey, we consider impacts not just on the nine protected characteristics, but also other vulnerable groups, for example, those at socio-economic disadvantage, Gypsy, Roma and Traveller communities, those experiencing homelessness, and so on.

## 10. NEXT STEPS

- 10.1 The Final 2023/24 Budget Report and Medium-Term Financial Strategy will be presented to Cabinet in January 2023 and ultimately approved by Full Council in February 2023.
- 10.2 Select Committees will undertake scrutiny of the Draft Budget in early-December with agreed outcomes from that scrutiny, and the more detailed conclusions from resident engagement reflected in the final budget.
- 10.3 The provisional settlement is expected in late December and confirmed in January, the outcomes of which will feed into the Final Budget report to Cabinet.
- 10.4 At this point we are expecting a balanced budget for 2023/24 to Cabinet and Full Council for approval. The focus for the intervening period is to resolve the budget gap of £14.4m. This is likely to be achieved through a balance of the following factors:
  - Review income and funding assumptions - particularly in light of the Local Government Finance Settlement;
  - Ensure that contingencies in the 2023/24 budget and reserve levels are set at the appropriate levels, reflecting the current high-risk environment and providing resilience to deal with continuing uncertainty, specifically around the economy, policy changes and inflation;
  - Review Directorate budget envelopes for further efficiencies; and
  - Continue to review opportunities and drive further cross cutting efficiencies.

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## ANNEX A: PRESSURES & EFFICIENCIES

### SUMMARY

	2023/24	2024/25	2025/26	2026/27	2027/28	
	£m	£m	£m	£m	£m	£m
a) Brought forward budget	1,039.0	1,080.5	1,120.2	1,188.7	1,246.5	

### Pressures

Directorate	Pressure					Total
	2023/24	2024/25	2025/26	2026/27	2027/28	
	£m	£m	£m	£m	£m	£m
Adult Social Care	52.6	38.2	45.5	48.1	29.5	213.9
Public Service Reform and Public Health	0.1	0.0	0.0	0.0	0.0	0.2
Children, Families and Lifelong Learning	38.7	11.6	11.1	10.2	10.3	81.9
CFL - DSG High Needs Block	0.0	0.0	0.0	0.0	0.0	0.0
Environment, Transport and Infrastructure	14.9	4.8	3.0	3.8	3.9	30.4
Surrey Fire & Rescue Service	6.4	1.2	0.2	0.6	0.9	9.3
Customer and Communities	1.6	0.8	0.8	0.8	0.9	5.0
Prosperity, Partnerships and Growth	0.2	0.0	0.0	0.0	0.0	0.3
Commns, Public Affairs & Engagement	0.1	0.1	0.1	0.1	0.1	0.4
Resources	8.9	2.6	2.6	2.7	2.7	19.6
Central Income and Expenditure	1.8	11.6	24.6	7.6	4.6	50.2
<b>b) Total Pressures</b>	<b>125.1</b>	<b>71.0</b>	<b>88.1</b>	<b>73.9</b>	<b>53.0</b>	<b>411.0</b>

### Efficiencies

Directorate	Efficiency					Total
	2023/24	2024/25	2025/26	2026/27	2027/28	
	£m	£m	£m	£m	£m	£m
Adult Social Care	(19.8)	(14.1)	(10.5)	(9.9)	(2.9)	(57.2)
Public Service Reform and Public Health	0.0	0.0	0.0	0.0	0.0	0.0
Children, Families and Lifelong Learning	(10.4)	(6.9)	(5.1)	(3.9)	(4.1)	(30.4)
CFL - DSG High Needs Block	(22.2)	0.0	0.0	0.0	0.0	(22.2)
Environment, Transport and Infrastructure	(3.5)	(2.2)	(0.6)	(0.3)	(0.3)	(6.8)
Surrey Fire & Rescue Service	(0.9)	(0.2)	0.0	(0.4)	0.0	(1.5)
Customer and Communities	(1.0)	(0.3)	(0.2)	(0.2)	(0.2)	(1.9)
Prosperity, Partnerships and Growth	(0.1)	0.0	0.0	0.0	0.0	(0.1)
Communications, Public Affairs & Engagement	(0.0)	0.0	0.0	0.0	0.0	(0.0)
Resources	(6.3)	(3.1)	(2.3)	(0.5)	(0.5)	(12.7)
Central Income and Expenditure	(19.3)	(4.6)	(1.0)	(1.0)	(1.0)	(26.9)
<b>c) Total Efficiencies</b>	<b>-83.6</b>	<b>-31.3</b>	<b>-19.6</b>	<b>-16.1</b>	<b>(9.0)</b>	<b>-159.8</b>

<b>Indicative Budget Requirement (a + b - c)</b>	<b>1,080.5</b>	<b>1,120.2</b>	<b>1,188.7</b>	<b>1,246.5</b>	<b>1,290.4</b>	<b>251.2</b>
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<b>d) Indicative funding increase / (reduction)</b>	<b>27.1</b>	<b>19.6</b>	<b>-5.6</b>	<b>-6.2</b>	<b>(5.0)</b>	<b>29.9</b>
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<b>Remaining Gap (b - c - d)</b>	<b>14.4</b>	<b>19.9</b>	<b>74.3</b>	<b>63.9</b>	<b>48.9</b>	<b>221.4</b>
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\*Columns and rows may not sum throughout the annex due to the impact of minor rounding discrepancies

## ADULTS SOCIAL CARE

### Pressures

Pressure	Description	Net Pressure					Total £m
		2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	
2022/23 care package carry forward pressure	This pressure represents the extent to which it is currently estimated that full year care package commitments will be above the 2022/23 care package budget by 31st March 2023 factoring planned mitigations in the remainder of the year	7.4					7.4
Pay inflation	Estimated costs of pay inflation	5.4	2.5	2.6	2.6	2.7	15.8
Other staffing budget changes	Changes to the Adult Social Care's staffing budget requirement beyond inflation to pay bands.	0.9					0.9
Price inflation (care packages & contracts)	The budgeted cost of price inflation planned to be paid to care providers across all of the care packages and contracts that Adult Social Care funds. Based on known and estimated inflationary pressures, the latest budget position plans for uplifts of 7.1% (23/24), 5.3% (24/25) and 3.7% (25/26 - 27/28) for care homes and 7.7% (23/24), 6.0% (24/25) and 4.3% (25/26 - 27/28) for all other care types	27.5	23.6	18.1	19.1	20.1	108.3
Care package demand	The estimated cost of young people transitioning each year from Children's, Families and Learning services to Adult Social Care, plus estimated demand based on demographic growth for all other ASC client groups. Continued higher levels of demand for Mental Health services following the pandemic have been included.	6.0	7.9	7.6	7.1	6.4	35.0
Community equipment demand	Adult Social Care's share of the modelled cost of increased provision of Community Equipment over the life of the MTFs mitigated by expected cost efficiencies secured through the new Community Equipment Store contract that went live in April 2022.	0.1	0.1	0.2	0.3	0.3	1.0
Discharge to Assess	The additional cost to the Council beyond Adult Social Care's current budget of the impact of the end of national funding for Discharge to Assess (D2A) which ended on 31st March 2022.	5.3					5.3
Liberty Protection Safeguards	The potential additional cost of meeting requirements of new legislation that would replace current Deprivation of Liberty Safeguards regulations. The timing of when this legislation may be introduced remains unclear.		4.1	3.1	0.0	0.0	7.2
Adult Social Care Charging and Fair Cost of Care reforms	The latest mid point assessment of the potential gap between the additional cost impact caused by the ASC Charging Reforms and the funding SCC may receive towards these costs. Pressures are profiled based on the delayed implementation date of October 2025. This assumes any fee increases required as part of the government's Fair Cost of Care (FCoC) agenda will be limited to within whatever FCoC funding Surrey receives.			14.0	19.0		33.0
<b>Total Pressures</b>		<b>52.6</b>	<b>38.2</b>	<b>45.5</b>	<b>48.1</b>	<b>29.5</b>	<b>213.9</b>

## ADULTS SOCIAL CARE

Efficiency	Description	Efficiency					
		2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Front door redesign and strength based Discharge to Assess model to reduce long term care in the community and arising from hospital discharge	Redesign of ASC's front door to ensure a more streamlined and consistent offer to residents, improve signposting and triaging of demand, increase the use of technology enabled care and a strength based approach to support people's independence. To review and adapt how reablement supports the front door. Embed an enhanced strengths based Discharge to Assess model across Surrey to ensure people receive targeted support following hospital discharge to reduce their long term care needs. These measures combined will mitigate demand pressures that would otherwise be incurred.	(2.9)	(4.5)	(5.6)	(5.5)	0.0	(18.5)
Strength based care package reviews - Older People	Ensuring as part of scheduled reviews of people's existing care packages that the current commissioned care and support remains appropriate and is strengths based to promote people's independence and reduce the need for long term support.	(0.4)	0.0	0.0	0.0	0.0	(0.4)
Strength based care package reviews - Physical & Sensory Disabilities		(0.3)	0.0	0.0	0.0	0.0	(0.3)
Strength based care package reviews - Learning Disabilities & Autism		(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(2.0)
Strength based care package reviews - Mental Health		(0.1)	(0.0)	0.0	0.0	0.0	(0.1)
Consistent practice for supporting people with more complex needs	In line with Surrey's home first principle, ensure practice for commissioning care to support people at home is consistent across the county, whilst also recognising that it is not always possible to meet people's needs most appropriately and affordably at home.	(0.3)	(0.3)	0.0	0.0	0.0	(0.6)
Remodel Learning Disabilities & Autism day support services	Continue to move towards a more personalised approach to supporting people during the day, including reducing reliance on institutionalised building based services. This will involve the implementation of the Surrey Choices Changing Days programme which includes a greater level of engagement with existing community services and vocational opportunities.	(0.8)	(0.3)	(0.3)	(0.3)	(0.3)	(1.9)
Strategic shift from Learning Disability / Autism residential care to independent living	Where appropriate and subject to review of people's needs, support people to move from institutionalised residential care to supported independent living services in the community. This will be facilitated through delivering SCC's ambition to drive the development of 500 new supported independent living units, including some on Council owned land.	(0.4)	(0.3)	(0.1)	(0.1)	0.0	(0.9)
Expand affordable Extra Care Housing county-wide offer for Older People	Develop new affordable Extra Care Housing schemes on SCC owned land and secure nomination rights for ASC funded clients. SCC has an ambition to create 725 new affordable Extra Care Housing units by 2030.	0.0	(0.1)	(0.4)	(1.1)	(0.1)	(1.7)
Review and remodel transport arrangements to and from ASC care settings	Reduce the scale of transport to institutionalised building based day services in line with the approach to move towards a more personalised approach to supporting people during the day.	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)
Improved purchasing of Older People nursing/residential placements	Purchase a greater proportion of Older People nursing & residential care placements at SCC's affordable guide prices through effective management of the new Dynamic Purchasing System which went live in 2022/23. The target is to buy 80% of beds at guide prices in 2023/24 rising to 85% from 2024/25.	(1.2)	(2.0)	(1.8)	(0.9)	(0.6)	(6.5)
Maximise usage of block contract residential beds	Increase and maintain average occupancy of the Older People residential care beds that SCC purchases on a block basis to 90%.	(0.8)	0.0	0.0	0.0	0.0	(0.8)
Improved purchasing of Home Based Care packages	Improve the average price at which ASC purchases home based care services by maximising usage of more affordable capacity in the market based on continued development of the Approved Provider List framework that went live in October 2022.	(0.5)	(0.6)	(0.3)	0.0	0.0	(1.3)
Improved purchasing of Learning Disability & Autism 65+ residential care	Ensure the amount ASC pays for appropriately supporting people with a Learning Disability and/or Autism who are aged 65 or over reflects the changes to their support requirements in older age.	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(1.0)
Review of Older People in-house services	This reflects the decision made by Cabinet in February 2022 to close the 8 Older People residential care homes operated in-house by the Council. This work is in progress with the closure of 3 homes.	(7.6)	(3.8)	0.0	0.0	0.0	(11.4)
Review of Learning Disability in-house services	Efficiencies through transitioning some of the Learning Disability care homes operated in-house by the Council to supported independent living services.	(0.5)	(0.1)	0.0	0.0	0.0	(0.6)
Maximise cost effectiveness of in-house provided Reablement services	Efficiencies planned to be achieved through increasing the volume of client contact hours for the current in-house reablement resources through the implementation of a new rostering system that will substantially reduce deficit hours (contractual hours for which the staff member has not had any specific work assigned to them) and increase numbers of people through the service.	(0.8)	(0.1)	0.0	0.0	0.0	(0.9)
Apply joint S117 funding policy to all ASC funded clients with S117 Aftercare	Ensuring that everyone who ASC support with an active Section 117 Aftercare status is appropriately joint funded across health and social care as agreed in the Section 117 Aftercare joint funding policy thus ensuring additional income.	(1.3)	0.0	0.0	0.0	0.0	(1.3)
Ensure appropriate Continuing Health Care funding	Agree with health partners and then implement a new joint funding policy under the Continuing Health Care framework dictating how people with combined health and social care needs in Surrey are appropriately funded, and ensure anyone with a primary health need is fully funded under Continuing Health Care.	(0.8)	(0.9)	(0.9)	(0.9)	(0.9)	(4.2)
Making the most of our contracts	A new contract management team in Procurement will be leading a review of contracts across the Council to identify opportunities for efficiency and then progressing these with services. The current efficiency targets are indicative at this stage and will be updated as the contract management team's work progresses.	(0.5)	(0.4)	(0.4)	(0.4)	(0.4)	(2.1)
Maximising our income	Maximise cost recovery for the small proportion of ASC's total charging income where the Council has full discretion about the charges it sets.	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)
<b>Total Efficiencies</b>		<b>(19.8)</b>	<b>(14.1)</b>	<b>(10.5)</b>	<b>(9.9)</b>	<b>(2.9)</b>	<b>(57.2)</b>

## PUBLIC SERVICE REFORM AND PUBLIC HEALTH

Pressure	Description	Net Pressure					Total £m
		2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	
Pay inflation	Estimated costs of pay inflation	0.2	0.2	0.2	0.2	0.2	0.9
Non-pay inflation	Estimated non pay inflation on PH commissioned services based on the estimated increase to PH Core Grant (3% in 23/24 and 2% thereafter). i.e. the assumption is that inflationary increases on PH contracted services are limited to the increase to Surrey's PH Core Grant	1.0	0.7	0.7	0.7	0.7	3.8
Public Health Grant change	Assumed increases to the PH Core Grant of 3% in 23/24 and 2% thereafter.	(1.2)	(0.8)	(0.8)	(0.8)	(0.9)	(4.6)
<b>Total Pressures</b>		<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>

## CHILDREN, FAMILIES AND LIFELONG LEARNING

### Pressures

Pressure	Description	Net Pressure					Total £m
		2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	
Children Looked After (CLA) Demand	Combination of expected gross increase in the number of CLA before impacts of new practice models and strategies. Nationally highlighted issues in the provider market are also impacting the number of available placements and in some cases driving the use of higher cost placements.	1.5	2.1	2.4	2.3	2.3	10.6
Children Looked After Inflation	Combination of expected gross increase in the number of CLA before impacts of new practice models and strategies. Nationally highlighted issues in the provider market are also impacting the number of available placements and in some cases driving the use of higher cost placements.	5.5	3.0	1.0	1.2	1.2	11.9
Contract inflation	Expected inflationary increase in contract costs, recalculated to take effect of higher inflation in 22/23 and 23/24. Further update from CF in Sept. This excludes CLA placements and home to school transport which are included in the relevant lines	2.8	0.9	0.9	0.9	0.9	6.4
Pay inflation	Estimated costs of pay inflation	6.0	3.7	3.7	3.8	3.9	21.2
Other	Planned transition of EYES programme team into BAU budget	(0.2)	(0.2)	0.0	0.0		(0.3)
Home to School Transport	Projected increases in demand and inflation	19.2	1.9	1.9	1.9	1.9	27.0
CWD Care	Increased demand in CWD Care pressures in 22/23	2.5					2.5
Vanguard funding	3 year funding agreement which comes to an end in 24/25			1.0			1.0
Recruitment and retention	Additional costs of ASYE scheme, apprenticeships and impact of pay progression	1.3	0.2	0.2			1.7
<b>Total Pressures</b>		<b>38.7</b>	<b>11.6</b>	<b>11.1</b>	<b>10.2</b>	<b>10.3</b>	<b>81.9</b>

### Efficiencies

Efficiency	Description	Efficiency					Total £m
		2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	
Children Looked After Demand/inflation - Reunification Project	Reuniting children with their families where appropriate to do so	(0.4)	0.0	0.0	0.0	0.0	(0.4)
Children Looked After Demand/inflation - Impact of new practice models on Looked After Children numbers	High Range demand assumptions from IMPOWER analysis	(2.6)	(2.0)	(1.3)	(1.3)	0.0	(7.2)
EYES/LIFT - Controcc	Financial efficiencies from the introduction of new Childrens IT and payment system	(0.2)	(0.2)	0.0	0.0	0.0	(0.3)
Home to School Transport - Transport	Anticipated efficiencies from changes to policy from Sept 22/23	(2.2)	(0.4)	(0.1)	0.0	0.0	(2.7)
Houses of Multiple occupancy	Efficiencies from supporting care leavers in HMOs purchased and fitted out through the capital programme.	(0.2)	(0.1)	0.0	0.0	0.0	(0.2)
CLA Stretch efficiencies	Stretch efficiency for CLA demand management. Considering expansion of existing efficiencies or other alternative options.	(3.4)	(2.0)	(2.3)	(2.0)	(3.5)	(13.2)
Making the most of our contracts	A new contract management team in Procurement will be leading a review of contracts across the Council to identify opportunities for efficiency and then progressing these with services. The current efficiency targets are indicative at this stage and will be updated as the contract management team's work progresses.	(0.5)	(0.4)	(0.4)	(0.4)	(0.4)	(2.1)
Maximising our income	Maximise cost recovery for the proportion of CFL's total charging income where the Council has full discretion about the charges it sets.	(0.3)	(0.2)	(0.2)	(0.2)	(0.2)	(1.1)
CLA Capital Programme	Additional capacity created within Surrey homes providing a reduced cost differential with the external residential equivalent	(0.3)	(0.6)	(0.3)	0.0	0.0	(1.2)
Block booking of bed spaces	Potential to block purchase bed spaces in new childrens homes	(0.3)	0.0	0.0	0.0	0.0	(0.3)
Reduction in management headcount	Adjustment to structures based on a review of management levels and expectations of requirements following future Ofsted inspections	(0.2)		(0.5)			(0.7)
Annual procurement plan savings	Estimated 10% reduction on contract costs for Annual Procurement Plan projects. Alternative plan is for 35% which would have significant impact on level of services delivered		(1.0)				(1.0)
<b>Total Efficiencies</b>		<b>-10.4</b>	<b>-6.9</b>	<b>-5.1</b>	<b>-3.9</b>	<b>-4.1</b>	<b>-30.4</b>

## CHILDREN, FAMILIES AND LIFELONG LEARNING – HIGH NEEDS BLOCK

Efficiency	Description	Efficiency					Total £m
		2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	
Reduction in HNB offsetting reserve budget	There is no ongoing requirement for the DSG High Needs Block offsetting reserve budget as a result of the safety valve agreement signed at the end of 21/22. This adjustment removes this from the base budget in future years.	(22.2)	0.0	0.0	0.0	0.0	-22.2
<b>Total Efficiencies</b>		<b>-22.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-22.2</b>

## ENVIRONMENT, TRANSPORT AND INFRASTRUCTURE

### Pressures

Pressure	Description	Net Pressure					Total £m
		2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	
Non-Pay Inflation	Expected inflationary increase in contract and related costs. Assumes additional 6.8% catch-up for 22/23, 7.3% for 23/24, 2% thereafter.	11.7	2.6	2.7	2.8	2.8	22.6
Pay inflation	Estimated costs of pay inflation	1.5	0.9	1.0	1.0	1.0	5.4
Environment - Waste - CRC charges	Government is expected to remove ability to charge for DIY materials. Change may not be immediate, and cost will depend on the volume of materials returning to CRCs.		1.1				1.1
Environment - Waste team capacity	Review the waste management team structure		0.6				0.6
Young person's travel scheme	Estimated cost of half price travel scheme for under 20s	0.5					0.5
Works IT system	Replacement system	0.5	(0.0)				0.4
Prior year efficiency	Prior year "marginal gains" have not been delivered	0.4					0.4
Legal Support - Highways & Planning	Additional ongoing resource to support ETI services	0.2					0.2
Active Travel	Maintaining new active travel infrastructure to heightened design standards				0.0	0.1	0.1
Environment - Countryside - ash dieback	Dealing with ash dieback impact on countryside trees, e.g. where they effect public rights of way	0.2		(0.2)			0.0
Environment - Waste volumes	The 2021/22 MTFS reflected increased volumes, e.g. due to home-working, which are assumed to reduce over the period.		(0.4)	(0.4)			(0.7)
Environment - Staffing	Partial reduction in additional resources to support delivery of Greener Futures and Rethinking Waste		(0.1)				(0.1)
Environment - Waste contract reprocurement	Reprocurement costs, to the extent they are not expected to be met from other sources including Transformation Funding.		0.1	(0.1)			0.0
<b>Total Pressures</b>		<b>14.9</b>	<b>4.8</b>	<b>3.0</b>	<b>3.8</b>	<b>3.9</b>	<b>30.4</b>

### Efficiencies

Efficiency	Description	Efficiency					Total £m
		2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	
Waste - DMR prices	DMR prices continue to provide a benefit, although historically have been volatile.	(2.0)					(2.0)
Maximising our income	Maximise cost recovery for the proportion of ETI's total charging income where the Council has full discretion about the charges it sets.	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(1.0)
Waste - Rethinking waste	Review of waste operating model and assess the implications of Government strategy - including extended producer responsibility, deposit return scheme, recycling credits, infrastructure	0.0	(1.0)				(1.0)
Making the most of our contracts	A new contract management team in Procurement will be leading a review of contracts across the Council to identify opportunities for efficiency and then progressing these with services. The current efficiency targets are indicative at this stage and will be updated as the contract management team's work progresses.	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.6)
Concessionary fares volumes	Volumes are lower than budgeted	(0.6)					(0.6)
Planning income and developer funding	Review developer funding (e.g. S106) to identify schemes already delivered, review application of planning fees to cover relevant costs	(0.4)					(0.4)
Parking - expanding on street parking charging	Continuing to expand on street parking charging through parking reviews etc.	(0.3)	(0.1)	(0.1)			(0.5)
Street lighting LED conversion	Energy savings as street lights are converted to LED	(0.3)					(0.3)
Moving Traffic offences	Estimated contribution to highway costs	0.0	(0.3)	(0.1)			(0.5)
Savings & pressures identified during 2022/23	Net position following a number of number of budget adjustments to reflect different savings and pressures.	(0.2)					(0.2)
Insurance claims	Reduction in value of insurance claims	(0.1)					(0.1)
Environment - Countryside - various	Events on the countryside estate, income from property investment, and development of the Basingstoke Canal Centre campsite.	(0.1)	(0.0)	(0.0)			(0.1)
Bus lane enforcement	Expansion of current bus lane enforcement measures improve reliability of public transport services	0.1	(0.1)				(0.1)
Commercialisation & innovation	Advertising on the Highway. Large and Small format	(0.0)	(0.3)				(0.3)
Planning income	Income from Planning Performance Agreements and charges for discretionary services	(0.0)	(0.0)	(0.0)			(0.1)
Waste - Growth in reuse shop income	Continue to expand reuse shop offer at Community Recycling Centres	(0.1)					(0.1)
One off funding (reversal)	Reversal of one-off 22/23 grant funding and income	1.0					1.0
<b>Total Efficiencies</b>		<b>(3.5)</b>	<b>(2.2)</b>	<b>(0.6)</b>	<b>(0.3)</b>	<b>(0.3)</b>	<b>(6.8)</b>



## CUSTOMER AND COMMUNITIES

### Pressures

Pressure	Description	Net Pressure					Total £m
		2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	
Non-pay inflation	Expected inflationary increase in contract costs	(0.0)	0.1	0.1	0.1	0.1	0.5
Pay inflation	Estimated costs of pay inflation	1.0	0.7	0.7	0.7	0.8	4.0
Coroner - funding	Agreed phased reduction in funding from Surrey Police	0.1	0.0	0.0	0.0	0.0	0.1
Trading Standards - Income	Income has reduced, including the impact of Covid-19, and expected to recover over the MTFS period. SCC share 0.66%	(0.0)	(0.0)	(0.0)	(0.0)	0.0	(0.1)
Pay Inflation	Additional 2% pay	0.5	0.0	0.0	0.0	0.0	0.5
<b>Total Pressures</b>		<b>1.6</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>0.9</b>	<b>5.0</b>

### Efficiencies

Efficiency	Description	Efficiency					Total £m
		2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	
Income Strategy	Generate additional income with a particular focus on additional service offers through Registrations plus inflationary uplifts to fees and charges	(0.4)	(0.2)	(0.2)	(0.2)	(0.2)	(1.2)
Service & Cross directorate	Drive efficiencies and reduce costs whilst largely maintaining strategic direction and service delivery. This includes: - Reducing staffing costs through digitalisation and scheduling optimisation of registration services - Staff restructuring in Trading Standards - Not mediating non urgent highways calls through the contact centre - Reducing business support post the introduction of MySurrey. - Reducing spend on Community partnered libraries	(0.5)	(0.2)				(0.7)
One-off funding	Watts Gallery - agreed one-off contribution	(0.1)	0.1				
<b>Total Efficiencies</b>		<b>(1.0)</b>	<b>(0.3)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(1.9)</b>

# SURREY FIRE & RESCUE SERVICE

## Pressures

Pressure	Description	Net Pressure					Total £m
		2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	
Pay inflation	Estimated costs of pay inflation	2.67	1.14	0.74	0.78	0.80	6.13
Fire - Non Pay inflation	Expected inflationary increase in costs	0.23	0.07	0.07	0.07	0.07	0.51
Training	Increase volume and cost of providing training due to level of BAU staff turnover	0.29					0.29
Fleet costs	Increased costs of operating vehicles	0.20					0.20
Reduction in income	Costs no longer covered through secondments	0.20					0.20
Over the border response	Use of neighbouring Fire authorities to attend Surrey incidents where closer	0.16					0.16
Airwave communications system	Grant not kept pace with costs & grant reduction	0.25					0.25
Fire Pension III Health Charges	Requirement for all officers to meet fitness requirements leading to more ill health retirements. Assumption costs will reduce, but may need smaller residual funding.	0.25	(0.11)		(0.14)		0.00
Recruitment & resilience: incentive package	Incentive package incl. skills (e.g. HGV), notice periods	0.20					0.20
Recruitment & resilience: temporary staffing increase	Multi skilled, agile group to provide cover, 12FTE to end of 2024	0.64	(0.16)	(0.48)			0.00
Recruitment & resilience: management of annual leave	Centralise coordination of staff deployment and annual leave	0.05		(0.05)			0.00
Recruitment & resilience: learning & development	Increase L&D team establishment	0.09					0.09
Recruitment & resilience: new protection skills	Enhance watch commander protection skills to meet new requirements, e.g. post-Grenfell legislation changes.	0.01					0.01
Recruitment & resilience : removal of operational vacancy factor	Requirement to be over operational establishment to allow time to recruit and train staff to be operational. Expected to be 1-2 years to reach this level.	0.40	0.40				0.80
140 day plan	Short term changes required within service	0.38	(0.11)	(0.09)	(0.07)		0.10
Transformation programme continuation	Transition to BAU	0.34					0.34
<b>Total Pressures</b>		<b>6.36</b>	<b>1.23</b>	<b>0.19</b>	<b>0.65</b>	<b>0.87</b>	<b>9.29</b>

## Efficiencies

Efficiency	Description	Efficiency					Total £m
		2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	
Automatic Fire Alarm (AFA) Policy	Further EXPAND the Automatic Fire Alarm (AFA) Policy by STOPPING response to all or some AFA Incident Types. Needs to link to revised Making Surrey Safer Plan (MSSP)	(0.01)					(0.01)
Animal Rescue Incidents	STOP responding to all or some Animal Rescue Incidents. Needs to link to revised MSSP	(0.01)					(0.01)
Utilisation of Grants	Protection grant & Building Regulation grant. Funding partly used to fund establishment posts	(0.31)					(0.31)
Fire investigation	Options being assessed. Rationalisation of posts.		(0.12)				(0.12)
Capitalisation of staff time: Engineering & operational development	Recharge time bringing fleet into operational use to capital. Plus operational development post	(0.16)					(0.16)
Corporate subscription	Institute of Fire Engineers. Take advice through NFCC liaison instead	(0.06)					(0.06)
Fire Cadets	Stop scheme after current cohort completes. (avoids pressures from expanding scheme)		(0.00)				(0.00)
Utilise new training facilities. Expand L&D to external partners.	Linked to development of Wray park training facilities. Use by other FRS and/or private organisation. New facilities designed for use by two teams at same time.				(0.25)		(0.25)
Expand the use of new Logistics (Engineering) facilities to other users	Linked to development of Wray park workshop facilities. Use by other in services or external partners				(0.10)		(0.10)
Anticipated reduction in overtime requirement following additional recruitment	Linked to increased staffing for centralised team	(0.35)					(0.35)
Stop operational staff rotations	Reduces training requirements	(0.05)	(0.05)				(0.10)
<b>Total Efficiencies</b>		<b>(0.94)</b>	<b>(0.17)</b>	<b>0.00</b>	<b>(0.35)</b>	<b>0.00</b>	<b>(1.46)</b>

## PROSPERITY, PARTNERSHIPS AND GROWTH

### Pressures

Pressure	Description	Net Pressure					Total £m
		2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	
Pay inflation	Estimated costs of pay inflation	0.03	0.04	0.04	0.04	0.04	0.18
Non-Pay Inflation	Expected inflationary increase in contract costs	0.04	0.01	0.01	0.01	0.01	0.08
Surrey Story	Post to deliver Surrey Story	0.07	0.00	0.00	0.00	0.00	0.07
Additional 2% pay inflation	Expected inflationary increase in salary costs	0.02	0.00	0.00	0.00	0.00	0.03
<b>Total Pressures</b>		<b>0.16</b>	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>	<b>0.34</b>

### Efficiencies

Description	Description	Efficiency					Total £m
		23/24 £m	24/25 £m	25/26 £m	26/27 £m	27/28 £m	
Cease funding for LEP		-0.08					-0.08
Increase vacancy factor to 4%		-0.01					-0.01
Contain price inflation		-0.02					-0.02
<b>Total Efficiencies</b>		<b>-0.11</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.11</b>

## RESOURCES

### Pressures

Pressure	Description	Net Pressure					Total £m
		2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	
Non-Pay Inflation	Expected inflationary increase in contract costs	2.8	1.0	1.0	1.1	1.1	6.9
Non-Pay Inflation	Expected inflationary increase in utilities & maintenance	1.2	0.0	0.0	0.0	0.0	1.2
Pay inflation	Estimated costs of pay inflation	3.6	1.6	1.6	1.6	1.7	10.1
Legal Services	Ongoing demand linked to case volumes require additional capacity/increased external fees	0.4	0.0	0.0	0.0	0.0	0.4
Insurance	Above inflation cost increases and loss of schools income as schools move to academies	0.3	0.0	0.0	0.0	0.0	0.3
Finance	Audit fee - reprourement	0.2	0.0	0.0	0.0	0.0	0.2
Strategy Team	Additional capacity to support Council-wide strategy and enhance ability to support people, place and organisational portfolios	0.2	0.0	0.0	0.0	0.0	0.2
Leadership Office	Changes to staffing structure of Leadership Office	0.2	0.0	0.0	0.0	0.0	0.2
IT&D - Ongoing costs of Technical Advocates	New posts established to help embed new digital and agile ways of working	0.2	0.0	0.0	0.0	0.0	0.2
IT&D - Loss of Income from Data Centre	Loss of income from Data Centre contract as key clients migrate to SaaS solutions.	0.1	0.0	0.0	0.0	0.0	0.1
<b>Total Pressures</b>		<b>8.9</b>	<b>2.6</b>	<b>2.6</b>	<b>2.7</b>	<b>2.7</b>	<b>19.6</b>

### Efficiencies

Efficiency	Description	Efficiency					Total £m
		2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	
IT&D - efficiencies	Various such as MySurrey implementation resulting in reduced running costs of new system and Jive, reduced councilwide mobile phone savings and additional Fire Service income	(1.1)	0.2	0.0	0.0	0.0	(0.9)
IT&D - Unicorn	Unicorn, new contract as per Cabinet paper, net of annual increased borrowing cost	0.0	(0.3)				(0.3)
Land & Property Agile Transformation	Office building rationalisation, lease cost reductions offset by additional running costs and borrowing costs	(0.8)	(0.9)				(1.7)
Land & Property Indigo Transformation	Review of services	(0.5)	(1.0)	(0.2)			(1.7)
Land & Property efficiencies	Twin track efficiencies from assets, business infrastructure and staffing	(0.6)	(1.0)				(1.6)
Land & Property efficiencies	Variety of measures including improved supply chain management and a review of income generation opportunities	(0.2)		(1.5)			(1.7)
Land & Property energy usage	Contain inflation by reducing energy usage	(0.6)					(0.6)
People & Change - Efficiencies	Various such as Improved processes following MySurrey will lead to a reduction in FTE and increased income	(0.2)	(0.0)	(0.0)	0.0	0.0	(0.3)
Finance efficiencies	Increased income from Commercial work and District & Borough	(0.4)	0.3	0.0	0.0	0.0	(0.1)
Exec Dir of Resources	Vacant post - partnership with Health and digitalisation	(0.1)					(0.1)
Legal & Democratic Services	Administrative saving due to Joint Committees ending	(0.1)					(0.1)
Twelve15 - Transformation Programme efficiencies	Efficiencies relating to staffing restructure and measures to increase customer base/income generation	(0.1)					(0.1)
Twelve15 efficiencies	Income - Increase charge for paid meals by a further 3.8% in April 2023, this is in addition to a 6% increase in September 2022 and will impact parents	(0.3)					(0.3)
Twelve15 efficiencies	Increase volumes of universal free schools meals	(0.1)					(0.1)
Twelve15 efficiencies	Increase charge for universal free school meals by 2% from April. This will impact on schools unless government increases the rate to this level.	(0.2)					(0.2)
Business Operations Transformation	Transformation and MySurrey	(0.3)					(0.3)
Orbis service efficiencies	Efficiencies realised from a comprehensive review of the partner contribution rates.	(0.6)					(0.6)
Orbis Joint Operating Budget	Joint efficiencies to be agreed with Joint Management Board	(0.2)					(0.2)
Maximising our income	Maximise cost recovery for the proportion of Resources total charging income where the Council has full discretion about the charges it sets.	0.0	(0.2)	(0.4)	(0.4)	(0.4)	(1.4)
Making the most of our contracts	A new contract management team in Procurement will be leading a review of contracts across the Council to identify opportunities for efficiency and then progressing these with services. The current efficiency targets are indicative at this stage and will be updated as the contract management team's work progresses.	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.6)
<b>Total Efficiencies</b>		<b>(6.3)</b>	<b>(3.1)</b>	<b>(2.3)</b>	<b>(0.5)</b>	<b>(0.5)</b>	<b>(12.7)</b>

## COMMUNICATIONS, PUBLIC AFFAIRS AND ENGAGEMENT

### Pressures

Pressure	Description	Net Pressure					Total £m
		23/24 £m	24/25 £m	25/26 £m	26/27 £m	27/28 £m	
Pay inflation	Estimated costs of pay inflation	0.08	0.05	0.05	0.05	0.05	0.28
Non-pay Inflation	Expected inflationary increase in contract costs	0.04	0.01	0.01	0.01	0.01	0.07
Armed Forces - Pay inflation	Expected inflationary increase in salary costs	0.00	0.00	0.00	0.00	0.00	0.01
<b>Total Pressures</b>		<b>0.12</b>	<b>0.06</b>	<b>0.06</b>	<b>0.06</b>	<b>0.06</b>	<b>0.36</b>

### Efficiencies

Description		Efficiency					Total £m
		23/24 £m	24/25 £m	25/26 £m	26/27 £m	27/28 £m	
Comms, Public Affairs & Engagement	Contain inflation	-0.03					-0.03
Comms, Public Affairs & Engagement	Increased vacancy factor	-0.02					-0.02
<b>Total Efficiencies</b>		<b>-0.05</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-0.05</b>

## CENTRAL INCOME AND EXPENDITURE

### Pressures

Pressure	Description	Net Pressure					Total £m
		2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	
Capital Programme financing costs	Additional Minimum Revenue Provision and Interest required to finance the borrowing contained within the Capital Programme.	6.8	11.6	9.6	7.6	4.6	40.2
Corporate Items	Redistribution of prior year budget pressures	(5.0)					(5.0)
Removal of Additional ASC funding				15.0			15.0
<b>Total Pressures</b>		<b>1.8</b>	<b>11.6</b>	<b>24.6</b>	<b>7.6</b>	<b>4.6</b>	<b>50.2</b>

### Efficiencies

Efficiency	Description	Efficiency					Total £m
		2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	
Balance of Cross Cutting Efficiencies	Cross Cutting opportunities identified - to be allocated to Directirates once impact is better understood	(4.3)	(4.6)	(1.0)	(1.0)	(1.0)	(11.9)
Estimated Additional ASC Funding		(15.0)					
<b>Total Efficiencies</b>		<b>-19.3</b>	<b>-4.6</b>	<b>-1.0</b>	<b>-1.0</b>	<b>-1.0</b>	<b>-11.9</b>

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## Annex B - Draft Capital Programme 2023/24 to 2027/28

Project	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Highway Maintenance*	71.3	29.5	29.5	29.5	29.5	189.3
Highway Maintenance - Signs	0.5	0.4	0.4	0.4	0.4	2.1
Bridge/Structures Maintenance	13.2	10.2	10.2	10.2	10.2	53.9
Local Highways Schemes	11.8	1.0	1.0	1.0	1.0	15.8
Ultra Low Emission Vehicles - Buses	16.3	-	-	-	-	16.3
Ultra Low Emission Vehicles - bus priority	1.8	2.0	2.6	2.5	-	8.9
Ultra Low Emission Vehicles - Community Transport - Third Sector	3.0	2.8	-	-	-	5.8
Ultra Low Emission Vehicles - RTPI for buses	0.4	0.5	0.6	-	-	1.4
Flooding & drainage	1.7	1.7	1.7	1.7	1.7	8.6
Safety Barriers	2.3	1.5	1.5	1.5	1.5	8.3
Illuminated Street Furniture	2.0	1.9	0.5	0.5	0.5	5.4
External funding	0.9	1.2	1.2	1.2	1.2	5.7
Traffic signals	3.2	2.9	2.9	2.9	2.9	14.9
Street Lighting LED Conversion	0.1	-	-	-	-	0.1
Drainage Asset Capital Maintenance/Improvements	1.0	1.0	1.0	1.0	1.0	5.0
Active Travel (both EATF & future)	0.5	-	-	-	-	0.5
Active Travel Tranche 3	5.4	-	-	-	-	5.4
School road safety schemes	1.0	1.0	-	-	-	2.0
Road safety - speed management	1.0	1.0	-	-	-	2.0
Road Safety Schemes	0.2	0.2	0.5	0.5	0.5	1.9
Replacement Vehicles	0.3	0.2	0.2	0.2	0.2	0.9
Surrey Quality Bus Corridor Improvement	0.7	0.4	-	-	-	1.1
Smallfield Safety Scheme (CIL)	0.0	-	-	-	-	0.0
Other - (Grant Funded Speed Cameras, ANPR at CRCs, Traffic Systems)	0.0	-	-	-	-	0.0
LEP Funded Schemes Electric Vehicle Charging Point Pilot Study	0.0	-	-	-	-	0.0
<b>Highways and Transport</b>	<b>138.7</b>	<b>59.3</b>	<b>53.7</b>	<b>53.0</b>	<b>50.5</b>	<b>355.3</b>
Surrey Flood Alleviation - River Thames	8.0	8.0	30.0	50.0	50.0	146.0
A320 North of Woking and Junction 11 of M25	35.7	-	-	-	-	35.7
SIP: A308 Modernisation	1.4	3.8	3.8	-	-	9.0
Farnham Infrastructure Programme Town Centre - Quick Wins	1.8	-	-	-	-	1.8
EV infrastructure	0.0	-	-	-	-	0.0
<b>Infrastructure, Planning and Major Projects</b>	<b>47.0</b>	<b>11.8</b>	<b>33.8</b>	<b>50.0</b>	<b>50.0</b>	<b>192.5</b>
Surrey Flood Alleviation - Wider Schemes	3.6	6.0	4.9	3.8	3.1	21.3
Public Rights of Way	0.7	0.7	0.7	0.7	0.7	3.7
Basingstoke Canal	0.3	0.1	0.1	0.1	0.1	0.7
Improving Access to the Countryside	0.2	0.0	0.0	0.0	0.0	0.3
Basingstoke Canal - Externally Funded	0.5	-	-	-	-	0.5
Waste Recycling Initiatives	0.4	-	-	-	-	0.4
Public Rights of Way - Externally Funded	0.1	0.1	0.1	0.1	0.1	0.3
Closed landfill sites	0.1	0.1	0.1	0.1	0.1	0.3
Treescapes	0.1	-	-	-	-	0.1
Woodland Creation (Tree Planting)	0.0	0.1	-	-	-	0.1
<b>Environment</b>	<b>5.8</b>	<b>7.0</b>	<b>5.9</b>	<b>4.8</b>	<b>4.1</b>	<b>27.7</b>
Surrey Fire - Purchase of New Fire Engines & Equipment	6.6	6.2	2.3	2.8	2.8	20.6
Fire - Making Surrey Safer – Community Resilience	0.5	0.5	0.5	0.5	0.5	2.3
Trading Standards Replacement Vehicles	0.0	-	-	-	-	0.0
<b>Surrey Fire &amp; Rescue Service</b>	<b>7.1</b>	<b>6.6</b>	<b>2.7</b>	<b>3.2</b>	<b>3.2</b>	<b>22.9</b>
<b>INFRASTRUCTURE</b>	<b>198.6</b>	<b>84.8</b>	<b>96.2</b>	<b>111.1</b>	<b>107.9</b>	<b>598.5</b>

Project	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Schools Basic Need	18.0	32.0	36.8	10.8	3.6	101.1
Recurring Capital Maintenance - FMR Schools	8.0	15.0	15.0	15.0	18.0	71.0
Recurring Capital Maintenance Non-Schools - FMR Corporate	12.0	12.0	12.0	12.0	16.0	64.0
Children Looked After (CLA) schemes	6.2	2.3	8.8	6.0	6.3	29.5
Independent Living - Batch 1	21.7	-	-	-	-	21.7
Independent Living / Short Breaks - Squirrels - Batch 3	0.4	-	-	-	-	0.4
SOLD - Thames Young Mariners	10.7	2.8	-	-	-	13.6
Caterham Hill Library	0.3	2.0	3.3	-	-	5.6
Wray Park - Vehicle Workshop (ex Crawley Down)	-	5.0	-	-	-	5.0
Agile Office Estate Strategy - Spokes fit-out	0.8	3.8	-	-	-	4.6
Extra Care Housing (7 x feas) - Batch 2	-	0.0	1.2	-	-	1.2
Bookham YC	3.0	1.6	-	-	-	4.6
Winter Maintenance Depot (Salt Barns)	3.4	-	-	-	-	3.4
Gypsy Sites (Pendell, GRT & Downs remediation)	0.7	-	-	-	-	0.7
Woodhatch Master Planning	0.7	-	-	-	-	0.7
Agile Office Estate (AOP) Woodhatch / Dakota	0.2	-	-	-	-	0.2
<b>Land and Property</b>	<b>86.1</b>	<b>77.7</b>	<b>75.9</b>	<b>43.8</b>	<b>43.8</b>	<b>327.2</b>
SEND Strategy - Phase 1-3	36.0	19.1	4.2	-	-	59.3
SEND - Phase 4	27.4	42.2	40.3	6.9	0.2	117.0
Devolved formula capital	1.0	1.0	1.0	1.0	1.0	5.2
Adaptions For CWD	0.8	0.3	0.3	0.3	-	1.8
Foster carer grants	0.5	0.2	0.2	0.2	-	1.2
<b>Childrens Services</b>	<b>65.7</b>	<b>62.8</b>	<b>46.1</b>	<b>8.5</b>	<b>1.2</b>	<b>184.4</b>
Adults Capital Equipment	1.5	1.5	1.5	1.5	1.5	7.5
In house capital improvement scheme	0.1	0.1	0.1	0.1	-	0.4
<b>Adult Social Care</b>	<b>1.6</b>	<b>1.6</b>	<b>1.6</b>	<b>1.6</b>	<b>1.5</b>	<b>7.9</b>
<b>PROPERTY</b>	<b>153.4</b>	<b>142.1</b>	<b>123.6</b>	<b>53.8</b>	<b>46.6</b>	<b>519.5</b>
IT&D Hardware (incl accessibility equipment)	3.8	5.6	1.2	1.2	-	11.8
Unicorn Reprourement/Replacement	5.5	0.4	-	-	-	5.9
IT&D Infrastructure	1.1	2.0	1.0	1.0	-	5.1
Telephones UNICORN network (BT)	0.1	0.1	0.1	0.1	-	0.5
Data Centre Replacement	0.1	0.1	0.1	0.1	-	0.4
<b>IT&amp;D</b>	<b>10.5</b>	<b>8.3</b>	<b>2.4</b>	<b>2.4</b>	<b>-</b>	<b>23.7</b>
<b>TOTAL BUDGET</b>	<b>362.5</b>	<b>235.2</b>	<b>222.1</b>	<b>167.3</b>	<b>154.5</b>	<b>1,141.6</b>
Your Fund Surrey	15.0	15.0	15.0	15.0	-	60.0
Pipeline	155.2	237.3	167.8	89.7	47.8	697.9
<b>TOTAL CAPITAL PROGRAMME</b>	<b>532.8</b>	<b>487.4</b>	<b>405.0</b>	<b>272.0</b>	<b>202.3</b>	<b>1,899.5</b>

### Capital Programme – Financing 2023/24 to 2027/28

Project	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Grant / Contributions	164.6	145.7	158.3	70.9	57.0	596.5
Capital Receipts	26.4	20.0	13.3	1.5	-	61.2
Revenue	6.9	6.4	5.9	5.9	5.8	30.9
Funded Borrowing	89.3	84.5	64.8	34.9	18.1	291.5
Unfunded Borrowing	245.6	230.9	162.7	158.9	121.4	919.5
<b>TOTAL FUNDING</b>	<b>532.8</b>	<b>487.4</b>	<b>405.0</b>	<b>272.0</b>	<b>202.3</b>	<b>1,899.5</b>

\*Highway Maintenance includes an element of planned acceleration of spend across 2022-24.

## SURREY COUNTY COUNCIL

## CABINET

DATE: 29 NOVEMBER 2022



REPORT OF: DAVID LEWIS, CABINET MEMBER FOR FINANCE AND RESOURCES

LEAD OFFICER: LEIGH WHITEHOUSE, DEPUTY CHIEF EXECUTIVE AND EXECUTIVE DIRECTOR FOR RESOURCES (S151 OFFICER)

SUBJECT: 2022/23 MONTH 6 (SEPTEMBER) FINANCIAL REPORT

ORGANISATION STRATEGY PRIORITY AREA: GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT/ TACKLING HEALTH INEQUALITY/ENABLING A GREENER FUTURE/EMPOWERING COMMUNITIES

<b>Purpose of the Report:</b>
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This report provides details of the County Council's 2022/23 financial position as at 30<sup>th</sup> September 2022 (M6) for revenue and capital budgets, and the expected outlook for the remainder of the financial year.

**Key Messages:****Revenue**

- **At M6, the Council is forecasting a full year deficit of £24.5m**, against the approved revenue budget. The details are shown in Annex 1 and summarised in Table 1.
- The current level of projected overspend remains significant. It is imperative that this reduces before we reach the end of the year, otherwise there would be a material negative impact on the level of the council's reserves at a time when the level of external financial risk is extremely high.
- Concerted action therefore needs to be taken to reduce the forecast position. The Council remains committed to budget accountability and the budget envelope approach and therefore Directorates which are currently forecasting an overspend position have committed to delivering budget recovery plans, which require the identification of targeted additional in-year efficiencies to mitigate the forecast overspend.
- At the end of September, £8m of mitigations have been identified through budget recovery plans, these are included in the net forecast overspend (reducing what would otherwise be a forecast overspend of £32.5m to £24.5m). Progress on the identification and delivery of these additional measures will be reported to Cabinet on an ongoing basis, as part of the monthly financial reporting.
- It is recognised that the economic climate and rising inflation provides significant challenge to the delivery of our services within available budgets and the impacts of these are being monitored closely. The in-year forecast position is the result of a number of combined pressures being experienced and a deterioration of the financial context since the budget was set in February 2022. Contingencies are contained within the budget to provide comfort that the budget remains balanced should inflationary pressures not be containable within available Directorate budgets during the year. However, it is not appropriate to utilise contingencies to off-set ongoing service pressures, and therefore Directorates are asked to mitigate pressures, including inflationary ones, wherever possible to reduce the ongoing financial impact.

## Capital

- The M6 position shows a forecast spend of £220.5m against a budget of £215.8m, a **variance of £4.7m**. This is the net effect of acceleration in some areas and slippage against other schemes, as detailed below.

Higher than budgeted inflation, arising from increased global and economic uncertainty has significantly increased the risks facing the Council in terms of delivering both the revenue and capital budgets for 2022-23. We are monitoring closely the impact of inflation indices and Council spending and taking action as necessary to ensure increased costs are mitigated where possible.

Each quarter, key Balance Sheet indicators are reported; these are set out in Annex 2.

### Recommendations:

It is recommended that Cabinet:

1. Note the Council's forecast revenue and capital budget positions for the year and the commitment to develop a budget recovery plan.
2. Approve the use of the Council's 2022/23 Adult Social Care Fair Cost of Care and Market Sustainability funding (see paragraphs 12-16)
3. Approve the extension of the empty homes initiative for three years to 2024/25, with a change that the baseline over which Districts and Boroughs (D&Bs) receive funding is moved from 2019 to 2021 (see paragraphs 17-19)
4. Approve the creation of an inflation hardship contingency, to manage the risk of construction and other inflation levels in Your Fund Surrey projects and delegate to the Executive Director of Customer & Communities and the Deputy Chief Executive & Executive Director of Resources, in consultation with the Cabinet Member for Communities & Community Safety and the Cabinet Member for Finance & Resources the ability to, in exceptional circumstances, award up to 10% of the bid value when presented with robust evidence that the variance is caused by the movement in the construction market, or inflation increases, since the original bids were submitted. The contingency will be met from the existing overall Your Fund Surrey programme allocation (see paragraphs 23-25).

### Reason for Recommendations:

This report is to comply with the agreed policy of providing a monthly budget monitoring report to Cabinet for approval of any necessary actions.

### Revenue Budget:

1. **At M6, the Council is forecasting a full year £24.5m overspend against budget.** This comprises a £32.5m forecast overspend, offset by £8.0m from the initiation of budget recovery plans (BRP). Table 1 below shows the forecast revenue budget outturn for the year by Directorate.

Table 1 - Summary revenue budget forecast variances as of 30<sup>th</sup> September 2022

Directorate	M6 Budget		22/23 Outturn		Forecast Variance £m
	M6 Full Year Forecast £m	Recovery Plans £m	Forecast at M6 £m	Annual Budget £m	
Adult Social Care	408.8	(2.1)	406.7	402.8	3.9
Public Service Reform & Public Health	35.4	0.0	35.4	35.4	(0.0)
Children, Families and Lifelong Learning	246.8	(4.4)	242.4	222.2	20.1
Comms, Public Affairs & Engagement	2.1	0.0	2.1	2.2	(0.0)
Surrey Fire and Rescue	35.6	(0.3)	35.3	33.1	2.1
Customer & Communities	17.8	(0.1)	17.7	17.3	0.4
Environment, Transport & Infrastructure	136.6		136.6	136.5	0.0
Prosperity Partnerships & Growth	1.5	0.0	1.5	1.6	(0.1)
Resources	78.6	(1.1)	77.5	77.0	0.5
Central Income & Expenditure	82.2		82.2	84.7	(2.5)
<b>Total before DSG High Needs Block Offset</b>	<b>1,045.4</b>	<b>(8.0)</b>	<b>1,037.4</b>	<b>1,012.9</b>	<b>24.5</b>
DSG High Needs Block Offset	27.2		27.2	27.2	0.0
<b>Total Budget Envelopes</b>	<b>1,072.6</b>	<b>(8.0)</b>	<b>1,064.6</b>	<b>1,040.1</b>	<b>24.5</b>
Central Funding	(1,040.1)		(1,040.1)	(1,040.1)	0.0
<b>Overall after central funding</b>	<b>32.5</b>	<b>(8.0)</b>	<b>24.5</b>	<b>0.0</b>	<b>24.5</b>

Note: Numbers have been rounded which might cause a difference.

2. The forecast Directorate overspend of £32.5m relates primarily to:

**Children, Families and Lifelong Learning (CFL) - £24.6m overspend, due to:**

- £15m projected overspend on Home to School Transport (H2ST) - Demand pressures from the continuing increase in EHCPs are compounded by high fuel costs and other inflationary pressures increasing costs further, coupled with the ability of providers to “hand back” routes leading to higher costs in the retender process. Further forecast 9% increase in SEND pupil numbers from September are expected, but confirmation of these figures requires all current applications to be processed. There are still applications for the new academic year being processed, current demand increases are below the 9% forecast, but the usual trend is for numbers to increase from September up to Christmas as these applications are processed. Continued volatility in fuel prices remains a significant risk. The projection is net of changes from the implementation of the Council’s new transport policy. A H2ST Task & Finish Group has been set up which will drive weekly progress, ensure clear action plans and be accountable in this area. There is also a focus on alternative delivery models, in collaboration with key stakeholders. We are taking a proactive approach to learning from other counties to support assumptions or inform strategies.
- £4.1m overspend on External Looked After Children (LAC) placements – due to numbers of LAC and the full year effect of some high-cost placements which came in late March. Reductions in residential placements through the big fostering partnership are yet to be delivered.
- £2.5m overspend on Children with Disabilities (CWD) Care - this is a residual pressure from 2021/22 due to high levels of demand for direct payments and personal support.
- £2.5m overspend on Quadrant area teams, CWD and Fostering staffing – this relates to the double funding of the assessed and supported year in employment (ASYE) social work cohort through the use of agency staff for three months while ASYE’s gradually build up their caseload; and there are also additional staffing costs in fostering due to the level of agency staff. An efficiency around standardising leave between agency and permanent workers has also not been delivered due to workload requirements.

- £1.1m forecast overspend on Care Leavers due to the level of demand and increases in average costs.

**Adult Social Care – £6.0m overspend:** £6m pressure on the care package budget due to forecast non-achievement of efficiencies due specifically to market and demand pressures and capacity challenges (for which the service is working on mitigations), increased costs of care and rising assessed fees & charges debt resulting in an increased provision for bad debt and debt write offs. This is partially offset by some staffing underspends and one-off financial benefits largely related to old year accruals.

**Surrey Fire and Rescue - £2.4m overspend** primarily due to additional recruitment and training in response to recruitment by the London Fire Brigade and anticipated retirements and existing vacancies, together with increased costs of communication systems, staffing pressures through increased use of on-call staffing, ill health retirements, and increased costs of fuel and vehicle repairs. Some offsetting underspends are already included in the forecast, and officers continue to review these pressures and wider spend to identify any further mitigations.

**Resources – £1.6m overspend** is due mainly to price inflation on utilities and food, resulting in forecast pressures in Land & Property and Twelve15 respectively. In addition, there is continued increased demand for legal services. Furthermore, delays to the planned agile moves and energy price volatility mean that some of the Land & Property efficiencies are unlikely to be delivered.

**Offset by:**

**Central Income and Expenditure - £2.5m underspend:** the application of £1.5m of remaining Covid-19 funding to finance ongoing COVID cost implications in both Childrens, Families and Lifelong Learning and Customers & Communities, £0.3m increased interest receivable due to improved cash balances and yield and £0.7m underspend for redundancies reflecting fewer service restructures.

3. Through the budget envelope approach, Directorates are required to deliver services within their approved budget. Therefore, Directorates are tasked with mitigating activities to offset identified pressures, mitigate risks and maximise the opportunities available to contain costs.
4. In each of the last four financial years, this approach has been sufficient to deliver a year end position within budget. However, the unusual intensity of the pressures that the council is facing this year, means that additional measures have been required in order to protect the council's financial position. Therefore, Directorates currently forecasting an overspend, will deliver a budget recovery plan, which requires the identification of targeted additional in-year activities to mitigate the forecast overspend.
5. Through budget recovery plans, Directorates have to date identified £8m of additional activities in order to mitigate some of the remaining forecast overspend. Work continues to identify further measures and progress on the identification and delivery of these additional measures will be reported to Cabinet on an ongoing basis, as part of the monthly financial reporting.



6. The £8m identified as part of budget recovery plans, as at the end of September, relates to a number of mainly one-off opportunities:

**Children, Families and Lifelong Learning (£4.4m budget recovery plan):**

- £0.8m has been included based on a reduction in the DSG High Needs Block offsetting reserve contribution needed (this is a partial release of reserve);
- £3.6m initial reassessment of extra costs applicable to the pandemic, so potential increased drawdown of Covid-19 funding, these are predominantly within staffing and social care placements.

**Adult Social Care (£2.1m budget recovery plan):**

- £1.5m planned drawdown of reserves ringfenced for ASC originating from the service's underspend in 2018/19. Up until now this has been shown as an opportunity as it was considered it would be necessary to offset weighted risks very likely to materialise in the remainder of the year. There is now greater confidence that some of the risks can be mitigated enabling £1.5m to be utilised to reduce the BAU overspend.
- £0.6m Contain Outbreak Management Fund monies carried forward from 2021/22 that will be applied to relevant care package expenditure driven the ongoing impacts of the Covid-19 pandemic.

**Surrey Fire & Rescue Service (£0.3m budget recovery plan)** due to a number of measures including use of grants to cover existing staffing costs, reduced overtime through new ways of working and capitalisation of staff and other appropriate costs.

**Resources (£1.1m budget recovery plan)** – a range of measures including a review of reserves, reduced staffing costs including delaying non statutory recruitment and continual appraisal of premises costs to mitigate the challenging inflation pressures.

7. In addition to the forecast overspend position, we monitor emerging risks and opportunities throughout the year. These are activities that could impact on, but are not currently included in, the forecast outturn position. Wherever possible the potential financial value of risks and opportunities are estimated and scored for the likelihood of the risk or opportunity occurring, to calculate the weighted risk / opportunity. At the end of September there were £21.7m of weighted risks and £6m of weighted opportunities, resulting in net weighted risks of £15.7m, not currently included in the latest forecast outturn position.
8. As such, in addition to taking action to reduce the current forecast overspend, Directorates are taking action to mitigate these risks to avoid increased budget pressures.

**Dedicated Schools Grant (DSG) update**

9. The table below shows the projected forecast year end outturn for the High Needs Block. The forecast at month 6 is in-line with budget.

Table 2 - DSG HNB Summary

<b>2022/23 DSG HNB Summary</b>	
	<b>£'m</b>
DSG High Needs Block Grant (exc Academies)	202.2
Forecast outturn	229.4
<i>Deficit/(surplus)</i>	<i>27.2</i>
Budgeted overspend	27.2
<b><i>Deficit/(surplus)</i></b>	<b><i>0.0</i></b>

10. Within the forecast, there are £4m of stretch efficiencies RAG rated as red (plans to be developed). This is a reduction of £2.4m from the level at the start of the year (£6.4m) so further work is required during the year to ensure these are identified and delivered.
11. The first quarter monitoring report was submitted to DfE in June for the safety valve agreement and the first quarter payment of £3m was received. The second quarter monitoring report was submitted in September and has also been approved and the second quarter payment of a further £3m has been received, bringing the total received so far from the DfE to £46.5m. The monitoring report identified that the Council remains on track with its agreed trajectory, although it also noted the increasing pressures caused by rising inflation, in particular to the long term funding of the planned capital programme.

#### **Adult Social Care Fair Cost of Care and Market Sustainability Funding**

12. The Council is receiving £2.7m of Fair Cost of Care and Market Sustainability (FCoC) funding in 2022/23 as part of the Adult Social Care reforms announced by government. In line with timescales stipulated by government, the Council has conducted cost of care exercises for older people care home (65+) and 18+ home care services. Information summarising the outcomes of these exercises was sent to the Department of Health & Social Care (DHSC) ahead of the mandated deadline of 14<sup>th</sup> October, together with a provisional market sustainability plan. The Council awaits further guidance from DHSC about the publication of this information.
13. As part of the documentation submitted to DHSC, the Council was required to set out how it plans to spend the 2022/23 FCoC funding. Grant conditions allow authorities to retain up to 25% of the funding to cover costs associated with conducting the cost of care exercises and production of the market sustainability plan (noting the final plan has to be submitted to DHSC by February 2023). All remaining funding must be utilised directly to support ASC providers.
14. Cabinet is requested to approve the following allocations of the 2022/23 funding:
- Just under £9,000 will be used to cover the cost of external consultants who were engaged to help ASC providers complete their cost of care returns. Recognising the scale of market pressures the Council will not be retaining any other funding towards its own internal costs of conducting the cost of care exercises.
  - £2.012m will be paid to 18+ home care providers who on 30 September 2022 were registered on the Council's Approved Provider List (APL) care within the home dynamic purchasing system (DPS) that went live in October 2021. Funding will be allocated across providers based on the total number of hours of care commissioned by the Council with each provider on 30 September 2022. This will include legacy packages from previous home care frameworks with current APL DPS registered providers eligible to receive funding. Recognising the increased costs of fuel and

less efficient use of care hours due to travel time, hours of care provided to people in rural or semi-rural parts of the county will be weighted higher for grant allocation purposes than hours of care provided in urban areas. Each provider will receive a single payment of its whole grant allocation for 2022/23.

- £0.675m will be paid to older people care home providers in Surrey based on the number of beds commissioned by the Council in each home on 30 September 2022 at or below the Council's 2022/23 guide prices for older people residential, residential dementia or nursing care. A single payment will be made for each care home covering the whole grant allocation due for 2022/23.

15. The larger share of FCoC funding proposed to be allocated to 18+ home care providers takes into account that these providers did not receive a fee uplift from April 2022. This is because the new APL DPS that went live in October 2021 planned for the first uplift to be awarded from April 2023. Providers were expected to price forecast inflationary pressures into their tendered prices, but there have been significant economic and political changes since the new DPS went live. The care home market, whilst facing similar challenges such as workforce and increased energy costs, has greater levels of income assurance, a clearer and more consistent approach to pricing and costs, and benefits from a larger self-funder market.

16. Subject to Cabinet approval, payments will be made to providers as soon as practical in December 2022.

### **Empty Properties**

17. In an initiative to reduce the number of empty properties throughout the County, in November 2020 Cabinet approved an Empty Properties initiative. The proposal reallocated the Council's share of increased council tax funding to the districts and boroughs (D&Bs) if agreed conditions were met. The reallocation was ringfenced to fund initiatives which supported a County supported initiative or project, such as reducing homelessness, addressing climate change or rethinking local transport delivery and the D&Bs had to set out the proposed use of the funding as part of the bidding process.

18. The scheme was available for any change to Empty Home policies that have become effective since April 2019. The cost of the scheme to the Council, depends on the number of D&Bs that implement a policy change and how that change compares to the preceding policy. Since the scheme was agreed applications worth £3.2m have been approved and the number of empty properties across the County has reduced by 153, in addition properties receiving reliefs have reduced by 733 and 241 extra empty properties are being charged a premium. This overall increase in the amount of Council Tax collected on an ongoing basis is factored into the MTFs.

19. It was recommended that the scheme be subject to an annual review. Cabinet are therefore asked to approve the extension of this initiative for three years to 2024/25, with a change that the baseline over which D&Bs receive funding is moved from 2019 to 2021. The financial impact of this can be contained within existing budgets set aside for this purpose.

### **Capital Budget**

20. The 2022/23 Capital Budget was approved by Council on 8<sup>th</sup> February 2022 at £210.9m, with a further £71.0m available to draw down from the pipeline and £18m budgeted for

Your Fund Surrey expenditure. After adjustments for 2021/22 carry forwards and acceleration, the revised budget is £215.8m.

21. The Council is currently forecasting £220.5m of capital expenditure against this budget, an over-achievement of £4.7m. This is the net impact of accelerated spend in both Land & Property and Highways & Transport, including £15.4m highways schemes and £5m Local Enterprise Partnerships (LEPS) and road safety, offset by slippage relating to Ultra Low Emission Vehicles (ULEV) and bridges and elsewhere across the programme.

Table 3 below provides a summary of the forecast full-year outturn at M6.

Strategic Capital Groups	Annual Budget	Outturn Forecast at M6	M6 Forecast Variance
	£m	£m	£m
<b>Property</b>			
Property Schemes	77.9	85.7	7.7
ASC Schemes	1.7	1.7	0.0
CFLC Schemes	1.3	1.3	(0.0)
<b>Property Total</b>	<b>80.9</b>	<b>88.7</b>	<b>7.7</b>
<b>Infrastructure</b>			
Highways and Transport	87.6	92.4	4.9
Infrastructure and Major Projects	22.4	16.5	(5.9)
Environment	8.8	7.1	(1.7)
Surrey Fire and Rescue	6.4	3.0	(3.4)
<b>Infrastructure Total</b>	<b>125.2</b>	<b>119.0</b>	<b>(6.2)</b>
<b>IT</b>			
IT Service Schemes	9.7	12.8	3.1
<b>IT Total</b>	<b>9.7</b>	<b>12.8</b>	<b>3.1</b>
<b>Total</b>	<b>215.8</b>	<b>220.5</b>	<b>4.7</b>

22. The forecast variances relate to:

**Highways and Transport schemes – programme acceleration against budget of £4.9m.** Highway maintenance and local highway schemes totalling £10.7m have been accelerated from future years, as part of £50m planned acceleration across 2022-24. £4.5m of pipeline schemes are also expected to be delivered this year. These are offset by net slippage of £10.3m, including £2.5m for the Mole bridge strengthening scheme which is expected to span two financial years; £5.4m caused by delayed purchase of low emission buses while legal agreements with bus operators are finalised; and £2.2m reprofiling for the purchase of low emission community transport vehicles to allow a smaller number of vehicles to be tested operationally before further investment.

**Infrastructure and Major Projects – projected underachievement to budget of £5.9m** due to £4.8m slippage in the grant funded Housing Infrastructure Fund scheme, with early infrastructure works and land purchase now anticipated in 2023/24, and £1.2m slippage on Farnham town centre improvements due to a delay finalising the scope and design.

**Environment schemes – projected underachievement to budget of £1.7m** mainly caused by the need to secure a Managing Agent to deliver the Greener Homes 2 grant funded scheme. Delivery of £1.2m of the original funding of £3.2m has been secured, due to action taken by the Council, but the remaining £2m is no longer anticipated to be delivered.

**Surrey Fire & Rescue Service – projected underachievement to budget of £3.4m**

due to slippage in the Fire Service vehicle replacement programme caused by delays in anticipated delivery dates of fire vehicles, recognising supply chain issues.

**Property Schemes – programme acceleration against budget of £7.7m**, mainly due to £9m accelerated spend in Special Educational Need (SEN) Strategy based on new scheme approvals, and £2.9m of inflationary pressure; £3.7m of spend on Extra Care housing and £2.9m accelerated spend in Independent Living, the budgets for both of these will be added when budgets are reset later this financial year; and £1.5m inflationary pressure on LAC schemes. This was offset by a £6.9m forecast underspend in the Schools Basic Need programme as a result of a number of projects either not coming forward, coming forward later than previously forecast or construction start on site being delayed due to planning; £2m hold on the Caterham Hill Library project due to local strategy issues; £1.3m slippage in Winter Maintenance Depot due to delays in construction spend on salt barns until after the winter gritting season; £1.2m slippage in Surrey Outdoor Learning & Development (SOLD) -Thames Young Mariners due to a requirement to reduce costs and associated scope; and £0.7m less spend due to delayed agile office moves.

**IT schemes – programme acceleration against budget of £3.1m** due to accelerated spend on the Unicorn WAN Wi-Fi scheme, the budget for which will be added when budgets are reset later this financial year.

**Your Fund Surrey**

23. In February 2020, the establishment of Your Fund Surrey was approved, enabling investment in priorities brought forward by local communities. Governance arrangements are in place to review and approve proposals brought forward by applicants, which includes the requirement for bids to include a contingency value to cover unanticipated costs.
24. Given the nature of these applications (which include large scale capital projects), alongside the current economic environment of significant inflation rates, it is proposed that Cabinet approve the creation of an inflation hardship contingency, to manage the risk of construction and other inflation levels. This would enable, in exceptional circumstances the further award of up to 10% of the bid value when presented with robust evidence that the variance is caused by the movement in the construction market, or inflation increases, since the original bids were submitted. The onus remains very much on the applicant to deliver projects within the original requested amount. The contingency will be met from the existing overall Your Fund Surrey programme allocation.
25. This would apply to all projects having received Your Fund Surrey funding to date and all future Your Fund Surrey awards. The appropriate governance and approval route will be followed for the award, based on the bid plus the award contingency, to ensure the appropriate governance is followed for the total potential bid.

**Inflation Update**

26. Higher than budgeted inflation, arising from increased global and economic uncertainty, has significantly increased the risks facing the Council in terms of delivering the budget for 2022-23. We will be monitoring closely the impact of inflation indices and Council spending and take action as necessary to ensure increased costs are mitigated where possible.

27. Directorates should look to contain cost increases wherever possible to ensure services can be delivered within budget envelopes. Should mitigating actions not fully offset any experienced increase in costs then alternatives should be explored to contain spending.
28. It should also be noted that specific grants do not include any inflationary increase and therefore the associated expenditure has to be managed within the available grant, including impacts of inflation and demand changes. Holding expenditure within the available grant may prove to be more challenging and potentially require cost reduction.
29. Any use of reserves or contingency to support higher spending in 2022-23 will have a significant impact in subsequent years, due to the ongoing impact on the Medium-Term Financial Strategy (MTFS). The ongoing impact of price increases would need to be factored into the base budget on a recurring basis plus a further one-off contribution would be needed to replenish general reserves (depending on future assessment of risk). For this reason, it is essential that Directorates strive to contain price increases within budget envelopes or take mitigating actions where possible.
30. Capital spending is more exposed to the impact of rising commodity, energy, and fuel costs than the revenue budget due to the impact on materials and delivery costs. Higher than anticipated inflation on projects, over and above the contingency element of the projects' budgets, can risk the viability of schemes. Where it has been identified that cost increases are putting at risk the ability to deliver the approved project within available budget, mitigating actions should be taken to reduce costs, including value engineering of schemes, i.e., modification of designs and/or scope to bring within available funding and deferring or de-prioritising projects. This process will be managed through the Capital Programme Panel.
31. Inflationary pressures within both the revenue and capital budget will be closely monitored throughout the financial year and updates on impacts and required mitigations will be included in future budget monitoring reports to Cabinet.

#### **Consultation:**

32. Executive Directors and Cabinet Members have confirmed the forecast outturns for their revenue and capital budgets.

#### **Risk Management and Implications:**

33. 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 Corporate Risk Register continues to reflect the increasing uncertainty of future funding likely to be allocated to the Council and the sustainability of the Medium-Term Financial Strategy. In the light of the 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:**

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



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

35. Although significant progress has been made to improve the Council's financial position, the financial environment remains challenging. The UK is experiencing the highest levels of inflation for decades, putting significant pressure on the cost of delivering our services. Coupled with continued increasing demand and fixed Government funding this requires an increased focus on financial management to ensure we can continue to deliver services within available funding. In addition to these immediate challenges, the medium-term financial outlook beyond 2022/23 remains uncertain. With no clarity on central government funding in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term.
36. The Council has a duty to ensure its expenditure does not exceed the resources available. Contingency budgets held by the Council provide confidence that the budget remains balanced at this stage. However, it is recognised that the current economic climate and rising inflation provides a significant challenge to delivering services within available budget resources. Directorates are developing budget recovery plans, to include targeted additional in-year efficiencies to off-set the current forecast overspend. 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.

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

37. 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.
38. 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:**

39. 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.
40. 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:**

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

**Report Author:**

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**Consulted:** Cabinet, Executive Directors, Heads of Service

Forecast revenue budget as of 30<sup>th</sup> September 2022

Service	Cabinet Member	Full Year Gross budget £m	Full year net budget £m	Full Year net forecast £m	Full year net forecast variance £m
Education and Lifelong Learning	C Curran	248.2	21.4	20.8	(0.6)
Family Resilience	S Mooney	38.1	33.3	36.0	2.7
Corporate Parenting	S Mooney	120.4	106.5	109.7	3.2
Quality and Performance	S Mooney	10.3	9.2	9.3	0.1
Commissioning	S Mooney	136.2	53.2	68.1	14.9
CFLC Exec Director	S Mooney	(1.5)	(1.5)	(1.5)	(0.0)
<b>Children, Families and Lifelong Learning</b>		<b>551.7</b>	<b>222.2</b>	<b>242.4</b>	<b>20.1</b>
Public Health	M Nuti	35.6	34.5	34.5	(0.0)
Public Service Reform	M Nuti	1.1	0.9	0.9	(0.0)
<b>Public Health and PSR</b>		<b>36.8</b>	<b>35.4</b>	<b>35.4</b>	<b>(0.0)</b>
<b>Adult Social Care</b>	<b>M Nuti</b>	<b>549.6</b>	<b>402.8</b>	<b>406.7</b>	<b>3.9</b>
Highways & Transport	M Furniss / K Deanus	71.9	56.8	56.3	(0.5)
Environment	M Heath/ N Bramhall	77.0	74.7	75.0	0.3
Infrastructure, Planning & Major Projects	M Furniss	5.4	3.0	2.9	(0.1)
Leadership Team	M Furniss	1.5	1.5	1.7	0.2
Emergency Management	K Deanus	0.5	0.5	0.6	0.1
<b>Environment, Transport &amp; Infrastructure</b>		<b>156.3</b>	<b>136.5</b>	<b>136.6</b>	<b>0.0</b>
<b>Surrey Fire and Rescue</b>	<b>D Turner- Stewart</b>	<b>38.8</b>	<b>33.1</b>	<b>35.3</b>	<b>2.1</b>
Armed Forces & Resilience	K Deanus	0.1	0.1	0.1	0.0
Comms, Public Affairs & Engagement	T Oliver	2.1	2.1	2.0	(0.0)
<b>Communications, Public Affairs and Engag</b>		<b>2.2</b>	<b>2.2</b>	<b>2.1</b>	<b>(0.0)</b>
PPG Leadership	T Oliver	0.3	0.3	0.3	(0.0)
Economic Growth	M Furniss	1.3	1.3	1.2	(0.0)
<b>Prosperity, Partnerships and Growth</b>		<b>1.6</b>	<b>1.6</b>	<b>1.5</b>	<b>(0.1)</b>
Community Partnerships	D Turner-Stewart	1.5	1.5	1.4	(0.1)
Customer Services	D Turner-Stewart	3.0	2.9	2.8	(0.0)
AD Culture & Active Surrey	D Turner-Stewart	19.5	6.7	7.2	0.5
Surrey Arts	D Turner-Stewart	0.4	0.4	0.4	0.0
Trading Standards	D Turner-Stewart	3.9	2.0	1.9	(0.1)
Health & Safety	D Turner-Stewart	0.7	0.3	0.3	0.0
Coroners	K Deanus	3.8	3.7	3.8	0.1
<b>Customers and Communities</b>		<b>32.7</b>	<b>17.3</b>	<b>17.7</b>	<b>0.4</b>
Land and Property	N Bramhall	32.5	24.0	24.4	0.3
Twelve15	D Lewis	20.1	(1.5)	(1.3)	0.2
Information Technology & Digital	D Lewis	19.1	18.5	18.5	(0.0)
Finance	D Lewis	13.5	6.0	5.8	(0.1)
People & Change	T Oliver	7.3	7.2	7.2	(0.0)
Joint Orbis	D Lewis	7.0	7.0	7.0	0.0
Legal Services	D Lewis	5.4	4.9	5.6	0.6
Business Operations	D Lewis	4.1	2.1	2.1	(0.0)
Democratic Services	D Lewis	4.0	3.8	3.7	(0.1)
Corporate Strategy and Policy	D Lewis	2.1	1.6	1.5	(0.1)
Executive Director Resources	D Lewis	2.0	1.9	2.1	0.2
Transformation and Strategic Commissioning	D Lewis	1.4	1.4	1.0	(0.4)
Performance Management	D Lewis	0.2	0.2	0.2	(0.0)
<b>Resources</b>		<b>118.6</b>	<b>77.0</b>	<b>77.5</b>	<b>0.5</b>
<b>Corporate Expenditure</b>	<b>D Lewis</b>	<b>108.0</b>	<b>84.7</b>	<b>82.2</b>	<b>(2.5)</b>
<b>Total before DSG High Needs Block Offset</b>		<b>1,596.4</b>	<b>1,012.9</b>	<b>1,037.4</b>	<b>24.5</b>
<b>DSG High Needs Block Offset</b>		<b>27.2</b>	<b>27.2</b>	<b>27.2</b>	<b>0.0</b>
<b>Total Budget Envelopes</b>		<b>1,623.6</b>	<b>1,040.1</b>	<b>1,064.6</b>	<b>24.5</b>
<b>Central funding</b>			<b>(1,040.1)</b>	<b>(1,040.1)</b>	<b>0.0</b>
<b>Total Net revenue expenditure including DSG HNB</b>		<b>1,623.6</b>	<b>0.0</b>	<b>24.5</b>	<b>24.5</b>

## Balance Sheet Indicators

### Debt

1. During the three months to 30 September 2022, the Council raised invoices totalling £122m. Overdue debt is the total debt less those balances not immediately due (i.e. less than 30 days old). There was a total £38.9m of overdue debt at the end of September, an increase of £2.4m since the last quarter.
2. Unsecured social care overdue debt has increased by £0.4m over the quarter. The Financial Assessments & Income Collection Team in ASC responsible for the recovery of social care debt take a range of actions to recover unsecured debts, In addition to undertaking probate searches, the team agree instalment arrangements, pursue recovery action, including via the Council's legal services team if necessary and take action to secure the debt where possible.
3. General debt increased has decreased by £3.5m since the last quarter.
4. Clinical commissioning group (CCG) debt has increased by £3.2m since the last quarter, although as with general debt the increase largely related to more recent debts and services are actively following up with CCGs to ensure the overdue debt is paid.

Table 1: Age profile of the Council's debt as at 30 September 2022

Account group	<1 month £m	1-12 months £m	1 to 2 years £m	over 2 years £m	Gross debt £m	Overdue debt £m
Care debt – unsecured	6.0	8.3	4.4	4.6	23.4	17.3
Care debt – secured	0.7	3.0	2.3	4.4	10.3	0.0
<b>Total care debt</b>	<b>6.7</b>	<b>11.3</b>	<b>6.7</b>	<b>9.0</b>	<b>33.6</b>	<b>17.3</b>
Schools, colleges and nurseries	1.7	0.5	0.0	0.1	2.3	0.6
Clinical commissioning groups	4.8	15.0	0.4	0.8	21.0	16.2
Other local authorities	1.6	1.8	-0.2	0.0	3.2	1.6
General debt	4.2	1.8	0.7	0.5	7.3	3.1
<b>Total non-care debt</b>	<b>12.3</b>	<b>19.1</b>	<b>0.9</b>	<b>1.5</b>	<b>33.9</b>	<b>21.5</b>
<b>Total debt</b>	<b>19.0</b>	<b>30.4</b>	<b>7.6</b>	<b>10.5</b>	<b>67.5</b>	<b>38.9</b>
Q1 2022/23	24.3	29.0	7.2	9.8	70.2	36.5
Change	-5.2	1.4	0.4	0.7	(2.7)	2.3

\* Secured care debt does not become due until either the property is sold or after 90 days following the death of the resident, whichever is earlier.

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

### Treasury Management

5. The Council borrows to finance its capital spending that exceeds receipts from: grants, third party contributions, capital receipts and reserves. The Council's long-term debt stands at £468.7m and has not increased this year.
6. As at 30 September 2022, the weighted average interest rate of the Council's long term debt portfolio is 3.63%. The Treasury Strategy, approved by County Council in February 2022, continued the policy of internal borrowing and where necessary, to borrow short-term to meet cash flow liquidity requirements. Table 2 below shows a net £20m decrease in the Council's short-term borrowing activity since 30 June 2022.

Table 2: Short-term borrowing as at 30 September 2022

	<b>£m</b>
Borrowing outstanding as at 30 June 2022	103
Loans raised	10
Loans repaid	(30)
<b>Current Balance as at 30 September 2022</b>	<b>83</b>

Figures are for Surrey Council only and do not include Surrey Police

7. The weighted average interest rate of the Council's short term external debt is 1.04% at 30 September 2022.

### Investments

8. The Council's average daily level of investments has been £138m during 2022/23, compared to an average of £57.1m during 2021/22. This reflects the receipt of grants and income at the start of the financial year, in advance of spend and the Council's strategic policy to maintain sufficient liquidity during this time and continue to borrow over shorter periods when appropriate. The current Bank of England (BoE) base rate is 2.25% with stepped increases forecasted in the next 6 months. The Council invests temporary cash surplus exclusively through the use of money market funds (MMF). Other investment facilities are available, including brokers, direct dealing with counterparties through the use of call accounts or direct deal facilities, or with the government's Debt Management Office (DMO). No new fixed term deposits have been agreed during 2022/23 due to the lower cash balances held and the need to maintain high liquidity.
9. **Table 3** shows the weighted average return on all investments the Council received in the quarter to 30 September 2022 is 1.48%. This compares to a 1.61% average Bank of England (BoE) base rate for the same period.

Table 3: Weighted average return on investments compared to Bank of England (BoE) base rate.	<b>Average BoE Base Rate</b>	<b>Weighted return on investments</b>
23 quarter 2	1.61%	1.48%
23 quarter 1	0.95%	0.77%
22 quarter 4	0.45%	0.28%
22 quarter 3	0.13%	0.03%
22 quarter 2	0.10%	0.02%
22 quarter 1	0.10%	0.01%
21 quarter 4	0.10%	0.01%
21 quarter 3	0.10%	0.03%
21 quarter 2	0.10%	0.14%
21 quarter 1	0.10%	0.31%

*Note: All numbers in all tables have been rounded - which may cause a casting difference*

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**SURREY COUNTY COUNCIL****CABINET****DATE: 29 NOVEMBER 2022****REPORT OF CABINET MEMBER: TIM OLIVER, LEADER OF THE COUNCIL**

**LEAD OFFICERS:** **KATIE STEWART, EXECUTIVE DIRECTOR FOR ENVIRONMENT, TRANSPORT & INFRASTRUCTURE**  
**MARIE SNELLING, EXECUTIVE DIRECTOR FOR CUSTOMER & COMMUNITIES**

**SUBJECT: RESPONDING TO THE RISING COST OF LIVING IN SURREY**

**ORGANISATION STRATEGY PRIORITY AREA: NO ONE LEFT BEHIND/GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT/TACKLING HEALTH INEQUALITY/ENABLING A GREENER FUTURE/EMPOWERING COMMUNITIES**

10

**Purpose of the Report:**

This report provides an update on the rising cost of living situation nationally, as well as a review of local data showing the emerging picture across Surrey. It outlines work by Surrey County Council, along with partners and key stakeholders, that is already underway to support households facing financial hardship. The report also sets out the proposed strategic approach to the rising cost of living over the short to medium term, including initiatives that have been identified to provide additional support to the most vulnerable. It does not address the issue of the inflationary pressures on Surrey Council led services or budgets directly, or those of our providers, as this will be considered through the 2022/23 budget and Medium-Term Financial Strategy to 2026/27. It should be noted that the increasing national cost of living is a rapidly evolving situation and all figures, especially of a predictive nature, are subject to change.

**Recommendations:**

It is recommended that Cabinet:

1. Notes the emerging insights around the rising cost of living in Surrey, and the rapidly evolving national context.
2. Notes the potential severity of the evolving situation and the possible impact for local communities, staff and business continuity.
3. Notes the financial investment made to date and the council's intention to continue to support residents, communities and partners through further financial investment where possible, whilst being mindful of the increasing financial pressures on the council.

4. Endorses the developing response to the rising cost of living, both internally and with partners, and the planned mitigations to manage risks to resident welfare, staff wellbeing, and service capacity and continuity.
5. Agrees that the council will work with other councils and national organisations such as the LGA and the County Council's Network to engage with Government on matters of importance relating to cost of living, including to further support provision targeted at vulnerable households to improve thermal insulation and reduce fuel poverty.

#### **Reason for Recommendations:**

The rising cost of living has the potential to affect many of Surrey's residents including, but not limited to, those already experiencing financial hardship. The council's response to the situation has been designed to support residents and staff, whilst being mindful of the council's own financial situation.

#### **Background**

##### **The National Picture**

1. The cost of living across the UK has been increasing since early 2021, with inflation currently at 10.1%<sup>1</sup> and an estimate this will increase further to around 13% during the autumn/winter of this year<sup>2</sup>. This is predominantly due to rising food and energy prices and is inevitably affecting the affordability of goods and services for households and businesses. According to the Office for National Statistics, 87% of adults in Great Britain reported an increase in their cost of living in August and September 2022<sup>3</sup>, with the impact being felt most acutely by lower income households who spend a greater proportion of their income on food and fuel.
2. Public and private sector organisations are also being directly impacted. Care England data has shown a 683% increase in energy costs for care providers between August 2021 and August 2022<sup>4</sup>, and the estimated cost of providing local government services by county councils across the country for the current 22/23 financial year has risen by 92% since budgets were set in March of this year<sup>5</sup>.

##### **The Surrey Context**

3. In Surrey, the effects of this are already being felt. Whilst the majority of Surrey residents are not in crisis situations at the moment, many are beginning to make cutbacks. It is also important to note that there are some residents in crisis already before the full effects of inflation and the winter months are felt.
4. In a recent survey<sup>6</sup>, a majority of residents agreed or strongly agreed that the cost-of-living crisis made them feel stressed. The survey also revealed that:

<sup>1</sup> [Office for National Statistics](#) (10.1% figure refers to October 2022)

<sup>2</sup> [Bank of England](#)

<sup>3</sup> [Office for National Statistics](#)

<sup>4</sup> [Care England](#)

<sup>5</sup> [County Councils Network](#)

<sup>6</sup> Cost of living survey was asked of the Surrey Health and Wellbeing Panel in August 2022. This is a panel of 2000 residents – with a response rate of approximately 800 for this survey. The data is then weighted to be representative for the county based on age and gender. For Surrey this means that nearly a fifth of respondents had a household income of less than £30k, just over 15% of respondents are renting and just under 40% have a mortgage. Survey will be repeated during winter to monitor any changing circumstances

- 5% of residents have often struggled to pay non-energy related ‘essential’ bills
  - Around a third have reduced spending on their regular food shop
  - Around a quarter have found it difficult to pay their household bills
  - 50% of respondents on a pre-payment meter had sometimes run out of energy before they had the money to top up the meter
  - 66% sometimes or often reduced their energy usage to reduce cost
  - 74% have cut back on eating out, 63% have cut back on trips out and 48% have cut back on hobbies, indicating a potential impact on the local economy.
5. Over 500 new clients registered with Surrey Citizens Advice between April – June 2022 and support was given on over 1,600 issues, in particular around benefits, debt, housing and foodbanks. This increased demand appears to be coming from particular groups within the county, with 66% of claimants identifying as having a disability or long-term health condition, and two-thirds of clients identifying as female.
  6. Demand for food support is also increasing, with some foodbanks across Surrey stating they have seen a 300% increase of demand on their services over the past two years.
  7. With pockets of relative deprivation existing alongside more wealthy areas, stigma around financial hardship may be a particular issue in deterring those that are currently ‘just about managing’ from seeking early help, which means they access public services as they are entering crisis instead of at the point where preventative support can be provided. In addition, over 70% of the county area is considered rural meaning that residents may have greater reliance on fuel to travel further distances and/or heat their home.

### National Government Response

8. In response to what is being termed as the ‘cost of living crisis’, the government has introduced a range of measures to support individuals and businesses<sup>7</sup>.
9. Despite this welcomed intervention, the country is still facing a period of economic uncertainty and pressure. The Energy Price Guarantee is still 27% above the summer 2022 cap (which had itself increased costs by 54% in April) and predictions are that the U.K. is already in a “moderate four-quarter recession that started in the second quarter” with inflation expected to continue to grow<sup>8</sup>. The impacts of this are likely to continue to be felt by the council, communities, staff, businesses, and charities for some time.

**Summary of Response:**

### Role of Surrey County Council

10. The approach to supporting residents, communities and staff during this time is structured across two key pillars:
  - Support to key groups
  - Service continuity

<sup>7</sup> [Cost of living support - GOV.UK \(www.gov.uk\)](https://www.gov.uk/cost-of-living-support)

<sup>8</sup> [S&P Global](https://www.spglobal.com)

11. It will be impossible for the council to remove the pressures faced across the county by the cost of living crisis, however we can convene and work with partners to support people to mitigate, manage and cope with the impacts they are experiencing.
12. Especially at a time when the council itself is facing additional pressures and demand for services, it is imperative that any activity to this end is undertaken whilst maintaining strong financial and operational sustainability.
13. Data and insights as to how the cost of living crisis is manifesting across Surrey, and how this is changing over time, will be closely monitored to allow us, and partners, to respond and make insight-led interventions as appropriate.

### **Working with partners**

13. Working closely with partners will be key to the success of the response to the cost of living crisis.
14. During the Covid-19 pandemic, Surrey County Council stepped into the provision of crisis support, including through emergency funding schemes such as the Contain Outbreak Management Fund (COMF) and the Household Support Fund (HSF). This has allowed the council to work closely with partners to develop a comprehensive programme of support for people struggling with the impacts of the pandemic, and provides a template for joint working during this period.
15. Whilst the cost of living crisis is not a critical incident like the pandemic, and the council will not have the same level of resources available to respond, the county benefits from this legacy of strengthened partnerships, improved ways of working and successful interventions that the council and partners can learn from and take forward in responding to the cost of living crisis.
16. Building on experience of the pandemic, a governance structure is being established by Corporate Strategy and Policy with Emergency Management and Resilience and will complement existing governance around risk and business continuity. It involves internal and external stakeholders and is designed to be responsive and dynamic.
17. As a council, we are committed to supporting the VCFS, and will be working closely with infrastructure organisations to monitor the situation and respond in the best way we can.
18. Close working with District and Borough councils will also be integral to the approach, to ensure a complementary and coordinated response.
19. As the county's primary strategic partnership boards, the Surrey Forum and Surrey Delivery Board will be kept closely apprised of the evolving situation and will be consulted with on key issues as appropriate. In addition, cost of living and the work being done to support residents will be included as a standing agenda item for key partnership meetings such as the meetings of Surrey Chief Executives and Surrey Leaders.

## Support to key groups

20. We acknowledge that demand for services during the winter of 2022 is likely to be higher than seen historically, and residents who have not previously needed to access support may become in need of assistance.
21. The council is committed to continuing the support that it currently provides to vulnerable residents, and to further the objective that no one in Surrey is left behind. Given the additional financial pressures the council is facing, this existing support offer will form the basis of the cost of living response. Teams across the council are currently going through the process of ensuring core services and any relevant initiatives are designed and communicated through a cost of living lens, to ensure we are having the necessary impact without a large additional financial commitment.
22. The council has introduced 11 dedicated Community Link Officers (CLOs) deployed across all of Surrey's districts and boroughs. CLOs work closely with County Councillors and wider partners in communities to help them to shape their local areas, with a specific focus on linking into key neighbourhoods. The CLOs are working hard in relation to helping communities with the current cost of living crisis and supporting the development of Warm Hubs across Surrey which was launched on the 3rd of November.
23. Other existing funding streams include each County Councillor's £5,000 Members' Community Allocation which can be used on both capital and revenue expenditure to support local initiatives. Your Fund Surrey (YFS) large community projects and the new small community projects funding to be launched in the new year, could be used on local capital projects. An example might be to enhance or create community centres, which are key to thriving and empowered communities.
24. Given the current situation, any additional response beyond 'pivoting' our existing service offer will need to be targeted and impactful. The initiatives below have been designed to maximise impact with limited resources, and to target support to those in greatest need:
  - Communications, advice and guidance: including our Customer Services welfare support line; a leaflet through the letterbox of every household in Surrey pulling together the financial and welfare support available in the county; an online health and welfare support hub [www.surreycc.gov.uk/welfare](http://www.surreycc.gov.uk/welfare)
  - Practical support: including support towards a network of 'Warm Hubs' across Surrey – this will be a mix of libraries, leisure centres, faith sector and other community buildings; a digital energy advice tool (being launched in November); additional funding provided to the Surrey Crisis Fund (which provides support for immediate needs in an emergency)
  - Funding to voluntary and community groups to reach vulnerable communities: including
    - Funding to the Community Foundation for Surrey, which will be matched-funded by donors, to create a 'Winter Poverty Fund' supporting charities in Surrey working on poverty mitigating initiatives.
    - Funding to Citizen Advice charities which will see an increased offer of support through to April 2024.
    - Funding to enable a Fareshare food allocation initiative (racking, chiller, freezer, forklift contribution).

25. The funding for these initiatives is sourced from a mixture of one-off government grants (such as the Household Support Fund and Contain the Outbreak Management Fund funding), and existing council budgets.
26. It is inevitable that staff are also likely to experience concerns around their own personal financial situation, so additional support for staff is also being put in place and promoted, including:
- Financial Wellbeing Support information on the Intranet and external website, accessible from any device. This will also be signposted to via November pay slips.
  - A number of in person events including in-person Financial Wellbeing Advice Fairs at key sites, with experts from range of external and internal stakeholders and staff roadshows with the Leader and Chief Executive
  - Access to discounts and financial products including:
    - My Benefits – the staff discounts scheme that provides for discounts for staff on items ranging from supermarket shopping to cinema tickets
    - Boom Credit Union offering loans, pay advances, savings and money advice
    - HMRC-approved salary sacrifice offers
    - Salary Finance Partnership (from late 2022) – This partnership will allow staff to borrow money and ethical rates and pay directly from their pay. The partner provides advice on budgeting and finance management as well as salary advances and loans.
  - Encouraging people to remain in the Local Government Pension Scheme

### **Service continuity**

27. The risk posed to the council by the cost of living crisis is exacerbated by a number of additional factors that may threaten service continuity over the winter months including energy and fuel disruption and seasonal weather.
28. Examples of the risks that we are preparing for include:
- Rising costs of living for residents with some struggling to pay for essentials, creating greater demand for services
  - Inability to recruit and retain sufficient numbers of skilled staff
  - Increasing staff shortages
  - Supplier or commissioned service failure
  - Industrial action impacting statutory obligations and services
  - National infrastructure failure e.g. power outage, fuel shortage.
29. Ongoing work to assess risks to services and develop business continuity plans is underway, and business continuity has been reviewed by services across the organisation. Immediate contingency work with services has commenced to support mitigation and will continue over the winter period.
30. Internal governance arrangements are being put in place to oversee the response to business continuity, utilising existing mechanisms where already in place, such as the Corporate Resilience Group (CRG).

### **Influencing the national response**



31. The council will seek to ensure channels of communication are in place with national government, to feedback local experiences and to influence the evolving national response.
32. We will work with other Councils and national organisations such as the LGA and the County Council's Network to engage with Government on matters of importance relating to the rising cost of living, including around the future of funding streams to local government and to further support provision targeted at vulnerable households to improve thermal insulation and reduce fuel poverty.

#### **Consultation:**

33. Successfully providing the support needed to residents will require strong partnership working, including consulting and involving partners in the development of the council's cost of living work and joined-up responses across the county. Partnership groups including the Charities Forum, Surrey Chief Executives group, the Surrey Forum and the Surrey Delivery Board have all been engaged on the work to date. Cost of living will remain on agendas in upcoming partnership meetings.
34. Resident voice has been sought out and included. This is notable in the recent citizens panel survey which provided a better understanding of how residents are coping with the rising cost of living, which will be repeated during the winter, and has informed the evidence led solutions being developed. Residents have also been engaged through Let's Talk events hosted in local communities where local data is shared with residents and workshop conversations are facilitated to help identify pressing issues for communities such as food poverty. Furthermore, Community Link Officers continue to provide a consistent line of communication into Surrey communities.
35. The council workforce has also been engaged extensively through the Extended Leadership Forum, Tim Oliver and Joanna Killian's Staff Roadshows and our staff Financial Wellbeing Event. This has ensured that staff are given forums to voice concerns, share best practice for supporting their teams, and learn about the support streams available through the council, as well as consider the potential impact on their work areas.

#### **Risk Management and Implications:**

36. The current situation poses a risk to the effective delivery of council services as demand for services is likely to rise as an increasing number of households experience financial pressures. It is especially likely that demand, and therefore risk, will increase for areas supporting adults and children, as detailed above.
37. If people are unable to pay, or decide not to pay, Council Tax in order to save money, this could lead to Council Tax arrears, or reduced Council Tax income, causing risks to the organisation's income. There may also be a potential financial impact if Districts and Borough's Council Tax Support Schemes are extended, and more work is being done to understand this.
38. Given the inflation being felt across the country impacting on all sectors, there is a risk that a supplier or commissioned service may be unable to continue to provide a service or will fail to do so at the standard required.

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

39. There is currently no planned additional expenditure being sought linked to these proposals, as proposed interventions are currently planned to be managed within existing budgets, through existing funding streams and programmes of work as set out within this paper. Annexes 2 and 3 set out the £5.8m funding and proposed use of the Household Support Fund and Contain the Outbreak Management Fund.
40. Financial decisions will undoubtedly be necessary as service areas seek to mitigate the risks of increased demand and the need to reprioritise. Any emerging financial pressures on Council services will be monitored closely and reported as part of monthly budget monitoring reports to Cabinet.
41. The inflationary pressures on council services or budgets directly, or those of our providers, are not addressed here as this will be considered through the budget development process, and the potential risk to the MTFS will be considered as service areas scenario-plan.

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

42. Although significant progress has been made to improve the council's financial position, the financial environment remains challenging. The UK is experiencing the highest levels of inflation for decades, putting significant pressure on the cost of delivering our services. Coupled with continued increasing demand and fixed Government funding this requires an increased focus on financial management to ensure we can continue to deliver services within available funding. In addition to these immediate challenges, the medium-term financial outlook beyond 2022/23 remains uncertain. With no clarity on central government funding in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term.
43. As such, the Section 151 Officer notes the support set out in the paper the direct financial implications of which are funded through one-off Government grants or existing Council budgets. The cost of living crisis also impacts demand for our services and increases financial pressure on our costs and that of our partners and suppliers. Such pressures will be monitored and reported through the monthly budget monitoring reports to Cabinet.

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

44. This is a noting report and at this point there are no specific legal implications.

### **Equalities and Diversity:**

45. Given the emerging intelligence suggesting that the cost of living crisis is disproportionately affecting groups with certain protected characteristics, any response will aim to provide targeted support to those that need it most. For example, elements of the Housing Support Fund are being targeted at disabled

people including directly to families with disabled children, working closely with county-wide charities to distribute funding to those in greatest need.

46. Responding appropriately to the cost of living crisis will help to support the council's ambition of No One Left Behind.

47. Where relevant, Equality Impact Assessments will be completed for individual interventions.

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## SURREY COUNTY COUNCIL

## CABINET

DATE: 29 NOVEMBER 2022



REPORT OF CABINET MEMBER: SINEAD MOONEY, CABINET MEMBER FOR CHILDREN AND FAMILIES

LEAD OFFICER: RACHAEL WARDELL, EXECUTIVE DIRECTOR FOR CHILDREN FAMILIES AND LIFELONG LEARNING

SUBJECT: SURREY HOMES FOR SURREY CHILDREN: A STRATEGIC APPROACH TO GROWING CAPACITY IN CHILDREN'S HOMES IN SURREY

ORGANISATION STRATEGY PRIORITY AREA: GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT / TACKLING HEALTH INEQUALITY / ENABLING A GREENER FUTURE / EMPOWERING COMMUNITIES

<b>Purpose of the Report:</b>
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To seek endorsement of proposals to use Surrey County Council (SCC) capital funding to grow the capacity of children's homes in Surrey, enabling more looked after children to live closer to the communities they are from. This directly supports the priorities and ambitions set out in the Council's Looked After Children and Care Leaver Sufficiency Strategy 2020-2025, including creating Surrey homes for Surrey children.

Alongside this we are seeking Cabinet endorsement of a long-term strategic aim for the Council that every looked after child has a choice to remain in Surrey, where this is appropriate to their needs – as previously endorsed by the Corporate Parenting Board.

Lastly, Cabinet is asked to note the update included in the report about our work to date to deliver our Sufficiency Strategy, including the progress we have made so far and the areas we need to focus on as we move forward.

The development of Surrey homes for Surrey children contributes to all four of our Organisation Strategy priorities:

- **Growing a sustainable economy so everyone can benefit:** Investing in children's homes in Surrey ensures funding for this provision is spent within local communities, as well as creating locally based employment opportunities.
- **Tackling health inequality:** Looked after children often experience worse health outcomes than their peers. Living in a Surrey home enables a child to access well-coordinated and holistic multi-agency support, to enable improved outcomes.
- **Enabling a greener future:** When looked after children are placed out of county, this generates additional travel for children themselves, their families and the professionals who support them. The opportunity to build new children's homes and improve existing facilities also enables us to make changes that reduce the carbon footprint of accommodation.
- **Empowering communities:** When looked after children are enabled to live locally, they themselves are enabled to contribute to and enrich our local communities across Surrey.

## Recommendations:

It is recommended that Cabinet:

1. Endorse the long-term strategic ambition for SCC that every looked after child has a choice to remain in Surrey, where this is appropriate to their needs – as previously endorsed by the Surrey Corporate Parenting Board.
2. In support of the above ambition and delivery of SCC's Looked After Children and Care Leaver Sufficiency Strategy 2020-25:
  - a. Endorse an overall plan to create up to 30 additional beds in Children's Homes across a number of sites in Surrey (noting this may be revised by decision of the Executive Director for Children, Families and Lifelong Learning in consultation with the Cabinet Member for Children, Young People and Families), with care to be delivered either directly by SCC in-house and/or in partnership with trusted external providers
  - b. Approve the allocation of up to £18 million capital funding towards the creation of up to 24 of these beds in new Children's Homes, reallocated from £30 million previously allocated for the delivery of 150 beds of Care Leaver Accommodation by Cabinet on 23 February 2021.
    - i. Approve the allocation of £3.5 million from this £18 million to provide a second children's home in the Woking area (as detailed in this report). This will deliver not only a much-needed increase in local capacity, but also provide decant for residents of another SCC children's home (SC040633), so that essential improvement works can be undertaken to secure the home's long-term future for Surrey's looked after children.
  - c. In addition, approve allocation of up to £5 million from the overall £30 million for additional costs associated with five capital projects that are already in development in Surrey (as set out in the main body of the report).
  - d. Note that a bid has been submitted to DfE for £839k funding to support a further Surrey children's home which is in the early stages of development.
  - e. Confirm that (in line with the recommendation previously agreed by Cabinet on 23 February 2021) the Executive Director – Children, Young People and Families is given delegated authority to approve individual schemes within overall budget constraints in consultation with:
    - Cabinet Member for Children and Families
    - Cabinet Member for Education and Learning
    - Deputy Chief Executive
    - Cabinet Member for Finance and Resources

In addition, all specific proposals will be reviewed by Corporate Programme Panel.

## Reason for Recommendations:

SCC, as corporate parent, is committed to enabling the best possible outcomes for Surrey's looked after children, within the resources it has available. Alongside this moral imperative, we also have a clear statutory duty to ensure, as far as reasonably practicable, that there is sufficient accommodation for looked after children that meets their needs and is within their



local authority (LA) area (Children Act 1989, Section 22G). Whilst SCC is already taking concrete steps to deliver this duty and enable positive outcomes, these proposals are an important part of how we plan to take forward the delivery of our statutory Looked After Children and Care Leaver Sufficiency Strategy 2020-25, which includes the ambition to create Surrey homes for Surrey Children.

These proposals also have wider benefits in support of Surrey's four Organisation Strategy priorities, as set out above: growing a sustainable economy so everyone can benefit; tackling health inequality; enabling a greener future; and empowering communities.

## Executive Summary:

### Our operating context

1. As a Council, we are ambitious for our looked after children and want to enable them to achieve the best possible outcomes in their lives. The statutory sufficiency duty (Children Act 89) to secure accommodation in or near to Surrey plays a really important role in this, supporting children to remain connected to their communities and progress successfully towards independence, whilst also enabling us, as corporate parents, to provide coordinated and holistic support more easily – reducing, for example, the increased risks associated with exploitation for children in out of area placements<sup>1</sup>.
2. Our latest [Looked After Children and Care Leavers Sufficiency Strategy](#) states our ambition to enable greater access to “Surrey homes for Surrey children” – one of five key priorities. Aligned to this strategy, in October 2021 the Surrey Corporate Parenting Board endorsed the longer-term strategic ambition that “every looked after child has a choice to remain in Surrey, where this is appropriate to their needs”, with the working hypothesis that this would lead to around 80% of looked after children being able to live in Surrey. We are seeking Cabinet endorsement of this long-term ambition and in principle support for projects that help us to achieve it.
3. Enabling 80% of our looked after children to live in Surrey would make SCC one of the top-performing Councils in the country. Whilst we would not want to be limited by this ambition, we do believe this is an appropriate level to aim for, taking account of the fact that some looked after children will: live with their extended families who may be outside of Surrey; access accommodation that is close to their home community, but happens to fall outside the Surrey border; require very specialist support that may not be available locally; or face safeguarding risks that mean living out of area is the best option.
4. The proposals in this report to increase children's homes capacity in Surrey are just one part of SCC's comprehensive plans to achieve our long-term 80% sufficiency ambition, plans which are being overseen, coordinated, and resourced through SCC's Placement Value and Outcomes Transformation Programme. Achieving our overall ambition also requires growth in the capacity of local fostering and supported accommodation provision, as well as strengthening preventative work with families so that fewer children come into care and enabling more looked after children to return to their families or access alternative permanent, family arrangements. Development work is currently underway in all these areas. Focusing back on children's homes specifically, analysis

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<sup>1</sup> Looked after children: out of area, unregulated and unregistered accommodation (England), House of Commons Library, November 2021

undertaken through this programme has provided a clear picture of the current capacity of children's homes in Surrey and a strong understanding of how we need to grow provision locally to enable our longer-term sufficiency ambitions, as part of our overall sufficiency strategy. Additional analysis of our current operating context and position in terms of children's homes sufficiency is included in Annex 1.

5. It is important to note the reality that SCC faces an infrastructure deficit in terms of current children's homes capacity in Surrey, despite running 9 children's homes directly. To illustrate, there are 17 children's homes offering long-term placements in Surrey, which compares to 30 in West Sussex, 47 in Essex, 60 in Hampshire and 85 in Kent.
6. The significant challenges nationally in the market for Ofsted-regulated residential children's homes are widely acknowledged. These are clearly articulated in two high-profile national reviews published in 2022: the Children's Social Care Market Study from the Competition and Markets Authority; and the Independent Review of Children's Social Care. Issues highlighted include: a national lack of placements; excessive provider profits; increasing dominance of debt-backed private equity ownership (increasing the risk of disorderly provider failure); concerns over the quality of care in some homes; pressures on staffing and recruitment; and the limited influence that individual LAs can have on the wider provider market. These concerns resonate with the experiences of the many LAs known to SCC, who report unprecedented challenges with finding placements.
7. Geographically, Surrey's landlocked location near London feeds high competition for local beds – compounded by less provision overall in London and the South East. Alongside this, there are barriers to entry for new providers, due to high property prices and costs of living. Our strong children's services improvement journey, however, provides a firm foundation for us to grow sufficiency and our size as a large LA does present options which may not be open to smaller authorities.

#### **How many looked after children currently live in Surrey and what is our ambition?**

8. SCC has been making overall progress in the number of looked after children living in Surrey, although there remains more to do. In April 2022, there were 547 (51.6%) looked after children living in Surrey. This compares to: 514 (51.0%) in 2021; 495 (50.2%) in 2020; and 456 (46.8%) in 2019.
9. The latest available benchmarking data from April 2021 (noting that a slightly different statistical approach is used to calculate these figures) shows that 48.3% of Surrey's looked after children were placed out of county, which compares to a 40.4% average for South East (SE). The SE local authorities that had the lowest proportion placed out of county were Kent (15.9%), East Sussex (21.1%) and West Sussex (30.2%), if LAs with a population of less than 500 looked after children are excluded.
10. At present, looked after children requiring children's homes are more likely to live outside of Surrey than their peers, with 35 of 105 (34%) living in Surrey as of 17 October 2022. In addition, 14 of 15 looked after children in unregistered placements were living outside of Surrey, where the preference would have been for them to be in a regulated children's home in the county (see Annex 1 – paras. 9-18). Including these children means a total of 36 of 120 (30%) currently live in Surrey.

11. If our longer-term sufficiency ambition is for 80% of looked after children to live in Surrey, this would mean a shortfall of between 49 and 60 children living in Surrey-based children's homes using the 17 October 2022 position. Whilst these numbers fluctuate somewhat over time, we are planning based on needing 50-60 additional children to be living in children's homes in Surrey.
12. Modelling of future demand indicates that the number of children looked after by SCC will continue to grow overall (see Annex 1 – paras. 19-22), but with the actual number of children in children's homes holding relatively steady within this overall growth. Whilst this is positive, we are not expecting the number of children in children's homes to reduce. We are certain that children's homes will remain the right option for some children and young people who are looked after, even as we work to promote family settings first, use residential provision as a time-limited intervention rather than longer-term destination, and implement practice models that prevent entry to care for some.

### **How can this change be realised?**

13. We believe this capacity gap can be met through developing a strong mixed economy of provision, which includes both new SCC funded children's homes and partnership with external providers. To enable 50-60 children to be placed in children's homes in Surrey, our current planning assumption is that we will need achieve up to 70 additional beds in the county. Our plan to deliver this growth is to:
  - a. Create 30 additional beds using existing and the repurposed £18m SCC capital funding, with SCC managing these (first preference) or via strategic partnerships with trusted external providers.
  - b. Enable 10 additional looked after children to live in Surrey by maximising the use of existing children's homes capacity that is not currently occupied by SCC looked after children (see Annex 1 – paras. 4-5). This will be achieved through strengthened relationships with external providers in the county and strengthened practice and processes in-house.
  - c. Create a minimum of 30 additional children's home beds in the county by working with high-quality external providers who bring their own investment to establish provision (i.e. no SCC capital will be required).

We are planning on creating 70 beds to account for the fact that it is unlikely SCC will utilise 100% of the capacity that exists in children's homes in Surrey, due to: ensuring the individual needs of children can be met appropriately alongside others ("matching"); changes in staffing levels over time; other LAs placing in externally-run Surrey-based children's homes, with SCC not having preferential access despite being the host LA; and children from other LAs in Surrey-based homes may be settled in these homes.

14. We acknowledge that achieving this level of growth in capacity will require long-term commitment, focussed work and appropriate resourcing over time, but we are clear that this is the right ambition for Surrey's children and are confident we can achieve the level of change required over time.
15. The key steps to increase the capacity of external provision in Surrey are already underway, following Cabinet approval secured as part of the Annual Procurement Forward Plan to develop new block contracting arrangements, but we require additional

decisions from Cabinet to progress with further development of SCC-owned children's homes. This will be the focus of the remainder of this report.

### **What have we already been doing to grow children's homes capacity?**

16. Despite the challenges being experienced nationally and locally, we continue to be ambitious about what we can achieve for Surrey's children. Since February 2021, when Cabinet last considered proposals to build children's homes, we have been taking clear and concrete steps to strengthen our position in terms of children's homes sufficiency. This has been governed by our overall PVO Transformation Programme, which looks at all aspects of our sufficiency. These steps include:
- a. Undertaking an ambitious recruitment drive and investing in practice and process improvements across our 9 existing SCC-managed children's homes, to maximise the benefits of a recent service transformation;
  - b. Pressing ahead with planned capital projects – we are currently building or going through the planning application process to create 18 beds in SCC run children's homes. 7 of these beds represent genuine additional capacity, whilst 11 beds provide sustainable reprovision of longer-term placement capacity for children, following the closure of one older home and implementation of a new practice model (No Wrong Door) that focusses on preventing entry to care during 2022.
  - c. Strengthening relationships with existing Surrey-based providers, so that SCC are the LA of first choice when beds become available, as well as developing new contracting mechanisms that enable block booking of beds in local children's homes for Surrey children; and
  - d. Working closely with external providers looking to create provision in Surrey, with some initial success – including three new providers opening Surrey-based children's homes in 2021 and around 25 additional beds being planned by external providers at various stages of development.

### **What are our capital plans to develop SCC-owned homes in Surrey?**

17. In February 2021, SCC's Cabinet allocated £30 million of capital funding to create up to 150 additional beds of Care Leaver Accommodation in Surrey. The remainder of this report focusses on seeking Cabinet approval to reallocate a total of up to £23 million of this capital funding to a range of projects that increase the capacity of children's home provision in Surrey, as set out in paragraphs 19 to 23.
18. We are in a position to make this reallocation request due to the sustained progress we have made since February 2021 in growing the number of care leavers living in Surrey, from a historical baseline of around 40% to 55% in October 2022. At the same time as making this progress, the challenges associated with finding regulated children's home placements for looked after children have significantly increased for the reasons outlined in this paper.
19. The progress in relation to care leavers has been due to both improvements in practice (as reflected in the Council's latest ILACS Ofsted inspection) and successful work with a

responsive market of externally commissioned providers to create capacity in county (see Annex 1 for additional detail). This means we now have: 73 additional block contracted beds in supported accommodation for care leavers in the county; increased supply of quality assured care leaver accommodation for spot purchase; plans in place to commission up to a further 50 block contracted beds over the next 12 months; and work underway to use pre-allocated SCC capital to create up to an additional 24 beds in SCC-owned Houses of Multiple Occupation for care leavers over the next 18 months. This does not mean we will not be continuing to focus on enabling more care leavers to live in Surrey, but that we have confidence in our current plans to deliver.

20. The first reallocation request is for up to £5 million of additional capital to secure five approved capital projects that are already in delivery. These include: one children's home extension; 3 new build children's homes with a total of 18 beds (see para 14b above); and a new-build Family Contact Centre in Surrey, to support looked after children meeting with their birth families. Whilst the latter does not represent additional placement capacity, it both improves the potential for family reunification in future and strengthens the supporting infrastructure for children in local placements, which directly support our sufficiency ambitions. Capital budgets for these projects were approved during the 2020/21 financial year. Since then, delivery costs have increased significantly, due to a range of global and local factors (see Annex 2 for Land and Property Briefing) – an increase from £8.2 million to £13.2 million across the five projects. It is important to note that SCC has submitted a bid to the Department for Education Children's Homes Capital Fund 2023-24, seeking £839k capital funding associated with one new home. This would be offset against this £5 million capital if the bid is successful.
21. The second request to reallocate funding creates the authorisation for a further phase of capital development to deliver our Sufficiency Strategy. This requires reallocation of a further £18 million of capital to secure an additional 24 beds in Surrey children's homes, equating to £750k per bed space. A clear delegated decision route is set out as part of the report recommendations for specific projects within this overall budget. Specific proposals in relation to the locations of these additional beds have been developed, discussed and initially endorsed by the PVO Transformation Programme Board, and work continues to finalise these proposals, in parallel with the overall capital funding request to Cabinet.
22. In developing specific proposals for children's homes we have taken account of:
  - a. the geographic distribution of looked after children in and outside Surrey;
  - b. the profile of need of looked after children currently placed in residential provision in and outside of Surrey;
  - c. locations of current children's home run by SCC and external partners in Surrey, as well as their stated specialisms;
  - d. planned locations and specialisms of children's homes in development in Surrey, including SCC-owned and externally-run provision;
  - e. locations and specialisms of schools and education provision in the county and planned capital developments, by SCC or other providers, to ensure proposals for new children's homes are complementary;
  - f. the overall suitability in terms of community infrastructure of places in Surrey where further homes might be located; and
  - g. forecast future patterns in demand for beds in children's homes,

23. Our intention will be for these new homes to be managed by SCC in the first instance, but consideration will also be given to the potential for strategic partnerships with trusted and high-quality external providers.
24. The first new request, for which we are seeking Cabinet endorsement, is to allocate £3.5 million of the total £18 million to create an additional children's home in the Woking area. This will benefit Surrey's looked after children by increasing local capacity in children's homes in the long-term, whilst also enabling the residents of another SCC children's home (SC040633) to relocate in the short-term, so that essential major improvement works can be undertaken. This is required to secure the long-term future of the current home for Surrey children. This cost effective and time-efficient approach will result in a net-increase of 6-beds across the two homes. Our plan will be to:
- a. Establish a new Children's Home in the Woking area, following SCC's established 6 placement (4 plus 2) model
  - b. Relocate SC040633 residents to the new home
  - c. Carry-out major, essential improvement works at SC040633
  - d. Decide on completion whether it is in the best interests of the relocated residents to return to SC040633 or remain in the new home
  - e. Both homes remain open leading to an overall net-increase of 6 placements across the two homes.

### **What is the business case for this level of capital investment?**

25. As set out in this report, we will need 50-60 more of the children in our care to be living in residential provision in Surrey to achieve our ambitious longer-term aim to enable every looked after child to have the choice to remain in Surrey, where this is appropriate to their needs. Whilst we could look to do this through open development via the external provider market, we will enable the best outcomes for children and achieve the best value for money if additional children's homes that are owned and (if possible) managed by SCC are a central part of our sufficiency strategy. Maintaining and growing our own capacity within Surrey strengthens our negotiating position as a commissioner of externally provided residential provision.
26. First and foremost, the business case is around enabling the best outcomes for Surrey's looked after children. Supporting children to live in Surrey, close to the communities they are from, provides them with best possible chance of maintaining their social networks, mitigating against some of the potential negative impacts of being in care and preparing them for their future in the county. Surrey-based provision also enables SCC to: work with its local partners to provide the best possible, well-coordinated wrap-around support to children; have improved confidence in the quality of the provision children are accessing; and better plan pathways on from the provision into either a family-based or more independent setting.
27. Alongside improved outcomes for children, this proposal will also create revenue savings on the cost of placements made in externally run provision.

### **Conclusions**

28. The proposals set out in this report reflect our ambition as Corporate Parents to enable more looked after children who want to live in Surrey to stay close to the communities



that they are from and for every looked after child to have the choice to remain in Surrey, where this is appropriate to their needs. Achieving this change will have economic, health, environmental and community benefits for Surrey. Delivering this will require long-term commitment, focussed work and appropriate resourcing, but we are clear that this is the right ambition for Surrey's children and we can achieve the level of change required over time.

#### **Consultation:**

29. These proposals have been developed as part of the Council's Placement Value and Outcomes Transformation programme, with input from Children's Services, Children's Commissioning, Land and Property, and Finance.
30. SCC is actively engaging with external providers of regulated children's homes to develop the local market of provision in the county and recently completed market engagement survey to understand the relationship between the Council and our provider partners, and how we can further improve this.
31. The proposals in this report were considered by the Children, Families, Lifelong Learning and Culture Select Committee on 4 October 2022, who gave their support to the recommendations set out (noting for clarity that the £5 million additional funding for current capital projects was not considered). It is important to note that some specific changes and clarifications have been made to the recommendations set out for Cabinet, informed by the feedback from the Select Committee and work undertaken since the meeting to refine and finalise our proposals for Cabinet.

#### **Risk Management and Implications:**

32. Current budget pressures relating to Children's Social Care placements are £4.1m due to the number of children in placements and the provision available, with further risks also identified. Continued reliance on more expensive external residential placements will see this pressure continue unless the number of Looked After Children reduce, which as per paragraph 10 is not the expectation. Development of additional SCC capital funded homes helps to mitigate reliance on the external market and provides enhanced ability to contain future placement costs.
33. As of 17 October 2022, SCC had six children under the age of 16 placed in unregulated placements. These arrangements became unlawful following changes to legislation in September 2021. We continue to seek to place these children in Ofsted-regulated provision. These recent changes to legislation alongside the national capacity pressure for regulated placements mean that many local authorities, including SCC, currently find themselves obliged to make use of such placements (especially in response to short notice requirements) to ensure children can be accommodated safely. This reality carries financial, reputational and regulatory risk for the Council, but SCC mitigates these risks through: open and clear communication with Ofsted; enhanced quality assurance of and support arrangements for children in these placements; ongoing work with unregulated placement providers to encourage them to register with Ofsted, and become regulated wherever possible; and ongoing searches for alternative regulated provision. The development of additional children's homes, as set out in this report, reduces the likelihood of having to make unlawful placements in future. Additional information about SCC's use of unlawful placements and the measures that are in place to ensure children

in this accommodation continue to receive high-quality support are set out in Annex 1 (paras. 9-18).

34. Children's residential provision is a volatile sector facing many challenges. Expanding the number of children's homes that SCC directly manages itself does potentially increase the risks around ensuring regulatory compliance and the possible impact of negative Ofsted judgements, which could affect the stability of children's placements and the Council's reputation. These risks are being mitigated by extensive investment in staffing and strengthened practice and processes in SCC's current children's homes.
35. SCC currently places a high proportion of children who are looked after and requiring residential provision in locations outside of Surrey. Whilst a robust approach is taken to ensure children in these placements are safe and well supported, it is possible to have greater assurance of children's safety and improve coordination of support when provision is based locally.
36. During 2021, SCC was subject to a high-profile judicial review threat in relation to its fulfilment of its statutory sufficiency duty. Through this process SCC was able to demonstrate it was taking clear and concrete steps to improve the sufficiency of provision in the county, but the risk of future action is significantly reduced by maintaining effort to enable more looked after children to live in Surrey. SCC's recent progress in this area was validated during the Ofsted ILACS inspection in January 2022. Inspectors highlighted "A comprehensive sufficiency strategy is being implemented. The strategy is based on a detailed understanding of the gap between identified needs and resources."
37. It is a challenging time to plan and deliver capital projects, for the reasons discussed in this report, with risk that costs may increase during planned projects. We will mitigate this risk through careful planning and appropriate contingency planning, but we also acknowledge that if construction costs do continue to rise, we may need to prioritise the projects that are taken forward within the existing financial envelope.
38. As highlighted in para. 5, recruitment is a national challenge facing the regulated Children's Home market. This means there are risks associated with recruiting sufficient appropriately trained staff to enable the delivery of new children's homes. To mitigate this risk, we are actively investing in and exploring further improvements to our recruitment, retention and training and development offer to staff in SCC homes – in part enabled by funding through the PVO Transformation Programme. There have been demonstrable increases in recruitment during 2022, associated with implementation of our recent children's homes transformation. The continuation of transformation funding in 2023/24 will support ongoing mitigation of this risk. In addition, the ability to consider working in strategic partnership with external providers to manage SCC-owned homes, provides a contingency option should SCC struggle in terms of recruitment at scale.

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

39. SCC currently has a total capital budget of £39.6 million associated with development of children's homes and care leaver accommodation. It is proposed that the suite of currently planned care leaver and children's homes projects are delivered within this financial envelope. It is important to acknowledge this may require prioritisation of the current pipeline of planned initiatives, particularly given current cost pressures being experienced in the construction sector. Given the progress that SCC continues to make in relation to the number of care leavers being supported to live in Surrey, it is proposed

that projects focussed on care leaver accommodation are deprioritised or delayed to enable projects growing the capacity of children's homes in the county, whilst continuing to explore other ways to develop care leaver accommodation that maximise available capital – perhaps working with local partners or exploring innovative models of delivery that are less reliant on capital expenditure.

40. Alongside improved outcomes, this proposal will also create revenue savings on the cost of placements made in externally run provision. Based on the transformed model of SCC-managed Children's Homes, approved by Cabinet in November 2021, the average weekly cost of a placement in an SCC-managed children's home ranges from £3,177 to £4,294. This compares to an average weekly cost of residential provision from the open market of £5,232 per week (as in July 2022). For provision for children with disabilities (CWD), the cost differential is less, with the SCC cost sitting at £5,194 compared to £5,639 on average on the open market. To illustrate, if we created 24 additional beds (8 of which were CWD) with £18 million capital investment and achieved 90% occupancy over the course of the year, we would realise a revenue efficiency of £1.2 million each year (using a midpoint average cost for in-house). If any children who access the provision were previously in unlawful placements, then the cost containment for SCC is significantly greater still. This does not include any associated borrowing costs for the budget already within the MTFS.
41. Whilst we are confident of revenue benefits to the Council of the approach above, it is noted that appropriate revenue budget planning will be required as part of the next phase of the work, including further consideration of additional costs to Land and Property and staffing budgets resulting from any growth in the number of children's homes in Surrey (noting these costs are included in the revenue costs above) – which we expect to offset through reduced spend on external placements.

**Section 151 Officer Commentary:**

42. Although significant progress has been made to improve the Council's financial position, the financial environment remains challenging. The UK is experiencing the highest levels of inflation for decades, putting significant pressure on the cost of delivering our services. Coupled with continued increasing demand and fixed Government funding this requires an increased focus on financial management to ensure we can continue to deliver services within available funding. In addition to these immediate challenges, the medium-term financial outlook beyond 2022/23 remains uncertain. With no clarity on central government funding in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term.
43. As such, the Section 151 Officer supports the proposal to grow capacity within Surrey children's homes as part of the strategy to manage the financial pressures in this area.

**Legal Implications – Monitoring Officer:**

44. Under the Children Act 1989, Surrey County Council has a statutory duty to provide sufficient accommodation within the authority's area that meets the needs of the children.

45. The council's responsibilities are further strengthened by the Children Act 2004 to promote safeguarding and welfare of children.
46. All children's homes have to be registered with Ofsted under the Care Standards Act 2000, and are inspected and regulated by Ofsted against the Children's Homes (England) Regulations 2005 which sets out the requirement for leadership and management and staffing of the homes in accordance with its stated purpose:

### 23.1. Regulation 13

- "13. (1) The leadership and management standard is that the registered person enables, inspires and leads a culture in relation to the children's home that—
- (a) helps children aspire to fulfil their potential; and
  - (b) promotes their welfare.
- (2) In particular, the standard in paragraph (1) requires the registered person to—
- (a) lead and manage the home in a way that is consistent with the approach and ethos, and delivers the outcomes, set out in the home's statement of purpose;
  - (b) ensure that staff work as a team where appropriate;
  - (c) ensure that staff have the experience, qualifications and skills to meet the needs of each child;
  - (d) ensure that the home has sufficient staff to provide care for each child;
  - (e) ensure that the home's workforce provides continuity of care to each child;
  - (f) understand the impact that the quality of care provided in the home is having on the progress and experiences of each child and use this understanding to inform the development of the quality of care provided in the home;
  - (g) demonstrate that practice in the home is informed and improved by taking into account and acting on—
    - (i) research and developments in relation to the ways in which the needs of children are best met; and
    - (ii) feedback on the experiences of children, including complaints received; and
  - (h) use monitoring and review systems to make continuous improvements in the quality of care provided in the home.

47. Legal Services will provide such assistance as is required in respect of the capital project works.

### **Equalities and Diversity:**

48. The proposed schemes will have positive benefits for Looked After Children up to the age of 17, enabling more children to live in or close to the communities they are from. This will also enable SCC to deliver more coordinated and holistic multi-agency support, contributing to better outcomes.
49. Some looked after children have special educational needs and disabilities that mean they may require specialist support and end up being placed at distance to access this.

The proposals covered by this report will include increased provision for these children locally, with similar benefit to those listed under para. 45.

50. If looked after children are supported to live in children’s homes locally, this also supports them to remain living in Surrey when they become care leavers, should they so wish – including best practice guidance around children “staying close” to their children’s homes and strengthening their ability to access local housing through district and borough councils.

**Other Implications:**

51. 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.

<b>Area assessed:</b>	<b>Direct Implications:</b>
Corporate Parenting/Looked After Children	The proposals in this report are directly focussed on improving outcomes for Looked After Children, by enabling more to live in homes closer to the communities they are from. This is directly connected to our statutory duties in relation to Corporate Parenting and sufficiency of accommodation, as well supporting the implementation of our Looked After Children and Care Leaver Sufficiency Strategy 2020-25.
Safeguarding responsibilities for vulnerable children and adults	The development of children’s homes in Surrey directly supports our safeguarding responsibilities for looked after children. By accommodating more children in Surrey we are able to better quality assure provision and enable improved collaborative, multi-agency working to strengthen their safety and outcomes.
Environmental sustainability	There are significant opportunities to make a positive impact on environmental sustainability connected to these proposals. This relates to the ability to reduce travel associated with supporting looked after children placed at distance from Surrey and opportunities from the chance to build new and/or renovate existing children’s homes so that higher environmental standards are met.  The new facilities will be designed and constructed in line with the latest building regulations to maximise energy efficient.
Compliance against net-zero emissions target and future climate compatibility/resilience	There is clear commitment within these proposals to minimise carbon emissions associated with any additional new-build children’s homes, working in partnership with the Greener Futures Team to review current plans and scrutinise future proposals as they are brought forward. The ambition will be to get as close to net-zero emissions as possible for new-build and renovation projects, within capital constraints, ensuring we balance the Council’s carbon reduction

	ambitions with the need to fulfil core statutory duties relating to looked after children.
Public Health	Research shows looked after children have poorer health outcomes than their peers. This proposal enables them to stay close to Surrey and benefit from health and public health initiatives delivered by the Council.

### What Happens Next:

52. The key next steps are:

- a. Ensure delivery of 5 capital projects that are currently in delivery within currently planned timescales (final project completed by April 2024) and within revised budget envelope set out in this paper.
- b. Establish capital programme structure with Land and Property to take forward the proposed new phase of capital development relating to children's homes and care leaver accommodation by January 2023.
- c. As part of the above, ensure a clear stakeholder engagement and communications plan is established to cover planned developments undertaken as part of the next phase of this programme by January 2023.
- d. Bring forward a suite of specific proposals for delegated decisions by the Executive Director for Children, Families and Lifelong Learning in consultation with the colleagues identified in this report, during 2023.
- e. Confirm ongoing revenue resource requirements associated with new homes, in parallel to planned capital developments, in line with timescales required by SCC budget planning processes, during 2023.

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### Annexes:

Annex 1: Surrey Children's Homes – Supporting Analysis

Annex 2: Land and Property Cabinet Briefing



Annex 3: Environmental Sustainability Assessment

Annex 4: Equality Impact Assessment

**Sources/background papers:**

Surrey homes for Surrey Children: A strategic approach to growing capacity in Children's homes in Surrey, SCC CFLLC Select Committee, 4 October 2022

Independent Review of Children's Social Care, 23 May 2022

Children's Social Care Market Study, Competition and Markets Authority (CMA), 10 March 2022

Transformation of Surrey Children's Residential Services, SCC Cabinet, 30 November 2021

Looked after children: out of area, unregulated and unregistered accommodation (England), House of Commons Library, November 2021

Delivery of Care Leaver Accommodation and Children's Homes, SCC Cabinet, 23 February 2021

Looked After Children Property Projects – New Children's Homes and Shaw Family Centre, SCC Cabinet, 21 July 2020

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## Annex 1: Surrey Children’s Homes - Supporting Analysis

### How many looked after children currently live in Surrey?

1. Table 1 shows the proportion of looked after children in Surrey in April 2022, compared to previous years.

Date	%	Number	Milestone description
April 2022	51.6	547	Current position
April 2021	51.0	514	Start of PVO Transformation Programme
April 2020	50.2	495	Launch of latest Sufficiency Strategy
April 2019	46.8	456	Baseline

2. At present, looked after children requiring children’s homes are more likely to live outside of Surrey than their peers, with 35 of 105 (34%) living in Surrey as of 3 October 2022. In addition, 15 of 16 looked after children in unregulated placements were living outside of Surrey, where the preference would have been for them to be in a regulated children’s home. Including these children means a total of 36 of 124 (30%) currently live in Surrey.
3. If our longer-term sufficiency ambition is for 80% of looked after children to live in Surrey, this would mean a shortfall of between 49 and 61 children living in Surrey-based children’s homes using the 1 October 2022 position. Whilst these numbers fluctuate over time, we are planning on the basis of 50-60 additional children to be living in children’s homes in Surrey.

### Capacity of Children’s homes in Surrey

4. In terms of Surrey’s current capacity for longer-term placements in the county, there are 28 beds available across 9 children’s homes run by SCC and 26 available across 6 children’s homes run by external providers. This figure excludes 12 registered beds in 2 providers in Surrey that provide very specialist services focussed solely on young people with sexually harmful behaviours, as well as two children’s homes that exclusively offer short-term respite, but includes the 15 beds that external providers opened across three homes in Surrey during 2021. This leads to a notional current capacity of 54 in Surrey, although the following considerations are important to bear in mind:
  - a. children’s homes often operate below their registered 100% capacity at any point in time, due to considerations such as ensuring the specific needs of children placed in their care are met and their current staffing levels; and
  - b. SCC has no priority access to local homes in the area, with other local authorities able to refer into the provision – all providers in Surrey currently have some children from other local authorities placed in their provision, whose placements may – if stable - last for several years.

5. Whilst there definitely is potential to grow SCC's use of the residential provision that already exists in Surrey, alongside a number of external providers already planning to create new provision in the county over the months ahead, it is clear that we will not be able to achieve our longer-term sufficiency ambitions simply by maximising the use of the 54 existing beds in county and will, in reality, need to plan towards around double the current capacity.

### **Our local and national context**

6. Surrey is starting from a low base in terms of children's homes in Surrey, despite having a relatively strong footprint of 9 children's homes run by SCC. For example, there are 17 children's homes offering long-term placements in Surrey, which compares to 30 in West Sussex, 47 in Essex, 60 in Hampshire and 85 in Kent.
7. There are significant challenges nationally in the market for Ofsted-regulated residential children's homes and foster care, which have been attracting substantial media attention during 2022. This has been fuelled by two high-profile national reviews: Children's Social Care Market Study published by the Competition and Markets Authority (CMA) in March 2022; and the Independent Review of Children's Social Care published in May 2022. In particular, these reviews highlighted:
  - c. national concerns around placement availability;
  - d. excessive provider profits;
  - e. increasing dominance of debt-backed private equity ownership (increasing the risk of disorderly provider failure);
  - f. concerns over the quality of care in some homes;
  - g. pressures on staffing and recruitment; and
  - h. the limited influence that individual local authorities can have on the wider provider market.
8. In addition to national reports, SCC is in touch with many local authorities across the country who all describe the unprecedented challenges currently with finding regulated placements for children.

### **Use of unlawful and unregistered placements and quality assurance**

9. The lack of sufficient placements nationally, but particularly in London and the South East, has resulted in growing use of unregulated supported accommodation by local authorities. Following a legislative change in September 2021, it is now unlawful to place children under the age of 16 in unregulated placements where care is typically not provided – whereas previously this was legally permitted where this was the best available option for a child. Many local authorities, including Surrey, nevertheless find themselves obliged to make such placements (especially in response to short notice requirements) to ensure children can be accommodated safely. For children in these placements, an appropriate level of care is commissioned to meet their needs on top of the support typically provided for young people over 16 in supported accommodation.
10. As of 17 October 2022, there were six SCC looked after children aged under 16 in "unlawful" placements. This accommodation is only used when absolutely necessary, where it has not been possible to identify a regulated placement, and all these

arrangements have been authorised by the Director of Corporate Parenting. Active and sustained placement searches continue for all these children, to try and secure alternative provision where Ofsted-regulated care can be provided, as rapidly as possible. Running parallel to placement searches, unregulated providers who are now providing care for children as part of delivering these placements are being encouraged and supported to apply for Ofsted registration, so they can be regulated as a children's home, with a 'fast track' process available for providers.

11. Whilst unregulated supported accommodation is not currently subject to national Ofsted regulation and inspection, this does not mean it is not quality assured. SCC holds responsibility for quality assuring all unregulated provision where it places looked after children and takes this responsibility extremely seriously, especially so where this relates to children aged under 16. Overall, for supported accommodation, the Gateway to Resources (GtR) Review Team are responsible for quality assurance of providers. This includes at least annual quality assurance visits. SCC's own quality assurance is complemented and enhanced by regional collaboration with other Local Authorities. Key networks in this regard include the Children's Cross Regional Arrangements Group (CCRAG), through which SCC works actively with other LAs to share quality assurance information about unregulated providers, and the Commissioning Alliance, which SCC joined in September 2021 and now provides access to formally quality accredited supported accommodation provision for Surrey's children and young people, alongside additional information sharing between LAs and centralised contract management of Commissioning Alliance providers.
12. When we are considering placing a child under 16 in unregulated provision these overall arrangements are significantly strengthened. This starts with an initial due diligence visit prior to any child being placed in a provision where we have not previously placed a child. In the majority of cases this will be done in person, but occasionally (for example, when there is an urgent need to take up the placement or has been a recent visit to the provider) this may be done virtually and then followed up with an in-person visit soon after. This visit ensures that:
  - i. the standard of accommodation is good enough;
  - j. the provider can evidence adherence with safer recruitment practices; and
  - k. the provider can demonstrate how they ensure they work effectively with young people – for example providing evidence of training for staff, and how improved outcomes for young people are enabled and monitored.
13. At the time of making the placement, conversations are held between the child's social worker and the placement provider to ensure they can meet the child's specific needs. This provides assurance about the suitability of the match between provider and child. This sits alongside strong, ongoing work within our Independent Reviewing Officer (IRO) service, which reviews and scrutinises the care plans for all looked after children.
14. Once the child has moved in, a member of the GtR Review Team visits the accommodation on a weekly basis. As the child becomes settled, frequency of visits by GtR Review Team may reduce to bi-weekly, or we may alternate virtual and in-

person visits. At the time of submitting this report, for the children currently in unlawful placements, 3 are receiving fortnightly visits that alternate between virtual and in person. 2 are receiving weekly visits that alternate between virtual and in person. In the case of all current unlawful placements, regular contact between the child and their social worker is being maintained, to ensure their needs are being met.

15. Lastly, child-level oversight of all unlawful placements is undertaken by the Children's, Families and Lifelong Learning Leadership Team, supported by detailed weekly reporting. Specifically, in compiling this report, the Director for Corporate Parenting has confirmed that the assurance steps outlined have been taken in respect of all children currently in a placement of this type and that she regularly reviews placements as they continue, requesting updates from GtR where necessary.
16. In contrast to under-16s, SCC is legally able to place children aged 16-17 in unregulated supported accommodation. Within this cohort, as of 17 October 2022, there were however 9 young people whom SCC had identified as being in "unregistered" placements. This covers those in supported accommodation whose needs require some elements of "care" (as examples: support to meet health needs; or manage finances), not just "support", who would ideally be placed in provision registered with Ofsted. If an unregulated provider is deemed to be providing care in addition to support for 16-17 year olds, Ofsted, as the regulator, can take enforcement action against the provider, so again SCC would either be continuing to seek alternative regulated provision wherever possible or ensuring there is a plan for a step-down in the level of support over time so that "care" is no longer being provided.
17. For all children in unlawful and unregistered placements a review meeting is held every fortnight. This is attended by the Head of Service for GtR. A decision is made at this meeting as to whether the visiting schedule needs to remain at the current interval or whether it is appropriate to lengthen the time between visits. The decision making is predicated upon length of time in placement, needs of the child and how the provider is meeting those needs.
18. Children in both "unlawful" and "unregistered" placements would be in some form of regulated, residential provision (including residential education), if there were sufficient, appropriate capacity available. This means they are taken into consideration in terms of our children's home sufficiency planning.

### **What are we forecasting in terms of future demand?**

19. Our current demand modelling done by SCC data analysts suggests that the number of children looked after by SCC will continue to grow. In April 2020, our population of looked after children was 984, in April 2021 it was 1,001 and in April 2022 it was 1,058 – growth of 7.5% across the period. Whilst there have been some initial signs that the growth in numbers of looked after children who are not unaccompanied asylum-seeking children (UASC) may be flattening, this is being more than offset by increasing numbers of UASC arriving in Surrey. As a result, the midpoint of the

current forecast would still see us reaching: 1,084 looked after children by April 2023; 1,122 by April 2024; and 1,158 by April 2025.

20. To ensure our approach to demand modelling is robust, we have also commissioned an external provider to develop a complementary demand forecast, using a different statistical approach. This learns from data about the profile and journeys taken by Surrey's looked after children over the last 11 years and plots the likely future journeys of children currently in the system, alongside future joiners. Despite the different methodologies, these trends suggest a similar level of growth over the next three years – so we have a reasonable degree of confidence in the numbers presented above.
21. It is important to note that, in addition to the trends set out here, on 25 August 2022, changes were announced to the National Transfer Scheme, which is the mechanism by which UASC are fairly distributed between local authorities across the country. This increased the cap in the number of UASC that local authorities are required to accommodate from 0.07% of the 0-18 population to 0.1%. At the time of writing this report, the implications of this change are still being assessed – but it is likely to mean additional growth in the number of looked after children in Surrey over the coming months, on top of that currently reflected in the forecasts described in this report.
22. Despite this context of overall growth, our forecasts for children who will require children's homes are holding relatively steady – with the midpoint forecast at around 115 children through to April 2025 based on current trends. Although it is early days, this perhaps reflects positively on the initial impact of efforts to promote family settings first, including developing our work to enable children to “step-down” from children's homes back to families and newer practice models, such as No Wrong Door and Family Safeguarding. Whilst the cohort in children's homes is forecast to hold steady over time in a context of overall growth, it is important to note that we are not forecasting reductions in the actual numbers of children needing this type of living arrangement.

### **Why have the numbers of care leavers in Surrey improved?**

23. Since February 2021 (when the relevant Cabinet approval was given to invest £30 million of capital to create 150 beds of care leaver accommodation in Surrey) the number and proportion of care leavers living in Surrey has improved significantly. As of 20 October 2022, there were 838 care leavers open to SCC. Of these 471 young people (56%) were living in Surrey. This compares to 44% in February 2021 and a historical level of around 40% going back to early 2020.
24. The progress in relation to care leavers now living in Surrey has been due to both improvements in practice (as reflected in the Council's latest ILACS Ofsted inspection) and successful work with a responsive market of externally commissioned providers to create capacity in county. With regards to the latter, in September 2021 SCC joined the Commissioning Alliance Dynamic Purchasing Vehicle for Semi-Independent Accommodation and Support, a collaborative commissioning arrangement between Local Authorities. During October and



November 2021 we then retendered block contracts for supported accommodation for care leavers. This process created 73 additional block booked beds in Surrey, alongside improving access to additional quality assured spot purchase accommodation options. To strengthen this further, an additional mini-competition is now underway to secure up to an additional 50 beds and we are working with Land and Property to secure up to an additional 24 beds in House of Multiple Occupation for care leavers, using SCC capital.

### **What is the business case for this level of capital investment?**

25. As set out in the above report, we have already established that we will need 50-60 additional children to be living in residential provision in Surrey to achieve our ambitious longer-term aim to enable every looked after child to have the choice to remain in Surrey, where this is appropriate to their needs. Whilst we could look to do this through open development via the external provider market, we will enable the best outcomes for children and achieve the best value for money if additional children's homes that are owned and (if possible) managed by SCC are a central part of our sufficiency strategy, in support of our statutory duties. Maintaining some capacity within the broader market strengthens our negotiating position as a commissioner of externally provided residential provision.
26. First and foremost, the business case is around enabling the best outcomes for Surrey's looked after children. Supporting children to live in Surrey, close to the communities they are from, provides them with best possible chance of maintaining their social networks, mitigating against some of the potential negative impacts of being in care and preparing them for their future in the county. Surrey-based provision also enables SCC to: work with its local partners to provide the best possible, well-coordinated wrap-around support to children; have improved confidence in the quality of the provision children are accessing; and better plan pathways on from the provision into either a family-based or more independent setting.
27. In addition to improved outcomes, this proposal will also create revenue savings on the cost of placements made in externally run provision. Based on the transformed model of SCC-managed Children's Homes, approved by Cabinet in November 2021, the average weekly cost of a placement in an SCC-managed children's home ranges from £3,177 to £4,294. This compares to an average weekly cost of residential provision from the open market of £5,232 per week (as in July 2022). For provision for children with disabilities (CWD), the cost differential is less, with the SCC cost sitting at £5,194 compared to £5,639 on average on the open market. To illustrate, if we created 24 additional beds (8 of which were CWD) with £18 million capital investment and achieved 90% occupancy over the course of the year, we would realise a revenue efficiency of £1.2 million each year (using a midpoint average cost for in-house).
28. SCC is ambitious to enable more looked after children who want to live in Surrey to stay close to the communities that they are from and would like every looked after child to have the choice to remain in Surrey, where this is appropriate to their needs. This will require long-term commitment, focussed work and appropriate resourcing,

but we are clear that this is the right ambition for Surrey's children and we can achieve the level of change required over time.

29. We are facing a challenging national and local context in terms of the pressures on the market for Ofsted registered placements for looked after children, driven by rising numbers of looked after children nationally and regulatory change. This context means we need to consider proactive options that enable us to create local provision and manage some of the risks associated with the challenging national picture.

## Annex 2: Land and Property Cabinet Briefing

### Children, Families and Learning

#### Looked After Children Programme – Financial Update for Cabinet

The below table sets out the comparative financial forecast of the LAC programme versus the original budgets approved, to support the Cabinet request for financial uplift.

<b>Scheme Name</b>	<b>Approved Budget</b>	<b>Forecasted Spend</b>	<b>Variance</b>
Children's Home 1	£1,800,000	£2,496,340	<b>£696,340</b>
Children's Home 2	£1,900,000	£2,952,627	<b>£1,052,627</b>
Family Contact Centre	£1,800,000	£3,449,439	<b>£1,649,439</b>
Children's Home 3	£2,200,000	£3,106,835	<b>£906,835</b>
SC405933 Kitchen Extension and Internal Remodel	£500,000	£1,235,439	<b>£735,439</b>

(NB: The above forecasted figure includes the latest forecasted construction figures from the professional team, and includes a 5% contingency)

#### Summary of cost increases across all projects

- Costs incurred through the development of the design and Employer's Requirements for each of the schemes, through RIBA Stage 1 to RIBA Stage 4, previously undefined
- Circa 15% inflation on the tender price from February 2021 to October 2022
- Further impacts have been felt as a result of isolated material supply cost increases (largely due to BREXIT and COVID-19), increasing energy costs, and the Russian invasion of Ukraine. Key items affected include concrete, steel, plasterboard, amongst others
- Client Variations to the Project Brief/scope following requests from the Service e.g., Anti-Ligature requirements and additional security/access control measures
- Programme delays and associated prolongation costs e.g., Planning Authority delays in determining applications for discharge of planning conditions
- Unforeseen costs due to poor ground conditions (contamination, poor bearing capacity), obstructions and the like (SCC's risk under the Building Contracts)
- Costs associated with diverting existing utility services, following detailed surveys and trial pits
- Costs for new utility services exceeding original budget allowances

A significant proportion of the increase in costs is due to unforeseen large inflationary increases and rising labour and material costs because of shortages and delays experienced following the UK's departure from the EU, COVID and the war in Ukraine. The Construction sector is experiencing unprecedented cost inflation across materials, labour and transport. Contingencies in budgeting while thought adequate at the time of inception of the projects, proved inadequate in this instance.

**Prepared by:** Lee Fifer – Assistant Project Manager, Capital Delivery, Land and Property

**Reviewed by:** Pasqualina Puglisi – Contracts Manager, Capital Delivery, Land and Property  
17/10/2022

### Annex 3: Environmental Sustainability Assessment (ESA)

Area	Relevant Topic Y/N	Issue	Possible Action	Taken forward?
Designated sites, protected species and biodiversity  Resilience to risks posed to the environment by service delivery	Y  N	Appropriate environmental investigation will be undertaken to confirm that there are no issues as and when sites are identified	Further environmental assessments will be carried out as part of the development and planning processes	
Materials and water Energy Waste	Y Y Y	Energy use and waste will be components identified as any schemes progress	Surrey County Council's design philosophy is to create buildings that will support low energy consumption, reduce solar gain and promote natural ventilation. Any new infrastructure developed will be built to the local planning authority's adopted core planning strategy.	
Transport	Y	Delivery of construction projects does involve an amount of travel for labour, and delivery of materials. Air Quality Management Area not yet identified	This will be considered as part of the procurement process for any projects under this programme	
Landscape and trees  Heritage Education / raising awareness	Y  N N	Any designs will be worked up to retain as many existing trees on sites as possible. This will be subject to final agreement at planning stage.	Arboricultural surveys will be carried out on any sites identified to identify the potential issues. Discussions will be carried out with the Council's Arboricultural Officer to identify the least impactful solution and potential remediation measures as required.	

## Annex 4- Residential Children's Homes Development in Surrey

Did you use the EIA Screening Tool? (Delete as applicable)

Yes (please attach upon submission) / ~~No~~

### 1. Explaining the matter being assessed

Is this a:

- Change to an existing strategy or policy

**Summarise the strategy, policy, service(s), or function(s) being assessed. Describe current status followed by any changes that stakeholders would experience.**

All local authorities have a statutory duty to provide care and accommodation for children looked after in the local area (the 'sufficiency duty'). Surrey County Council (SCC) operate nine in-house children's homes in Surrey (as of November 2022). In addition, a number of independent children's homes providers operate children's homes in the county. Overall, sufficiency of residential children's home placements remains low in Surrey with the majority of children placed outside of the county. This is in the context of national challenges for local authorities to secure residential children's home placements. To address sufficiency and increase capacity in Surrey, SCC plan to develop new children's homes. Property will be developed in-house with care to be delivered in-house and/or via strategic partnerships with trusted providers. In addition, SCC proposes to explore block contracts with high-quality external providers of children's homes in Surrey, to secure more of the capacity that is in county for Surrey's looked after children.

Key stakeholders include:

- children looked after and their families and peers;
- residential staff, social workers, corporate parenting and children's services staff;
- professionals from health, education and third sector organisations working with children looked after;
- professionals from SCC and local Districts & Boroughs involved in the property planning for new children's homes;
- professionals from SCC and local Districts & Boroughs involved in the operational planning for additional children's homes;
- select committee and cabinet members of SCC and Surrey's 11 local District and Boroughs;
- local communities in Surrey;
- independent providers of residential children's homes in Surrey.

# Equality Impact Assessment

## How does your service proposal support the outcomes in [the Community Vision for Surrey 2030](#)?

The children's homes development programme supports the ambitions for 'people' as set out in the Community Vision 2030, namely:

- 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.

It also directly addresses a number of ambitions for 'place', in particular that:

- 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.

## Are there any specific geographies in Surrey where this will make an impact?

- County-wide:
  - Elmbridge
  - Epsom and Ewell
  - Guildford
  - Mole Valley
  - Reigate and Banstead
  - Runnymede
  - Spelthorne
  - Surrey Heath
  - Tandridge
  - Waverley
  - Woking

**Assessment team** – A key principle for completing impact assessments is that they should not be done in isolation. Consultation with affected groups and stakeholders needs to be built in from the start, to enrich the assessment and develop relevant mitigation.

## Detail here who you have involved with completing this EIA:

Consultation on the sufficiency needs and on residential development has included the following key stakeholders at various stages of the planning:

- Corporate Parenting Commissioning Team
- Corporate Parenting – Children's Resources
- Gateway to Resources – Allocations
- Gateway to Resources – Resource Review
- Land and Property Team



# Equality Impact Assessment

- Social Work Teams including Children with Disabilities
- SEND Commissioning Team
- User Voice & Participation Team - sought feedback from young people in the ATLAS Participation Group regarding the development of a new children's home with an autism specialism and we have reviewed ongoing feedback and insight collated by the UVP Team in Surrey linked to children's homes.
- Provider questionnaire and regular market engagement with independent providers of residential children's homes

## 2. Service Users / Residents

### Who may be affected by this activity?

There are 9 protected characteristics (Equality Act 2010) to consider in your proposal. These are:

1. Age including younger and older people
2. Disability
3. Gender reassignment
4. Pregnancy and maternity
5. Race including ethnic or national origins, colour or nationality
6. Religion or belief including lack of belief
7. Sex
8. Sexual orientation
9. Marriage/civil partnerships

## PROTECTED CHARACTERISTIC: AGE

**Describe here the considerations and concerns in relation to the programme/policy for the selected group.**

The development of residential children's homes will impact on Surrey's children looked after aged 0 - 17. Of Surrey's children in residential children's homes 72% are aged 14+, 23% are aged 10-13 and 4% are aged 8 – 9 (as of October 2022).

The development of additional residential children's homes in Surrey is expected to have a positive impact on children looked after in these age-groups, by enabling a higher proportion of children to remain living in Surrey where they can better maintain relationships with family, friends and communities as appropriate, continue in their education placements and access health-care provision and other support services in-county.

There is also a potential positive impact for young people once they reach 18. Having been placed in county allows for smoother transitions to adulthood and leaving care support services as well as housing support in the communities and neighbourhoods that young people are familiar with and have established links in.

11

**Describe here suggested mitigations to inform the actions needed to reduce inequalities.**

A small proportion of children looked after will be placed outside Surrey intentionally where this is in their best interest, for example to break links where these are causing harm and to keep children safe. Children and young people who are placed outside Surrey will not benefit directly from additional provision in county for the period of time that they remain out of the local area. A continued focus on quality assurance and reviewing placements will be required to ensure that children and young people placed outside of Surrey are in the best placement to meet their needs and that wrap-around support services are provided where children are placed.

The positive impact for children looked after in residential placements in Surrey will be enhanced by ensuring that there is a structured approach to understanding identified needs and that new provision is developed to meet these needs - including specific age-groups.

Where SCC works with independent providers, their equality and inclusion plans will need to be evidenced and considered.

**What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?**

As well as developing residential provision, there is a focus on increasing sufficiency of foster placements in Surrey. SCC are committed to enabling children looked after to live in a family environment as a first choice for all children looked after, particularly for younger children. This includes a focus on enabling children to move from residential placements to foster placements where this is the right choice for the child. The development of additional residential provision in Surrey will enable smoother transitions for children moving from residential children's homes to foster care or other placement types in-county.

# Equality Impact Assessment

Established in-house children's homes are registered for ages 11 - 17. New residential children's homes are likely to reflect these age-groups, with precise age-ranges for each new home to be guided by evidence from our children looked after data and identified needs.

SCC are also working to identify children looked after placed out of county where a move back to Surrey is in their best interest. The development of additional children's homes will support this work in the medium to long term.

## **Any negative impacts that cannot be mitigated?**

N/A

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## PROTECTED CHARACTERISTIC: DISABILITY

**Describe here the considerations and concerns in relation to the programme/policy for the selected group.**

A significant proportion of children looked after placed in residential children's home placements have a disability recorded (39% as of October 2022). Of these children 76% are allocated social workers from the children with disabilities social work teams, the remainder have disabilities recorded but are under the care of other social work teams. Of these children, the predominant needs are: learning disabilities (76%), communication needs (60%), autism (47%) and behavioural needs (47%) as of October 2022. In addition, 73% have an Education, Health Care Plan (EHCP).

Approximately 50% of children with disabilities placed in residential children's homes are in county, however for children placed in residential schools only 18% are placed in county (as of October 2022).

The development of additional children's homes in Surrey is expected to have a positive impact on children looked after with disabilities by providing a wider choice of placements in the local area, closer to family, friends and communities and where children are able to access education, health and support services in-county.

**Describe here suggested mitigations to inform the actions needed to reduce inequalities.**

SCC will maximise the positive impact for children looked after with disabilities by ensuring that new provision is planned carefully to meet existing and emerging needs, that staff receive specialist high quality training to meet the children's care needs and providers and services work closely together to ensure the best possible outcomes for children.

There will also be a focus on ensuring that the physical buildings are designed, built and furnished to meet the needs of the children who will be placed. In addition the locations will be considered alongside the specialisms of the homes to reflect education and healthcare services in the local area.

Should children or young people experience discrimination, support will be provided by residential children's homes staff and other professionals to ensure that any incidents are appropriately responded to, and that the young person is supported emotionally and practically.

Where SCC works with independent providers, their equality and inclusion plans will need to be evidenced and considered.

**What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?**

SCC are also focussed on increasing foster care placements for children with disabilities and enhanced foster care placements. In addition, short breaks services for Surrey's children looked after were re-commissioned in October 2022. These services will further improve the availability and choice of placements and support services to meet the needs of children with disabilities in Surrey.

# Equality Impact Assessment

SCC are working to increase the provision of school places for children with disabilities and with additional educational needs. This will further improve provision for children and young people to be able to access both care placements and education placements in-county.

## **Any negative impacts that cannot be mitigated?**

Although additional residential children's homes in Surrey will have a positive impact on children looked after with disabilities, the capacity will likely still not be sufficiency for all children with disabilities to be placed in county. A continued focus on sufficiency by increasing both in-house and external/independent provision will contribute to achieving the aim for all children to have the choice to live in Surrey.

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## PROTECTED CHARACTERISTIC: PREGNANCY & MATERNITY

### **Describe here the considerations and concerns in relation to the programme/policy for the selected group.**

The residential development plans are not currently focussed on provision for older children looked after who are pregnant or parents, and the development of additional children's homes is not expected to have a negative impact on looked after young people who are pregnant or parents.

Time-limited placements in residential parenting assessment units are at times agreed in court or requested by social work teams prior to court proceedings and to inform care planning. These placements tend to be for parents with very young children, often in the first weeks or months of life. The capital development plans currently do not include the development of this type of provision.

### **Describe here suggested mitigations to inform the actions needed to reduce inequalities.**

11 If a young person placed in a new residential children's home does become pregnant, SCC would ensure that the individual circumstances and needs of the mother and baby are prioritised and ensure that they are in a placement that ideally suits their care needs.

SCC work closely with providers of independent (external) children's homes and residential parenting assessment units to ensure that the needs of the children looked after, and their children or unborn children are cared for to the highest standards.

If a young person experiences discrimination, they will be supported by residential children's homes staff and other professionals to ensure that any incidents are appropriately responded to, and that the young person supported emotionally and practically.

Where SCC works with independent providers, their equality and inclusion plans will need to be evidenced and considered.

### **What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?**

Alongside work on residential sufficiency, SCC are focussed on increasing sufficiency of fostering placements including specialist parent and child placements. SCC also commission placements from Independent Fostering Agencies with specialist parent and child foster carers. These placements may be commissioned via the SouthCentral framework or directly by SCC.

### **Any negative impacts that cannot be mitigated?**

There may be instances where a young person is required to move placement as a result of the current residential placement not being suitable for a parent and child to be placed in. SCC would ensure that the individual circumstances and needs of the mother and baby are prioritised and ensure that they are in a placement that ideally suits their care needs.

## PROTECTED CHARACTERISTIC: RACE INCLUDING ETHNIC OR NATIONAL ORIGINS, COLOUR OR NATIONALITY

**Describe here the considerations and concerns in relation to the programme/policy for the selected group.**

Of Surrey's overall children looked after population, 67.61% are White British, 7.78% Any Other Asian Background, 5.35% Black African, 3.99% Any Other White Background, 3.21% Any Other Mixed Background, 2.33% Any Other Ethnic Group, 1.85% White and Black Caribbean, 1.65% White and Black Africa, 1.56% Any Other Black Background, 0.88% Any Other Black Background, 0.68% Gypsy/Roma, 0.58% Pakistani, with a number of other ethnic groups each making up less than 0.5% of the population (as of October 2022).

For children in residential children's homes the demographics are as follows: 79.05% White British, 4.76% Any other White Background, 2.86% Any Other Mixed Background, 2.86% Any Other Asian Background, 1.90% White and Black Caribbean, 1.90% Black-African, 1.90% Any Other Black Background, 0.95% White and Black African, 0.95% White and Asian, 0.95% Pakistani (as of October 2022).

All residential children's homes will be developed to meet each child's needs and promote their welfare, taking into account the child's race, ethnicity, colour and nationality. As stipulated in the Children's Homes Quality Standards (2015), children's home staff should take every step to make sure that individual children and young people are not subject to discrimination, marginalisation or bullying from their peers by virtue of their gender, religion, ethnicity, cultural and linguistic background, sexual identity, mental health, disability or for any other reason.

**Describe here suggested mitigations to inform the actions needed to reduce inequalities.**

Whilst SCC do not foresee negative impact for children resulting from new homes being developed, SCC recognise that a continued commitment and focus on ensuring equality, diversity and inclusion is paramount across the workforce and communities including in the children's homes. Tackling inequality so no-one is left behind is SCC's guiding principle, ensuring that all children feel valued and that their race, colour and nationality are celebrated.

SCC must ensure that any potential impact for children looked after who may not be placed with staff or peers of their own ethnic group, colour or nationality are recognised, and that children are supported to positively identify with their ethnic and cultural background.

Children's home residential staff will also ensure that they are familiar with the cultural and religious services on offer for each child, and support them to access and encourage them to participate in activities in the community and wider as appropriate.

If a child or young person experiences discrimination, they will be supported by residential children's homes staff and other professionals to ensure that any incidents are appropriately responded to, and that the young person supported emotionally and practically.

Where SCC works with independent providers, their equality and inclusion plans will need to be evidenced and considered.



# Equality Impact Assessment

**What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?**

SCC are focussed on recruiting a high-quality diverse workforce in residential children's homes and across children's services, as well as providing training, developing skills and instilling SCC's ethos of tackling inequality.

**Any negative impacts that cannot be mitigated?**

N/A

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## PROTECTED CHARACTERISTIC: RELIGION OR BELIEF INCLUDING LACK OF BELIEF

**Describe here the considerations and concerns in relation to the programme/policy for the selected group.**

All residential children's homes will be developed to meet each child's needs and promote their welfare, taking into account the child's religion or belief, including lack of belief. Negative impacts are not anticipated as a result of the development of new children's homes in Surrey.

**Describe here suggested mitigations to inform the actions needed to reduce inequalities.**

As stipulated in the Children's Homes Quality Standards (2015), children's home staff should take every step to make sure that individual children and young people are not subject to discrimination, marginalisation or bullying from their peers by virtue of their gender, religion, ethnicity, cultural and linguistic background, sexual identity, mental health, disability or for any other reason. Children should be able to maintain and develop their cultural or religious beliefs as far as practicable and where appropriate, through participation and instruction, and by observing religious requirements including dress and diet.

Children's home residential staff will also ensure that they are familiar with the cultural and religious services on offer for each child, and support them to access and encourage them to participate in activities in the community and wider if appropriate. Care will meet each child's needs and promote their welfare, taking into account their individual religion or belief (including lack of belief).

SCC must ensure that any potential impact for children looked after who may be placed with staff or peers who do not share their own religious belief are recognised, and that children are supported to positively explore and identify with their belief. This includes a recognition of and respect of other religious beliefs including lack of belief that others may hold.

Should a child or young person experience discrimination, they will be supported by residential children's homes staff and other professionals to ensure that any incidents are appropriately responded to, and that the young person supported emotionally and practically.

Where SCC works with independent providers, their equality and inclusion plans will need to be evidenced and considered.

**What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?**

SCC are focussed on recruiting a high-quality diverse workforce in residential children's homes and across children's services, as well as providing training, developing skills and instilling SCC's ethos of tackling inequality.

**Any negative impacts that cannot be mitigated?**

N/A

## PROTECTED CHARACTERISTIC: SEX

### **Describe here the considerations and concerns in relation to the programme/policy for the selected group.**

There is a relatively even split of 52% male and 48% female in Surrey's children looked after population who are placed in residential children's homes, although there are variations by age-group with 67% of 14 - 15 year olds being male, but only 40% of 16 – 17 year olds being male (as of October 2022).

The development of additional residential children's homes in Surrey is expected to have a positive impact on children looked after of all genders, by enabling a higher proportion of children to remain living in Surrey where they can better maintain relationships with family, friends and communities as appropriate, continue in their education and access health-care provision and other support services in-county.

### **Describe here suggested mitigations to inform the actions needed to reduce inequalities.**

11 SCC's existing residential children's homes are for males and females rather than single gender. The majority of new homes being developed will be for males and female, therefore the overall impact of additional homes being developed is expected to be positive for both males and females, with more placement choice in Surrey.

There may be children who would benefit from being placed for a set period of time in a single gender home. This will be considered at the point of placement-matching into children's homes.

It was also identified in 2020 that there is an increase in the proportion of females requiring residential care, including an increase in females with mental health needs. The needs of Surrey's children look after and the type of provision required to best meet their needs are under regular review, if it is identified that single gender provision is required then SCC will ensure that provision is created that best meets children and young people's needs.

If a child or young person experiences discrimination, they will be supported by residential children's homes staff and other professionals to ensure that any incidents are appropriately responded to, and that the young person supported emotionally and practically.

Where SCC works with independent providers, their equality and inclusion plans will need to be evidenced and considered.

### **What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?**

As well as developing residential provision, there is a focus on increasing sufficiency of foster placements in Surrey. SCC are committed to enabling children looked after to live in a family environment as a first choice for all children looked after. This includes a focus on enabling children to move from residential placements to foster placements where this is the right choice for the child. The development of additional residential provision in Surrey will enable smoother transitions for children moving from residential children's homes to foster care or other placement types in-county

### **Any negative impacts that cannot be mitigated?**

N/A

## PROTECTED CHARACTERISTIC: SEXUAL ORIENTATION

### **Describe here the considerations and concerns in relation to the programme/policy for the selected group.**

All residential children's homes will be developed to meet each child and young person's needs and promote their welfare. For older young people this includes taking into account a young person's sexual orientation as appropriate.

The development of additional residential children's homes in Surrey is expected to have a positive impact on looked after young people of any sexual orientation, by enabling a higher proportion of in-county placements where young people can better maintain relationships with family, friends and communities as appropriate, continue in their education and access health-care provision and other support services in-county.

### **Describe here suggested mitigations to inform the actions needed to reduce inequalities.**

As stipulated in the Children's Homes Quality Standards (2015), children's home staff should take every step to make sure that individual children and young people are not subject to discrimination, marginalisation or bullying from their peers by virtue of their gender, religion, ethnicity, cultural and linguistic background, sexual identity, mental health, disability or for any other reason.

Children's home residential staff will also ensure that they are familiar with cultural and community services on offer for each child and young person, and support them to access and encourage them to participate in activities in the community and wider if appropriate.

Where SCC works with independent providers, their equality and inclusion plans will need to be evidenced and considered.

### **What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?**

As well as developing residential provision, there is a focus on increasing sufficiency of foster placements in Surrey. SCC are committed to enabling children looked after to live in a family environment as a first choice for all children looked after. This includes a focus on enabling children to move from residential placements to foster placements where this is the right choice for the child. The development of additional residential provision in Surrey will enable smoother transitions for children moving from residential children's homes to foster care or other placement types in-county

### **Any negative impacts that cannot be mitigated?**

Children and young people may experience discrimination in a community setting. Should this occur, young people will be supported by residential children's homes staff and other professionals to ensure that any incidents are appropriately responded to, and that the young person supported emotionally and practically.

## 3. Staff

### PROTECTED CHARACTERISTIC: AGE

**Describe here the considerations and concerns in relation to the programme/policy for the selected group.**

SCC are committed to ensuring a diverse workforce that reflects the community we serve. SCC do not anticipate any negative impacts from the development of additional children's homes and additional employment opportunities in relation to age.

However, due to the nature of residential care work, staff are required to have the maturity to take on a caring role for children and young people who are looked after. Under the previous National Minimum Standards 2001 this had been specified as at least 4 years older than the oldest child accommodated. This may result in some young people not being in a position to work in residential children's homes until they have reached the required age and maturity.

11

A relatively high proportion of foster carers are older people including carers in retirement age. The demographics for residential care staff is mixed, however the average age of residential care staff is a younger age-group.

**Describe here suggested mitigations to inform the actions needed to reduce inequalities.**

SCC are committed to ensuring that individuals are treated with fairness and respect regardless of their race, colour, nationality, gender, age, disability, sexual orientation, religion and belief, marital status and caring responsibilities during their course of employment.

Surrey County Council is committed to safeguarding and promoting the welfare of children, young people and vulnerable adults and expects all staff and volunteers to share this commitment. We want to be an inclusive and diverse employer of first choice reflecting the community we serve and particularly welcome applications from all underrepresented groups. SCC's Equality, Diversity and Inclusion banner with logos such as Disability Confident are also advertised on the advert too to encourage diversity in our applications.

Where SCC works with independent providers, their equality and inclusion plans will need to be evidenced and considered.

**What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?**

SCC are developing fairer recruitment and selection processes, including accessible advertising and documentation, fair shortlisting and interview processes.

As an employer, SCC are committed to:

- Develop, promote and review our policies and practices to ensure equality of opportunity is achieved and to work towards eliminating discrimination, harassment, victimisation and

# Equality Impact Assessment

bullying for our workforce in all areas of employment including recruitment, retention, learning and development, promotion, grievance, and disciplinary.

- Ensure that individuals are treated with fairness and respect regardless of their race, colour, nationality, gender, age, disability, sexual orientation, religion and belief, marital status and caring responsibilities during their course of employment.
- Work towards attracting and recruiting a more diverse and representative workforce that reflects the local communities of Surrey that we provide services for.
- Develop and promote employment policies that allow for equal access to employment and training.
- Promote an inclusive and supportive environment for staff in all areas of diversity by removing any barriers that may exist in the workplace including training opportunities and career progression.
- Work towards building zero tolerant, preventative cultures that identify, challenge and eliminate any unacceptable behaviours including bullying, harassment, discrimination and victimisation.
- Develop a highly skilled and capable workforce on equality and inclusion, able to design and deliver fair and accessible services.

As well as a focus on recruiting residential care staff, SCC are recruiting to increase the number of foster carers and social workers in Surrey.

## **Any negative impacts that cannot be mitigated?**

Some residents may need to wait until they reach the age at which they could commence work as care staff in a residential children's home.

## PROTECTED CHARACTERISTIC: DISABILITY

**Describe here the considerations and concerns in relation to the programme/policy for the selected group.**

SCC are committed to ensuring a diverse workforce that reflects the community we serve. SCC do not anticipate any negative impacts from the development of additional children's homes and additional employment opportunities in relation to disability.

However, there may be implications for residents with certain disabilities in relation to working as residential care staff with children looked after. The Children's Homes England Regulations (2015) require that residential care staff are mentally and physically fit for the purposes of the work that the individual is to perform.

**Describe here suggested mitigations to inform the actions needed to reduce inequalities.**

SCC are committed to ensuring that individuals are treated with fairness and respect regardless of their disability during their course of employment.

Surrey County Council is committed to safeguarding and promoting the welfare of children, young people and vulnerable adults and expects all staff and volunteers to share this commitment. We want to be an inclusive and diverse employer of first choice reflecting the community we serve and particularly welcome applications from all underrepresented groups. SCC's Equality, Diversity and Inclusion banner with logos such as Disability Confident are also advertised for recruitment adverts to encourage diversity in our applications.

Where SCC works with independent providers, their equality and inclusion plans will need to be evidenced and considered.

**What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?**

SCC are developing fairer recruitment and selection processes, including accessible advertising and documentation, fair shortlisting and interview processes.

As an employer, SCC are committed to:

1. Develop fairer recruitment and selection processes, including accessible advertising and documentation, fair shortlisting and interview processes
2. Enable our whole workforce to fully participate and be supported with agile working
3. Working with our Employee Reference Groups (ERGs), commission reviews on experiences of LGBTQI+, disabled and minority ethnic staff who work for the Council
4. Enhance our workforce data on protected groups by encouraging staff to report this data on the new My Surrey Enterprise Resource Planning system to inform our priorities for creating a fairer, more compassionate and inclusive workplace
5. Introduce pay gap reporting for ethnicity and disability.

As well as a focus on recruiting residential care staff, SCC are recruiting to increase the number of foster carers and social workers in Surrey.



# Equality Impact Assessment

## Any negative impacts that cannot be mitigated?

There may be roles caring for children looked after within residential children's homes that require certain physical and mental abilities.

## PROTECTED CHARACTERISTIC: PREGNANCY AND MATERNITY

### Describe here the considerations and concerns in relation to the programme/policy for the selected group.

SCC are committed to ensuring a diverse workforce that reflects the community we serve. SCC do not anticipate any negative impacts from the development of additional children's homes and additional employment opportunities in relation to pregnancy and maternity.

However, residential children's home staff who are pregnant or with young babies may be affected by the nature of the role and by the working hours. Residential care staff generally work shifts that include regularly sleeping-in, which may have an impact in particular for parents with babies and young children.

### Describe here suggested mitigations to inform the actions needed to reduce inequalities.

Risk assessments and potential adjustments may be implemented where appropriate for residential care staff during pregnancy, including to safeguard their health and safety at work.

Recognising the impact of shift work including working at night and on public holidays on caring responsibilities in particular for babies and young children.

### What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?

SCC are developing fairer recruitment and selection processes, including accessible advertising and documentation, fair shortlisting and interview processes.

As an employer, SCC are committed to:

1. Develop, promote and review our policies and practices to ensure equality of opportunity is achieved and to work towards eliminating discrimination, harassment, victimisation and bullying for our workforce in all areas of employment including recruitment, retention, learning and development, promotion, grievance, and disciplinary.
2. Ensure that individuals are treated with fairness and respect regardless of their race, colour, nationality, gender, age, disability, sexual orientation, religion and belief, marital status and caring responsibilities during their course of employment.
3. Work towards attracting and recruiting a more diverse and representative workforce that reflects the local communities of Surrey that we provide services for.
4. Develop and promote employment policies that allow for equal access to employment and training.
5. Promote an inclusive and supportive environment for staff in all areas of diversity by removing any barriers that may exist in the workplace including training opportunities and career progression.

# Equality Impact Assessment

6. Work towards building zero tolerant, preventative cultures that identify, challenge and eliminate any unacceptable behaviours including bullying, harassment, discrimination and victimisation.

As well as a focus on recruiting residential care staff, SCC are recruiting to increase the number of foster carers and social workers in Surrey.

## **Any negative impacts that cannot be mitigated?**

Residential children's home care staff are required to work shifts as children looked after require care staff to be in the children's home for 24 hours a day, 7 days a week. Although adjustments may be possible in some circumstances, the impact of the working hours cannot altogether be mitigated during pregnancy, or for parents of babies and young children.

## PROTECTED CHARACTERISTIC: RACE INCLUDING ETHNIC OR NATIONAL ORIGINS, COLOUR OR NATIONALITY

**Describe here the considerations and concerns in relation to the programme/policy for the selected group.**

SCC are committed to ensuring a diverse workforce that reflects the community we serve. SCC do not anticipate any negative impacts from the development of additional children's homes and additional employment opportunities in relation to race, ethnicity, nationality or colour.

**Describe here suggested mitigations to inform the actions needed to reduce inequalities.**

SCC are committed to ensuring that individuals are treated with fairness and respect regardless of their race, colour, nationality, gender, age, disability, sexual orientation, religion and belief, marital status and caring responsibilities during their course of employment.

SCC is committed to safeguarding and promoting the welfare of children, young people and vulnerable adults and expects all staff and volunteers to share this commitment. We want to be an inclusive and diverse employer of first choice reflecting the community we serve and particularly welcome applications from all underrepresented groups.

SCC are also introducing pay gap reporting for ethnicity and disability.

Where SCC works with independent providers, their equality and inclusion plans will need to be evidenced and considered.

**What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?**

SCC are developing fairer recruitment and selection processes, including accessible advertising and documentation, fair shortlisting and interview processes.

As an employer, SCC are committed to:

1. Develop, promote and review our policies and practices to ensure equality of opportunity is achieved and to work towards eliminating discrimination, harassment, victimisation and bullying for our workforce in all areas of employment including recruitment, retention, learning and development, promotion, grievance, and disciplinary.
2. Ensure that individuals are treated with fairness and respect regardless of their race, colour, nationality, gender, age, disability, sexual orientation, religion and belief, marital status and caring responsibilities during their course of employment.
3. Work towards attracting and recruiting a more diverse and representative workforce that reflects the local communities of Surrey that we provide services for.
4. Develop and promote employment policies that allow for equal access to employment and training.
5. Promote an inclusive and supportive environment for staff in all areas of diversity by removing any barriers that may exist in the workplace including training opportunities and career progression.

# Equality Impact Assessment

6. Work towards building zero tolerant, preventative cultures that identify, challenge and eliminate any unacceptable behaviours including bullying, harassment, discrimination and victimisation.

As well as a focus on recruiting residential care staff, SCC are recruiting to increase the number of foster carers and social workers in Surrey.

## Any negative impacts that cannot be mitigated?

N/A

DRAFT

## PROTECTED CHARACTERISTIC: RELIGION OR BELIEF INCLUDING LACK OF BELIEF

**Describe here the considerations and concerns in relation to the programme/policy for the selected group.**

SCC are committed to ensuring a diverse workforce that reflects the community we serve. SCC do not anticipate any negative impacts from the development of additional children's homes and additional employment opportunities in relation to religion or belief including lack of belief.

**Describe here suggested mitigations to inform the actions needed to reduce inequalities.**

SCC are committed to ensuring that individuals are treated with fairness and respect regardless of their race, colour, nationality, gender, age, disability, sexual orientation, religion and belief, marital status and caring responsibilities during their course of employment.

SCC is committed to safeguarding and promoting the welfare of children, young people and vulnerable adults and expects all staff and volunteers to share this commitment. We want to be an inclusive and diverse employer of first choice reflecting the community we serve and particularly welcome applications from all underrepresented groups.

Where SCC works with independent providers, their equality and inclusion plans will need to be evidenced and considered.

**What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?**

SCC are developing fairer recruitment and selection processes, including accessible advertising and documentation, fair shortlisting and interview processes.

As an employer, SCC are committed to:

1. Develop, promote and review our policies and practices to ensure equality of opportunity is achieved and to work towards eliminating discrimination, harassment, victimisation and bullying for our workforce in all areas of employment including recruitment, retention, learning and development, promotion, grievance, and disciplinary.
2. Ensure that individuals are treated with fairness and respect regardless of their race, colour, nationality, gender, age, disability, sexual orientation, religion and belief, marital status and caring responsibilities during their course of employment.
3. Work towards attracting and recruiting a more diverse and representative workforce that reflects the local communities of Surrey that we provide services for.
4. Develop and promote employment policies that allow for equal access to employment and training.
5. Promote an inclusive and supportive environment for staff in all areas of diversity by removing any barriers that may exist in the workplace including training opportunities and career progression.
6. Work towards building zero tolerant, preventative cultures that identify, challenge and eliminate any unacceptable behaviours including bullying, harassment, discrimination and victimisation.

# Equality Impact Assessment

As well as a focus on recruiting residential care staff, SCC are recruiting to increase the number of foster carers and social workers in Surrey.

**Any negative impacts that cannot be mitigated?**

N/A

DRAFT

## PROTECTED CHARACTERISTIC: SEX

### **Describe here the considerations and concerns in relation to the programme/policy for the selected group.**

SCC are committed to ensuring a diverse workforce that reflects the community we serve. SCC do not anticipate any negative impacts from the development of additional children's homes and additional employment opportunities in relation to sex or gender.

However, the overall SCC workforce has an overrepresentation of women working at the Council when compared to the national population average (50.6% versus 73.2%), but this is uneven across different salary quartiles relative to our total workforce. Within the Council, men are underrepresented at the lower quartile (14%) and overrepresented in the upper middle and upper quartiles (32% and 34%, respectively). Thus, despite most of our workforce being women, primarily due to occupational segregation, the salary-level distribution still follows the wider social dynamic of vertical segregation, where women tend to be overrepresented in front-line lower paid roles and men tend to be overrepresented in higher paid managerial and leadership roles. This, in turn, explains why we continue to observe a mean gender pay gap of 13.7% and a median gender pay gap of 12.5%, both in favour of men

### **Describe here suggested mitigations to inform the actions needed to reduce inequalities.**

SCC are committed to ensuring that individuals are treated with fairness and respect regardless of their race, colour, nationality, gender, age, disability, sexual orientation, religion and belief, marital status and caring responsibilities during their course of employment.

SCC monitor and report on the workforce gender pay gap. Mitigations to tackle the gender pay gap are outlined in the [Surrey County Council Gender Pay Gap 2021 \(surreycc.gov.uk\)](https://www.surreycc.gov.uk).

Where SCC works with independent providers, their equality and inclusion plans will need to be evidenced and considered.

### **What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?**

SCC are developing fairer recruitment and selection processes, including accessible advertising and documentation, fair shortlisting and interview processes.

As an employer, SCC are committed to:

1. Develop, promote and review our policies and practices to ensure equality of opportunity is achieved and to work towards eliminating discrimination, harassment, victimisation and bullying for our workforce in all areas of employment including recruitment, retention, learning and development, promotion, grievance, and disciplinary.
2. Ensure that individuals are treated with fairness and respect regardless of their race, colour, nationality, gender, age, disability, sexual orientation, religion and belief, marital status and caring responsibilities during their course of employment.



# Equality Impact Assessment

3. Work towards attracting and recruiting a more diverse and representative workforce that reflects the local communities of Surrey that we provide services for.
4. Develop and promote employment policies that allow for equal access to employment and training.
5. Promote an inclusive and supportive environment for staff in all areas of diversity by removing any barriers that may exist in the workplace including training opportunities and career progression.
6. Work towards building zero tolerant, preventative cultures that identify, challenge and eliminate any unacceptable behaviours including bullying, harassment, discrimination and victimisation.

As well as a focus on recruiting residential care staff, SCC are recruiting to increase the number of foster carers and social workers in Surrey.

## Any negative impacts that cannot be mitigated?

N/A.

## PROTECTED CHARACTERISTIC: SEXUAL ORIENTATION

**Describe here the considerations and concerns in relation to the programme/policy for the selected group.**

SCC are committed to ensuring a diverse workforce that reflects the community we serve. SCC do not anticipate any negative impacts from the development of additional children's homes and additional employment opportunities in relation to sexual orientation.

**Describe here suggested mitigations to inform the actions needed to reduce inequalities.**

SCC are committed to ensuring that individuals are treated with fairness and respect regardless of their race, colour, nationality, gender, age, disability, sexual orientation, religion and belief, marital status and caring responsibilities during their course of employment.

Where SCC works with independent providers, their equality and inclusion plans will need to be evidenced and considered.

**What other changes is the council planning/already in place that may affect the same groups of residents? Are there any dependencies decision makers need to be aware of?**

SCC are developing fairer recruitment and selection processes, including accessible advertising and documentation, fair shortlisting and interview processes.

As an employer, SCC are committed to:

1. Develop, promote and review our policies and practices to ensure equality of opportunity is achieved and to work towards eliminating discrimination, harassment, victimisation and bullying for our workforce in all areas of employment including recruitment, retention, learning and development, promotion, grievance, and disciplinary.
2. Ensure that individuals are treated with fairness and respect regardless of their race, colour, nationality, gender, age, disability, sexual orientation, religion and belief, marital status and caring responsibilities during their course of employment.
3. Work towards attracting and recruiting a more diverse and representative workforce that reflects the local communities of Surrey that we provide services for.
4. Develop and promote employment policies that allow for equal access to employment and training.
5. Promote an inclusive and supportive environment for staff in all areas of diversity by removing any barriers that may exist in the workplace including training opportunities and career progression.
6. Work towards building zero tolerant, preventative cultures that identify, challenge and eliminate any unacceptable behaviours including bullying, harassment, discrimination and victimisation.

As well as a focus on recruiting residential care staff, SCC are recruiting to increase the number of foster carers and social workers in Surrey.

**Any negative impacts that cannot be mitigated?**

N/A

## 4. Recommendation

Based your assessment, please indicate which course of action you are recommending to decision makers. You should explain your recommendation below.

- **Outcome One: No major change to the policy/service/function required.** This EIA has not identified any potential for discrimination or negative impact, and all opportunities to promote equality have been undertaken
- **Outcome Two: Adjust the policy/service/function** to remove barriers identified by the EIA or better advance equality. Are you satisfied that the proposed adjustments will remove the barriers you identified?
- **Outcome Three: Continue the policy/service/function** despite potential for negative impact or missed opportunities to advance equality identified. You will need to make sure the EIA clearly sets out the justifications for continuing with it. You need to consider whether there are:
  - Sufficient plans to stop or minimise the negative impact
  - Mitigating actions for any remaining negative impacts plans to monitor the actual impact.
- **Outcome Four: Stop and rethink the policy** when the EIA shows actual or potential unlawful discrimination. (For guidance on what is unlawful discrimination, refer to the [Equality and Human Rights Commission's guidance and Codes of Practice on the Equality Act](#) concerning employment, goods and services and equal pay).

### Recommended outcome:

**Outcome One: No major change to the policy/service/function required.** Overall, these proposals will create positive benefits for looked after children in Surrey, with a range of protected characteristics, as well as supporting key statutory duties. This EIA has not identified any potential for discrimination or negative impact that cannot be appropriately mitigate, and all opportunities to promote equality have been undertaken.

### Explanation:

#### Service users/Residents:

Surrey County Council is committed to expanding the existing residential development to increase the proportion of children looked after who can remain living in, and return to living in Surrey, with children's home that provide care that fully meets their individual needs.

Throughout this document, it is clearly evidenced that there are policies, procedures and expectations in place that children are cared for ensuring that they are not negatively impacted and their protected characteristics are consistently considered, children and young people are supported to gain their independence skills and become contributing members of the community. There are relevant mitigations in place and risk assessments are continuously conducted to ensure that children are protected and best interests are addressed appropriately.

The expected outcomes from the residential children's home development will be positive for children looked after, for whom the protected characteristics may or may not apply. The actions set out under each characteristic and in the action plan highlight how positive impacts will be enhanced further, and potential negative impacts mitigated.

# Equality Impact Assessment

## Staff:

Surrey County Council has a plethora of policies and procedures in place that satisfy the protected characteristics as highlighted within this EIA.

Through experience of supporting an in-house service, Surrey policies and procedures are regularly reviewed, staff receive appropriate and timely supervision to ensure that they are being fully supported in their roles and training to ensure that they are skilled in completing their roles.

There are minor restrictions that apply for staffing when considering the care and support of children within the care of Surrey Council. While we apply best practice wherever possible to support staff, there are requirements that would restrict certain roles being fulfilled by a person protected under the listed characteristics.

These main areas are:

**Age** – There is an appropriate age expectation for staff supporting children within our care, it is acceptable that the youngest staff member should be a minimum of 4 years older than the oldest young person being supported within the service.

**Disability** – Due to the nature of the service being provided, Surrey Council needs to adhere to the Children's home regulation 2015 guidelines which clearly state that staff supporting children need to be mentally and physically fit to perform their role.

**Pregnancy and Maternity** – Due to the nature of the service being provided, Surrey Council need to ensure that staff who are pregnant receive regularly updated risk assessments to physically protect themselves and their unborn child at work. This is covered under Surreys standard staffing policies and procedures, though would review additional risks that would potentially arise due to the nature of the role within a residential children's home.



## 5. Action plan and monitoring arrangements

Item	Initiation Date	Action/Item	Person/Team Actioning	Target Completion Date	Update/Notes	Open/Closed
1	November 2022	Plan and implement phase 2 of capital development programme for Children's homes from Jan 2023, following Cabinet decision.	Chris Tisdall, Commissioning  Jo Rabbitte, Assistant Director Children's Resources	Capital programme structure to be established by January 2023		Open
2	November 2022	Residential Implementation Group are working to ensure best practice in children's homes, supporting improved outcomes for children with each of the different protected characteristics.	Jo Rabbitte, Children's Resources	Throughout the implementation period and ongoing training and development for residential staff and professionals across children's services		Open
3	November 2022	A continued focus on quality assurance of homes (in and out of county) and ensuring that children and young people are in the best placement to meet their needs.	Sarah Foster, Gateway to Resources	Continuous		Open
4	April 2022	Structured approach to understanding identified needs and developing new	Chris Tisdall, Commissioning	April 2023, with continued review of data throughout to inform specialisms of new homes	To be defined further in CLA Sufficiency working groups and Residential working groups.	

# Equality Impact Assessment

		provision to meet these needs.				
5	January 2023 onwards	Review of equality and inclusion plans of independent providers Surrey works with.	Chris Tisdall, Commissioning	Review during tender process prior to commencement of strategic partnership(s)		
6	September 2022	Implementation of regular provider forums with in-house and external providers of children's homes in Surrey	Sara Foster, Gateway to Resources  Jo Rabbitte, Children's Resources  Chris Tisdall, Commissioning	Continuous (termly)		
7	Ongoing	Staff receive specialist high quality training to meet the children's care needs	Jo Rabbitte, Children's Resources	Continuous		
8	January 2023 onwards	Focus on ensuring that the physical buildings are designed, built and furnished to meet the needs of the children who will be placed.	Philip Roche, Land and Property	2025		
9	January 2022 onwards	The locations will be considered alongside the specialisms of the homes to reflect education and	Chris Tisdall, Commissioning	2024	To be defined further in CLA Sufficiency working groups and Residential working groups.	





		healthcare services in the local area.	Jo Rabbitte, Children's Resources			
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## 6a. Version control

Version Number	Purpose/Change	Author	Date
1.0	First complete version completed for publication	Jessica Sendler	18/11/2022

The above provides historical data about each update made to the Equality Impact Assessment.

Please include the name of the author, date and notes about changes made – so that you can refer to what changes have been made throughout this iterative process.

For further information, please see the EIA Guidance document on version control.



## 6b. Approval

Secure approval from the appropriate level of management based on nature of issue and scale of change being assessed.

Approved by	Date approved
Chris Tisdall, Head of Commissioning – Corporate Parenting	18/11/2022

### **Publish:**

It is recommended that all EIAs are published on Surrey County Council's website.

### **EIA author:**

## 6c. EIA Team

11

Name	Job Title	Organisation
Jessica Sandler	Senior Commissioning Officer	Surrey County Council
Jenine Brister	Commissioning Manager	Surrey County Council
Chris Tisdall	Head of Corporate Parenting Commissioning	Surrey County Council

If you would like this information in large print, Braille, on CD or in another language please contact us on:

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**SURREY COUNTY COUNCIL****CABINET****DATE:** 29 NOVEMBER 2022**REPORT OF:** CLARE CURRAN, CABINET MEMBER FOR EDUCATION AND LEARNING**LEAD OFFICER:** LIZ MILLS, DIRECTOR EDUCATION AND LIFELONG LEARNING**SUBJECT:** COORDINATED ADMISSIONS SCHEME FOR SEPTEMBER 2024**ORGANISATION** EMPOWERING COMMUNITIES  
**STRATEGY**  
**PRIORITY AREA****SUMMARY OF ISSUE**

Each year, Surrey County Council is responsible for processing approximately 30,000 applications for a school place from Surrey residents and coordinates offers for over 350 schools. Surrey's coordinated admissions scheme ensures that, as far as possible, no child receives an offer for more than one school.

**RECOMMENDATIONS**

It is recommended that Cabinet make the following recommendations to the County Council:

**Recommendation**

That the coordinated admissions scheme that will apply to all schools for 2024 are agreed as set out in Enclosure 1.

**Reasons for Recommendation**

- The coordinated admissions scheme for 2024 is essentially the same as 2023 with dates updated
- The coordinated admissions scheme will enable the County Council to meet its statutory duties regarding school admissions
- The coordinated admissions scheme is working well
- The Local Authority has a statutory duty to publish its coordinated admissions scheme for 2024 by 1 January 2023
- The proposed scheme meets the statutory requirements of the School Admissions (Admission Arrangements and Coordination of Admission Arrangements) (England) Regulations 2012 and the School Admissions Code

**DETAILS**

1. The School Admissions (Admission Arrangements and Coordination of Admission Arrangements) (England) Regulations 2012 set out the requirements for the coordinated admissions scheme and require each local authority to formulate a scheme by 1 January each year.
2. The School Admissions Code also requires local authorities to publish their scheme by 1 January each year.

3. Coordinated admissions schemes describe the process by which each local authority will coordinate the applications for school places for their residents and for their schools, to ensure, as far as possible, each child only receives one offer of a school place.
4. The coordinated admissions scheme sets out the timetable for application, when the local authority will exchange information about school preferences and outcomes with other admission authorities (including schools and other local authorities) and when they will make offers of places for schools in their area.
5. Due to the number of cross border applications and offers, Surrey participates in the Pan London Admissions scheme whereby dates and the process for data exchange are coordinated with London LAs and other LAs bordering London.
6. The coordinated admission scheme in Surrey is working well with all schools participating, as they are legally required to.
7. The coordinated scheme proposed for 2024 complies with the statutory requirements for a scheme. It provides for all preferences to be named on one application form and for applications to be coordinated to ensure that, as far as possible, each child only receives one offer of a place on the primary and secondary national offer days.
8. Dates within the coordinated admissions scheme for 2024 have been updated to ensure they comply with the Pan London timetable but no other changes are proposed.

#### **CONSULTATION**

9. Regulations require consultation to take place where:
  - the qualifying scheme is substantially different from the qualifying scheme adopted for the preceding academic year, or
  - the local authority has not consulted on a qualifying scheme adopted in the previous seven years
10. The Local Authority last consulted on its coordinated admissions scheme for 2022 and so the seven-year threshold has not been met for consultation. In addition, the coordinated admissions scheme that has been proposed for 2024 is the same as for 2023, with only dates updated, so there are no significant changes. As such, no consultation has been undertaken on the scheme for 2024.

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

11. The risks of implementing the coordinated admissions scheme is very low, with a greater risk if the scheme is not agreed.

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

12. The coordinated admissions scheme ensures processes can be streamlined and thus carried out within the available budget envelope.

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

13. Although significant progress has been made to improve the Council's financial position, the financial environment remains challenging. The UK is experiencing the highest levels of inflation for decades, putting significant pressure on the cost of delivering our services. Coupled with continued increasing demand and fixed Government funding this requires an increased focus on financial management to ensure we can continue to deliver

services within available funding. In addition to these immediate challenges, the medium term financial outlook beyond 2022/23 remains uncertain. With no clarity on central government funding in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term.

14. As such, the Section 151 Officer supports the continuation of the coordinated admissions scheme to meet statutory obligations.

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

15. The coordinated admission scheme complies with legislation on school admissions and the School Admissions Code.
16. 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.

#### **EQUALITIES AND DIVERSITY**

17. The Equalities Impact Assessment has been completed in full and is attached in Enclosure 2. The adoption of a coordinated admission scheme is a statutory requirement. The coordinated admissions scheme does not discriminate according to age, gender, ethnicity, faith, disability or sexual orientation.

#### **OTHER IMPLICATIONS**

18. 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
Safeguarding responsibilities for vulnerable children and adults	Set out below
Environmental sustainability	No significant implications arising from this report
Public Health	No significant implications arising from this report

#### **SAFEGUARDING RESPONSIBILITIES FOR VULNERABLE CHILDREN AND ADULTS IMPLICATIONS**

19. The efficient and timely administration of the school admission process, as set out in the coordinated admissions scheme, coupled with the equitable distribution of school places in accordance with the School Admission Code and parental preference, contribute to the County Council's priority for safeguarding vulnerable children.

## WHAT HAPPENS NEXT

- The coordinated admissions scheme will be ratified by the full County Council on 13 December 2022.
  - The scheme will then be published on Surrey's website by 1 January 2023 and all Surrey schools will be notified.
- 

### **Contact Officer:**

Claire Potier, Service Manager School Admissions  
Email: [claire.potier@surreycc.gov.uk](mailto:claire.potier@surreycc.gov.uk)

### **Consulted:**

Jane Edwards, AD for Education  
Rachel Hickman, Legal and Democratic Services

### **Annexes:**

**Enclosure 1**                      Coordinated admissions scheme  
**Enclosure 2**                      Equality Impact Assessment

### **Sources/background papers:**

- School Admissions (Admission Arrangements and Coordination of Admission Arrangements) (England) Regulations 2012
- School Standards and Framework Act 1998
- Education Act 2002
- School Admissions Code 2021

# Coordinated Scheme 2024/2025

**for admission to primary and secondary  
school**



# Coordinated scheme for admission to primary and secondary school for 2024/25

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# Coordinated scheme for admission to primary school (Reception and Year 3) for 2024/25

## Applications

1. Surrey's admissions team will distribute information leaflets on admissions early in September 2023. These will be available in all Surrey primary schools. The leaflet will refer parents to the Surrey County Council website [www.surreycc.gov.uk/admissions](http://www.surreycc.gov.uk/admissions) via which parents will be able to access the admissions information and apply online from 30 October 2023. Alternatively, they can obtain a primary school admissions booklet and a paper preference form by ringing the Surrey Schools and Childcare Service on 0300 200 1004.
2. All parents living in Surrey must only complete Surrey's online application form or a Surrey paper form which will be available from 30 October 2023. Parents living outside Surrey must use their home local authority's form to apply for a place at a Surrey school. Parents living in Surrey can apply for a school in another local authority on Surrey's online or paper form. Along with all other local authorities, Surrey operates an equal preference system. Surrey's application form invites parents to express a preference for up to four maintained primary schools or academies (including free schools) within and/or outside of Surrey. This enables Surrey County Council to offer a place at the highest possible ranked school for which the applicant meets the admission criteria.
3. In accordance with the School Admissions Code, the order of preference given on the application form will not be revealed to a school within the area of Surrey. However, where a parent resident in Surrey expresses a preference for a school in the area of another local authority, the order of preference for that local authority's school will be revealed to that local authority in order that it can determine the highest ranked preference in cases where a child is eligible for a place at more than one school in that local authority's area.
4. The closing date for all applications (either online or paper) will be 15 January 2024. Changes to ranked preferences and applications received after the closing date will not be accepted unless they are covered by paragraphs in this scheme which relate to late applications and changes of preference. If a parent completes more than one application stating different school preferences, Surrey's admissions team will accept the form submitted on the latest date before the closing date. If the date is the same, Surrey's admissions team will contact the parents to ask them to confirm their ranked preferences.
5. Schools that are their own admission authority must not use any other application form but may use a supplementary form if they need to request additional information that is required to apply their admission criteria. Surrey County Council's website and Surrey's primary school admissions booklet will indicate which schools require a supplementary form. Supplementary forms can be accessed via the website or can be obtained from each school. All supplementary forms should be returned to the school by the date specified by the school but in any case no later than the national closing date of 15 January 2024. The supplementary form should clearly indicate where it is to be returned. Where supplementary forms are used by admission authorities within Surrey, the admissions team will seek to ensure that these only collect information which is required by the published oversubscription criteria, in accordance with the School Admissions Code.
6. Where a school in Surrey receives a supplementary form, Surrey's admissions team will not consider it to be a valid application unless the parent/carer has also listed the school on their home local authority's common application form.

7. It is recommended that any paper preference forms handed in to schools should be sent to Surrey's admissions team immediately.
8. Surrey's admissions team will confirm the status of any resident child for whom it receives a common application form stating s/he is a looked after or previously looked after child and will provide evidence to the maintaining local authority in respect of a preference for a school in its area by 2 February 2024.
9. Surrey's admissions team will advise a maintaining local authority of the reason for any preference expressed for a school not in its area and will forward any supporting documentation to the maintaining local authority by 2 February 2024.
10. Surrey's admissions team will advise a maintaining local authority of the reason for any application made in respect of a child resident in Surrey to be admitted outside of their correct age cohort, and will forward any supporting documentation to the maintaining local authority by 2 February 2024.
11. Surrey County Council participates in the Pan London Coordinated Admission Scheme. Surrey's admissions team will upload application data relating to preferences for schools in other participating local authorities, which have been expressed within the terms of Surrey's scheme, to the Pan London Register by 2 February 2024. Alternative arrangements will be made to forward applications and supporting information to non-participating local authorities.
12. Surrey County Council will participate in the Pan London application data checking exercise scheduled between 12 and 16 February 2024.

## Processing

13. By 5 February 2024, Surrey's admissions team will have assessed the level of preferences for each school and will send all admission authority schools a list of their preferences so that they can apply their admission criteria.
14. By 1 March 2024 all schools which are their own admission authority will have applied their admission criteria and will provide Surrey's admissions team with a list of all applicants in rank order. This will enable Surrey to offer places to ensure that under the terms of the coordinated scheme each applicant is offered the highest possible ranked preference. Surrey County Council will expect schools to adhere to their published admission number unless there are exceptional circumstances such as if this would not enable Surrey to fulfil its statutory duty where the demand for places exceeds the number of places available.
15. Surrey's admissions team will carry out all reasonable checks to ensure that pupil rankings are correct for all schools in Surrey before uploading data to the Pan London Register.
16. Between 14 and 22 March 2024 Surrey's admissions team will send and receive electronic files with all coordinating local authorities, in order to achieve a single offer.

## Offers

17. Surrey's admissions team will identify the school place to be offered and communicate information as necessary to other local authorities by 22 March 2024. In instances where more than one school could make an offer of a place to a child, Surrey's admissions team will offer a place at the school which the parent had ranked highest on the application form. Where Surrey is unable to offer a place at any of the preferred schools the admissions team will offer a place at an alternative community or voluntary controlled school with places or by arrangement with an academy or foundation, free, trust or voluntary aided school with places.
18. Surrey's admissions team will not make an additional offer between the end of the iterative process and 16 April 2024 which may impact on an offer being made by another participating local authority.
19. Notwithstanding paragraph 16, if an error is identified within the allocation of places at a Surrey school, the admissions team will attempt to manually resolve the allocation to correct the error. Where this impacts on another local authority (either as a home or maintaining local authority) Surrey's admissions team will liaise with that local authority to attempt to resolve the correct offer and any multiple offers which might occur. However, if another local authority is unable to resolve a multiple offer, or if the impact is too far reaching, Surrey's admissions team will accept that the applicant(s) affected might receive a multiple offer.
20. Surrey's admissions team will participate in the Pan London offer data checking exercise scheduled between 25 March and 10 April 2024.
21. Surrey's admissions team will send a file to the E-Admissions portal with outcomes for all resident applicants who have applied online no later than 10 April 2024.
22. By 16 April 2024 lists of children being allocated places will be sent to primary schools for their information.
23. On 16 April 2024 an outcome will be sent by Surrey's admissions team to all parents who have completed a Surrey application form. Where a first preference has not been met a letter will be sent by first class post which will refer parents to Surrey's website or the contact centre for further advice. Parents will be asked to confirm whether or not they wish to accept any school place offered. **Under no circumstances must any school write to or make any other contact with parents to make an offer of a place, or take any action to inform them that a place will or will not be offered before 16 April 2024.**

## Late Applications and changes of preference

24. It is recognised that applications will be received after the closing date and that some parents will wish to change their preferences e.g. if a family is new to the area or has moved house. Such applications must still be dealt with and this section deals with applications received in these circumstances.

## Applications and changes of preference received after the closing date but before 16 April 2024

25. Some late applications will be treated as late for good reason. These will generally relate to applications from families who are new to the area where it could not reasonably have been expected that an application could have been made by the closing date. Applicants must be able to provide recent proof of ownership or tenancy of a Surrey property (completion or

signed tenancy agreement). Other cases might relate to a single parent family where the parent has been ill or where there has been a recent bereavement of a close relative. These cases will be considered individually on their merits.

26. The latest date that an application can be accepted as late for good reason is 8 February 2024. If an application is deemed late for good reason and all supporting information is received by this date it will be passed to any admission authority named for consideration alongside all applications received on time.
27. Where applications which have been accepted as late for good reason contain preferences for schools in other local authorities the admissions team will forward the details to maintaining local authorities as they are received.
28. Where an applicant lives out of county, Surrey will accept late applications which are considered to be on time within the terms of the home local authority's scheme up to 8 February 2024.
29. The latest date for the upload to the Pan London Register of late applications which are considered to be on time is 9 February 2024.
30. Where an applicant moves from one home local authority to Surrey after submitting an on time application under the terms of the former home local authority's scheme, Surrey will accept the application as on time up to 8 February 2024, on the basis that an on time application already exists within the system.
31. Late applications from parents where it could reasonably have been expected that an application could have been made by the closing date and those received after 8 February 2024 will be considered as late. These applications will not be processed until after all on time applications have been considered.
32. Some parents may wish to change a preference after the closing date due to a change of circumstances. Surrey's admissions team will accept changes to preferences after the closing date only where there is good reason, such as a house move or other significant change of circumstance, which makes the original preference no longer practical. Any such request for a change of preference must be supported by documentary evidence and must be received by 8 February 2024. Any changes of preference received after 8 February 2024 will not be considered until all on time applications have been dealt with.

## **Applications and changes of preference received between 16 April 2024 and 31 August 2024**

33. Applications will continue to be received after 16 April 2024. Only those preferences expressed on the application form will be valid. Where the school is its own admission authority the application data will be sent to them requesting an outcome for the preference within 14 days. Once the outcome is known for each preference Surrey's admissions team will issue the outcome letter to the parent.
34. Where the stated preference is for a school in a neighbouring authority the application form will be passed to that authority requesting an outcome for the preference within 14 days. Once the outcome is known for each preference Surrey's admissions team will issue the outcome letter to the parent.

35. After 16 April 2024 some parents may wish to change a preference or order of preference due to a change of circumstances. Surrey's admissions team will accept changes to preferences or order of preferences after 16 April 2024. Parents may also name additional preferences after the offer day of 16 April 2024.
36. The coordination scheme will end on 31 August 2024. Applications received after 31 August 2024 will be considered in line with Surrey's in year admissions procedures.

## Post Offer

37. Surrey's admissions team will request that resident applicants accept or decline the offer of a place by 30 April 2024, or within two weeks of the date of any subsequent offer.
38. If they do not respond by this date Surrey's admissions team will issue a reminder. If the parent still does not respond the admissions team or the school, where it is its own admission authority, will make every reasonable effort to contact the parent to find out whether or not they wish to accept the place. Only where the parent fails to respond and the admissions team or school, where it is its own admission authority, can demonstrate that every reasonable effort has been made to contact the parent, will the offer of a place be withdrawn.
39. Where an applicant resident in Surrey accepts or declines a place in a Surrey school by 30 April 2024, Surrey's admissions team will forward the information to the school by 8 May 2024.
40. Where an applicant resident in Surrey accepts or declines a place in a school maintained by another local authority by 30 April 2024, Surrey's admissions team will forward the information to the maintaining local authority by 8 May 2024. Where such information is received from applicants after 30 April 2024, Surrey's admissions team will pass it on to the maintaining local authority as it is received.
41. Where an acceptance or decline is received for a Surrey school in respect of an applicant resident outside Surrey, Surrey's admissions team will forward the information to the school as it is received.
42. When acting as a maintaining local authority, Surrey will inform the home local authority, where different, of an offer that can be made for a maintained school or academy (including a free school) in Surrey, in order that the home local authority can offer the place.
43. When acting as a maintaining local authority, Surrey and the admission authorities within it will not inform an applicant resident in another local authority that a place can be offered.
44. When acting as a home local authority, Surrey will offer a place at a maintained school or academy (including a free school) in the area of another local authority, provided that the school is ranked higher on the common application form than any school already offered.
45. When acting as a home local authority, when Surrey is informed by a maintaining local authority of an offer which can be made to an applicant resident in Surrey which is ranked lower on the common application form than any school already offered, it will inform the maintaining local authority that the offer will not be made.
46. When acting as a home local authority, when Surrey has agreed to a change of preferences or preference order, it will inform any maintaining local authority affected by the change.



47. When acting as a maintaining local authority, Surrey will inform the home local authority, where different, of any change to an applicant's offer status as soon as it occurs.
48. When acting as a maintaining local authority, Surrey will accept new applications (including additional preferences or preference order changes) from home local authorities for maintained schools and academies (including free schools) in its area.

## Waiting Lists

49. Where a child does not receive an offer of their first preference school, their name will be placed on the waiting list for each school in Surrey that is named as a higher preference school to the one they have been offered, in accordance with the policy of each admission authority. Parents will be advised that if they want to go on the waiting list for an out of county preference school that they should contact the school or the maintaining local authority for the school to establish their policy on waiting lists.
50. Details of pupils who have not been offered a higher preference school will be shared with the admission authority for each Surrey school by 16 April 2024.
51. Each admission authority will operate waiting lists so that it is clear which child will be eligible for the next offer of a place should a vacancy arise. The waiting list order will be determined by the admission criteria of the school. However, all offers must be made by the home local authority. Admission authorities are encouraged to share waiting list information confidentially with other local schools to support effective planning of school places.
52. Schools within Surrey will not inform any applicant that a place can be offered in advance of such notification being sent by the home local authority.
53. Waiting lists for each school will be held until at least the end of the Autumn term after which some schools may cancel their waiting lists. Details of how waiting lists for each school will be managed will be set out in the admission arrangements that apply to each school.



# Coordinated scheme for admission to secondary school (Year 7 and Year 10) for 2024/25

## Applications

1. Surrey's admissions team will distribute information leaflets on admissions early in September 2023. These will be distributed to all children in Year 6 in Surrey maintained schools who are resident in Surrey. The leaflet will refer parents to the Surrey County Council website [www.surreycc.gov.uk/admissions](http://www.surreycc.gov.uk/admissions) via which parents will be able to access the admissions information and apply online from 1 September 2023. Alternatively, they can obtain a secondary school admissions booklet and a paper preference form by ringing the Surrey Schools and Childcare Service on 0300 200 1004.
2. All parents living in Surrey must only complete Surrey's online application form or a Surrey paper form which will be available from 1 September 2023. Parents living outside Surrey must use their home local authority's form to apply for a place at a Surrey school. Parents living in Surrey can apply for a school in another local authority on Surrey's online or paper form. Along with all other local authorities, Surrey operates an equal preference system. Surrey's application form for Year 7 invites parents to express a preference for up to six maintained secondary schools or academies (including free schools) within and/or outside of Surrey (and any city technology college that has agreed to participate in their local authority's qualifying scheme). Surrey's application form for Year 10 invites parents to express a preference for up to three university technical colleges or studio schools. These enable Surrey County Council to offer a place at the highest possible ranked school for which the applicant meets the admission criteria.
3. In accordance with the School Admissions Code, the order of preference given on the application form will not be revealed to a school within the area of Surrey. However, where a parent resident in Surrey expresses a preference for a school in the area of another local authority, the order of preference for that local authority's school will be revealed to that local authority in order that it can determine the highest ranked preference in cases where a child is eligible for a place at more than one school in that local authority's area.
4. The closing date for all applications (either online or paper) will be 31 October 2023. Changes to ranked preferences and applications received after the closing date will not be accepted unless they are covered by the paragraphs in this scheme which relate to late applications and changes of preference. If a parent completes more than one application stating different school preferences, Surrey's admissions team will accept the form submitted on the latest date before the closing date. If the date is the same, Surrey's admissions team will contact the parents to ask them to confirm their ranked preferences.
5. Schools that are their own admission authority must not use any other application form but may use a supplementary form if they need to request additional information that is required to apply their admission criteria. Surrey County Council's website and the secondary school admissions booklet will indicate which schools require a supplementary form. Supplementary forms can be accessed via the website or can be obtained from each school. All supplementary forms should be returned to the school by the date specified by the school but in any case no later than the national closing date of 31 October 2023. The supplementary form should clearly indicate where it is to be returned. Where supplementary forms are used by admission authorities within Surrey, the admissions team will seek to ensure that these only collect additional information which is required by the published oversubscription criteria in accordance with the School Admissions Code.

6. Where a school in Surrey receives a supplementary form, Surrey's admissions team will not consider it to be a valid application unless the parent/carer has also listed the school on their home local authority's common application form.
7. Surrey's admissions team will confirm the status of any resident child for whom it receives a common application form stating s/he is a looked after or previously looked after child and will provide evidence to the maintaining local authority in respect of a preference for a school in its area by 14 November 2023.
8. Surrey's admissions team will advise a maintaining local authority of the reason for any preference expressed for a school not in its area and will forward any supporting documentation to the maintaining local authority by 14 November 2023.
9. Surrey's admissions team will advise a maintaining local authority of the reason for any application made in respect of a child resident in Surrey to be admitted outside of their correct age cohort, and will forward any supporting documentation to the maintaining local authority by 14 November 2023.
10. Surrey County Council participates in the Pan London Coordinated Admission Scheme. Surrey's admissions team will upload application data relating to preferences for schools in other participating local authorities, which have been expressed within the terms of Surrey's scheme, to the Pan London Register by 14 November 2023. Alternative arrangements will be made to forward applications and supporting information to non-participating local authorities.
11. Surrey County Council will participate in the Pan London application data checking exercise scheduled between 15 December 2023 and 2 January 2024.

## Processing

12. By 1 December 2023, Surrey's admissions team will have assessed the level of preferences for each school and will send all admission authority schools a list of their preferences so that they can apply their admission criteria.
13. By 5 January 2024 all schools which are their own admission authority will have applied their admission criteria and will provide Surrey's admissions team with a list of all applicants in rank order. This will enable Surrey to offer places to ensure that under the terms of the coordinated scheme each applicant is offered the highest possible ranked preference. Surrey County Council will expect schools to adhere to their published admission number unless there are exceptional circumstances such as if this would not enable the local authority to fulfil its statutory duty where the demand for places exceeds the number of places available.
14. Surrey's admissions team will carry out all reasonable checks to ensure that pupil rankings are correct for all schools in Surrey before uploading data to the Pan London Register.
15. Between 31 January and 12 February 2024 Surrey's admissions team will send and receive electronic files with all coordinating local authorities, in order to achieve a single offer.

## Offers

16. Surrey's admissions team will identify the school place to be offered and communicate information as necessary to other local authorities by 12 February 2024. In instances where more than one school could make an offer of a place to a child, Surrey's admissions team will offer a place at the school which the parent had ranked highest on the application form. Where Surrey is unable to offer a place at any of the preferred schools the admissions team

will offer a place at an alternative community or voluntary controlled school with places or by arrangement with an academy or foundation, free, trust or voluntary aided school with places.

17. Surrey's admissions team will not make an additional offer between the end of the iterative process and 1 March 2024 which may impact on an offer being made by another participating local authority.
18. Notwithstanding paragraph 15, if an error is identified within the allocation of places at a Surrey school, the admissions team will attempt to manually resolve the allocation to correct the error. Where this impacts on another local authority (either as a home or maintaining local authority) Surrey's admissions team will liaise with that local authority to attempt to resolve the correct offer and any multiple offers which might occur. However, if another local authority is unable to resolve a multiple offer, or if the impact is too far reaching, Surrey's admissions team will accept that the applicant(s) affected might receive a multiple offer.
19. Surrey's admissions team will participate in the Pan London offer data checking exercise scheduled between 15 and 23 February 2024.
20. Surrey's admissions team will send a file to the E-Admissions portal with outcomes for all resident applicants who have applied online no later than 26 February 2024.
21. By 1 March 2024, lists of children being allocated places will be sent to secondary schools for their information.
22. On 1 March 2024 an outcome will be sent by Surrey's admissions team to all parents who have completed a Surrey application form. Where a first preference has not been met a letter will be sent by first class post which will refer parents to Surrey's website or the Contact Centre for further advice. Parents will be asked to confirm whether or not they wish to accept any school place offered. **Under no circumstances must any school write to or make any other contact with parents to make an offer of a place, or take any action to inform them that a place will or will not be offered before 1 March 2024.**

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## Late Applications and changes of preference

23. It is recognised that applications will be received after the closing date and that some parents will wish to change their preference e.g. if a family is new to the area or has moved house. Such applications must still be dealt with and this section deals with applications received in these circumstances.

## Applications and changes of preference received after the closing date but before 1 March 2024

24. Some late applications will be treated as late for good reason. These will generally relate to applications from families who are new to the area where it could not reasonably have been expected that an application could have been made by the closing date. Applicants must be able to provide recent proof of ownership or tenancy of a Surrey property (completion or signed tenancy agreement). Other cases might relate to a single parent family where the parent has been ill or where there has been a recent bereavement of a close relative. These cases will be considered individually on their merits.
25. The latest date that an application can be accepted as late for good reason is 12 December 2023. If an application is deemed late for good reason and all supporting information is

received by this date it will be passed to any admission authority named for consideration alongside all applications received on time.

26. Where applications which have been accepted as late for good reason contain preferences for schools in other local authorities the admissions team will forward the details to maintaining local authorities as they are received.
27. Where an applicant lives out of county, Surrey will accept late applications which are considered to be on time within the terms of the home local authority's scheme.
28. The latest date for the upload to the Pan London Register of late applications which are considered to be on time is 14 December 2023.
29. Where an applicant moves from one participating home local authority to another after submitting an on time application under the terms of the former home local authority's scheme, the new home local authority will accept the application as on time up to 12 December 2023, on the basis that an on time application already exists within the Pan London system. Applicants moving to or from non-participating Pan London local authorities will be managed on a case by case basis.
30. Late applications from parents where it could reasonably have been expected that an application could have been made by the closing date and those received after 12 December 2023 will be considered as late. These applications will not be processed until after all on time applications have been considered.
31. Some parents may wish to change a preference after the closing date due to a change of circumstances. Surrey's admissions team will accept changes to preferences after the closing date only where there is good reason, such as a house move or other significant change of circumstance, which makes the original preference no longer practical. Any such request for a change of preference must be supported by documentary evidence and must be received by 12 December 2023. Any changes of preference received after 12 December 2023 will not be considered until all on time applications have been dealt with.

## **Applications and changes of preference received between 1 March 2024 and 31 August 2024**

32. Applications will continue to be received after 1 March 2024. Only those preferences expressed on the application form will be valid. Where the school is its own admission authority the application data will be sent to them requesting an outcome for the preference within 14 days. Once the outcome is known for each preference Surrey's admissions team will issue the outcome letter to the parent.
33. Where the stated preference is for a school in a neighbouring authority the application form will be passed to that authority requesting an outcome for the preference within 14 days. Once the outcome is known for each preference Surrey's admissions team will issue the outcome letter to the parent.
34. After 1 March 2024 some parents may wish to change a preference or order of preferences due to a change of circumstances. Surrey's admissions team will accept changes to preferences or order of preferences after 1 March 2024. Parents may also name additional preferences after the offer day of 1 March 2024.

35. The coordination scheme will end on 31 August 2024. Applications received after 31 August 2024 will be considered in line with Surrey's in year admissions procedures.

## Post Offer

36. Surrey's admissions team will request that resident applicants accept or decline the offer of a place by 15 March 2024, or within two weeks of the date of any subsequent offer.
37. If they do not respond by this date Surrey's admissions team will issue a reminder. If the parent still does not respond the admissions team or the school, where it is its own admission authority, will make every reasonable effort to contact the parent to find out whether or not they wish to accept the place. Only where the parent fails to respond and the admissions team or school, where it is its own admission authority, can demonstrate that every reasonable effort has been made to contact the parent, will the offer of a place be withdrawn.
38. Where an applicant resident in Surrey accepts or declines a place in a Surrey school by 15 March 2024, Surrey's admissions team will forward the information to the school by 22 March 2024.
39. Where an applicant resident in Surrey accepts or declines a place in a school maintained by another local authority by 15 March 2024, Surrey's admissions team will forward the information to the maintaining local authority by 22 March 2024. Where such information is received from applicants after 15 March 2024, Surrey's admissions team will pass it on to the maintaining local authority as it is received.
40. Where an acceptance or decline is received for a Surrey school in respect of an applicant resident outside Surrey, Surrey's admissions team will forward the information to the school as it is received.
41. When acting as a maintaining local authority, Surrey will inform the home local authority, where different, of an offer that can be made for a maintained school or academy (including a free school) in Surrey, in order that the home local authority can offer the place.
42. When acting as a maintaining local authority, Surrey and the admission authorities within it will not inform an applicant resident in another local authority that a place can be offered.
43. When acting as a home local authority, Surrey will offer a place at a maintained school or academy (including a free school) in the area of another local authority, provided that the school is ranked higher on the common application form than any school already offered.
44. When acting as a home local authority, when Surrey is informed by a maintaining local authority of an offer which can be made to an applicant resident in Surrey which is ranked lower on the common application form than any school already offered, it will inform the maintaining local authority that the offer will not be made.
45. When acting as a home local authority, when Surrey has agreed to a change of preferences or preference order, it will inform any maintaining local authority affected by the change.
46. When acting as a maintaining local authority, Surrey will inform the home local authority, where different, of any change to an applicant's offer status as soon as it occurs.
47. When acting as a maintaining local authority, Surrey will accept new applications (including additional preferences or preference order changes) from home local authorities for maintained schools and academies (including free schools) in its area.

## Waiting Lists

48. Where a child does not receive an offer of their first preference school, their name will be placed on the waiting list for Surrey schools that are named as a higher preference school to the one they have been offered, in accordance with the policy of each admission authority. Parents will be advised that if they want to go on the waiting list for any out of county preference school that they should contact the school or the maintaining local authority for the school to establish their policy on waiting lists.
49. Details of pupils who have not been offered a higher preference school will be shared with the admission authority of each Surrey school by 1 March 2024.
50. Each admission authority will operate waiting lists so that it is clear which child will be eligible for the next offer of a place should a vacancy arise. The waiting list order will be determined by the admission criteria of the school. However, all offers must be made by the home local authority. Admission authorities are encouraged to share waiting list information confidentially with other local schools to support effective planning of school places.
51. Schools within Surrey will not inform any applicant that a place can be offered from a waiting list in advance of such notification being sent by the home local authority.
52. Waiting lists for each school will be held until at least the end of the Autumn term after which some schools may cancel their waiting lists. Details of how waiting lists for each school will be managed will be set out in the admission arrangements that apply to each school.





**SURREY**  
COUNTY COUNCIL

[www.surreycc.gov.uk](http://www.surreycc.gov.uk)

Making Surrey a better place

# Addressing Inequalities

## Equalities Impact Assessment



# Surrey County Council Equality Impact Assessment Template

## Stage one – initial screening

<b>What is being assessed?</b>	<b>Coordinated admissions scheme for 2024</b>
<b>Service</b>	<b>School Admissions</b>
<b>Name of assessor/s</b>	<b>Claire Potier</b>
<b>Head of service</b>	<b>Jane Edwards</b>
<b>Date</b>	<b>4 August 2022</b>
<b>Is this a new or existing function or policy?</b>	<b>Existing policy under review</b>

**Write a brief description of your service, policy or function. It is important to focus on the service or policy the project aims to review or improve.**

Coordinated admissions schemes describe the process by which each local authority will coordinate the applications for school places for their residents and for their schools, the exchange of information about preferences between admission authorities (including schools and other local authorities) and how they will make offers of places for schools in their area. There is a statutory duty for each LA to formulate and publish their scheme by 1 January each year.

**Indicate for each equality group whether there may be a positive impact, negative impact, or no impact.**

<b>Equality Group</b>	<b>Positive</b>	<b>Negative</b>	<b>No impact</b>	<b>Reason</b>
<b>Age</b>			X	
<b>Gender Reassignment</b>			X	
<b>Disability</b>			X	
<b>Sex</b>			X	
<b>Religion and belief</b>			X	

<b>Pregnancy and maternity</b>			<b>X</b>	
<b>Race</b>			<b>X</b>	
<b>Sexual orientation</b>			<b>X</b>	
<b>Carers</b>			<b>X</b>	
<b>Other equality issues – please state</b>			<b>X</b>	
<b>HR and workforce issues</b>			<b>X</b>	
<b>Human Rights implications if relevant</b>			<b>X</b>	

**If you find a negative impact on any equality group you will need to complete stage one and move on to stage two and carry out a full EIA.**

**A full EIA will also need to be carried out if this is a high profile or major policy that will either effect many people or have a severe effect on some people.**

<b>Is a full EIA required?</b>	<b>Yes (go to stage two)</b>	<b>No</b>
		<b>X</b>
<b>If no briefly summarise reasons why you have reached this conclusion, the evidence for this and the nature of any stakeholder verification of your conclusion.</b>		
The coordinated admissions scheme applies equally to all applicants and will not have a negative impact on any specific equality group.		
<b>Briefly describe any positive impacts identified that have resulted in improved access or services</b>		
The coordinated admissions scheme will ensure applications for a school place, including the most vulnerable, will be considered in an efficient and timely manner.		

**For screenings only:**

<b>Review date</b>	<b>4 August 2023</b>
<b>Person responsible for review</b>	<b>Claire Potier</b>
<b>Head of Service signed off</b>	<b>Jane Edwards</b>
<b>Date completed</b>	<b>4 August 2022</b>

- Signed off electronic version to be kept in your team for review
- Electronic copy to be forwarded to Equality and Diversity Manager for publishing

**Stage 2 – Full Equality Impact Assessment - please refer to [equality impact assessment](#) guidance available on Snet**

## Introduction and background

**Using the information from your screening please describe your service or function. This should include:**

- The aims and scope of the EIA
- The main beneficiaries or users
- The main equality, accessibility, social exclusion issues and barriers, and the equality groups they relate to (not all assessments will encounter issues relating to every strand)

**Now describe how this fits into ‘the bigger picture’ including other council or local plans and priorities.**

## Evidence gathering and fact-finding

**What evidence is available to support your views above? Please include a summary of the available evidence including identifying where there are gaps to be included in the action plan. *Remember to consider accessibility alongside the equality groups***

Sources of evidence may include:

- Service monitoring reports including equality monitoring data
- User feedback
- Population data – census, Mosaic
- Complaints data
- Published research, local or national.
- Feedback from consultations and focus groups
- Feedback from individuals or organisations representing the interests of key target groups
- Evidence from partner organisations, other council departments, district or borough councils and other local authorities

**How have stakeholders been involved in this assessment? Who are they, and what is their view?**

## Analysis and assessment

**Given the available information, what is the actual or likely impact on minority, disadvantaged, vulnerable and socially excluded groups? Is this impact positive or negative or a mixture of both?  
(Refer to the EIA guidance for full list of issues to consider when making your analysis)**

**What can be done to reduce the effects of any negative impacts? Where negative impact cannot be completely diminished, can this be justified, and is it lawful?**

**Where there are positive impacts, what changes have been or will be made, who are the beneficiaries and how have they benefited?**

### Recommendations

**Please summarise the main recommendations arising from the assessment. If it is impossible to diminish negative impacts to an acceptable or even lawful level the recommendation should be that the proposal or the relevant part of it should not proceed.**

### Action Plan – actions needed to implement the EIA recommendations

Issue	Action	Expected outcome	Who	Deadline for action

- Actions should have SMART Targets
- Actions should be reported to the Directorate Equality Group (DEG) and incorporated into the Equality and Diversity Action Plan, Service Plans and/or personal objectives of key staff.

Date taken to Directorate Equality Group for challenge and feedback	
Review date	
Person responsible for review	
Head of Service signed off	

Date completed	
Date forwarded to EIA coordinator for publishing	

- **Signed off electronic version to be kept in your team for review**
- **Electronic copy to be forwarded to your service EIA coordinator to forward for publishing on the external website**

#### **EIA publishing checklist**

- Plain English – will your EIA make sense to the public?
- Acronyms – check that you have explained any specialist names or terminology
- Evidence – will your evidence stand up to scrutiny; can you justify your conclusions?
- Stakeholders and verification – have you included a range of views and perspectives to back up your analysis?
- Gaps and information – have you identified any gaps in services or information that need to be addressed in the action plan?
- Legal framework – have you identified any potential discrimination and included actions to address it?
- Success stories – have you included any positive impacts that have resulted in change for the better?
- Action plan – is your action plan SMART? Have you informed the relevant people to ensure the action plan is carried out?
- Review – have you included a review date and a named person to carry it out?
- Challenge – has your EIA been taken to your DEG for challenge
- Signing off – has your Head of Service signed off your EIA?
- Basics – have you signed and dated your EIA and named it for publishing?

**SURREY COUNTY COUNCIL****CABINET****DATE: 29 NOVEMBER 2022****REPORT OF CABINET MEMBER: CLARE CURRAN, CABINET MEMBER FOR EDUCATION AND LEARNING****LEAD OFFICER: RACHAEL WARDELL, EXECUTIVE DIRECTOR OF CHILDREN, FAMILIES AND LIFELONG LEARNING****SUBJECT: SURREY SCHOOLS & EARLY YEARS FUNDING 2023-24****ORGANISATION STRATEGY PRIORITY AREA: GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT****Purpose of the Report:**

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

This report sets out the recommended funding formula for Surrey mainstream schools in 2023/24 and also proposes the principles to be adopted in the funding of early years in 2023/24.

The Safety Valve agreement includes a 1% block transfer from the Schools' block DSG to the High Needs block in each year of the five-year term of the agreement. Although schools do not have formal approval over the request, the Council are required to consult and share the outcome with the Secretary of State.

This report proposes funding arrangements for schools and relates to the organisational strategy and priority to grow a sustainable economy.

**Recommendations:**

It is recommended that Cabinet approve the proposals below, namely that:

1. The Council implement the Department for Education's (DfE) recommended Minimum Per Pupil Level in full;
2. The Schools Forum's formula recommendations for schools and early years funding as set out in Annex 3, be approved; and the decisions in Annex 4 implemented
3. The transfer of 1.0% (estimated at £7.8m) from the Schools' block DSG to the High Needs DSG (subject to approval by Secretary of State).
4. Authority is delegated to the Director of Education and Lifelong Learning in consultation with the Executive Director of Children, Families and Lifelong Learning and the Cabinet Member for Education and Learning to:

- a. approve amendments to the funding rates in the schools and early years formulae as appropriate following receipt of the DSG settlement and DfE pupil data in December 2022. This is to ensure that total allocations to schools under this formula remain affordable within the council's DSG settlement.
- b. determine the use of the former "combined services" funding, estimated at £445,000 for 2023/24, following consultation with Schools Forum where appropriate.
- c. approve changes to funding arrangements for pupils with Education Health and Care Plans (EHCPs) placed in mainstream schools. Work is underway to design a new framework to be implemented for the academic year 2023/2024, subject to consultation.
- d. agree 2022/23 one-off exceptional funding allocations for Special Schools

#### Reason for Recommendations:

To comply with DfE regulations requiring formal council approval of the local funding formula for Surrey's early years settings, primary and secondary schools.

#### Executive Summary:

#### BACKGROUND

1 Dedicated Schools Grant (DSG) funding is provided to the LA in four blocks covering:

- Schools
- Schools' Central Services
- High Needs: special educational needs and disabilities (SEND)
- Early Years

The services provided within these blocks and indicative 2023/24 funding are summarised below. Final funding allocations for 2023/24 will be published in December 2022 and will take into account pupil number changes between October 2021 and October 2022. Figures included are therefore indicative until final funding allocations are released.

a) **Schools £776.9m** (*indicative 2023/24 based on October 2021 pupil numbers and excluding growing schools' allocation*)

The Schools' block provides the funding for pupils aged 4-15 in all Surrey's mainstream schools, including academies. Individual schools' budgets are allocated on the basis of a formula currently determined locally, albeit within DfE parameters.

The DfE is phasing in a national funding formula (NFF) for schools. Local authorities are expected to manage this transition by adjusting their own local formulae in the direction of the NFF. In 2022/23, Surrey's formula factors are close to the NFF. The main exception is that the lump sums were set slightly higher than the NFF and the basic entitlement rates correspondingly lower, to offer a little protection to small schools.



b) **Schools' Central Services £6.4m** (2023/24 indicative)

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 management of schools' formula funding. This is £0.035m more than the 2022/23 grant.

c) **High Needs SEND £208.6m** (2023/24 indicative)

The High Needs block funds pupils with special educational needs and disabilities (SEND). It funds Surrey's special schools, SEND centres in mainstream schools, alternative provision including pupil referral units (PRUs), post 16 SEND provision and education for 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 Education Health and Care Plans (EHCPs). It also funds specialist support services (e.g. physical and sensory support, speech & language therapies).

d) **Early Years £79.5m** (provisional 2022/23 allocation)

The Early Years block funds nursery education for two, three and four year olds in maintained schools, maintained nurseries, academies and private, voluntary and independent (PVI) settings. Funding for three – four year olds is expected to be £75.1m in 2022/23, with £4.4m provided for two year olds. Funding is based on consecutive January counts so final figures will not be published until summer 2023. No indicative allocation has been published for 2023/24.

### Focus of this report

- 2 This report concentrates on Cabinet decisions relating to schools funding and early years. It does not address pupil premium or sixth form funding as these are central government allocations, distributed to schools 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 DSG. Membership is prescribed by regulations, and comprises head teachers, governors, academy representatives and 'non-school' representatives from early years providers, diocesan bodies, teaching unions, post-16 providers and representatives of families whose children have additional needs (Family Voice in Surrey). The Forum has a largely consultative role but has decision making powers in specific areas, including the transfer of funding from the Schools' block. Voting on some issues is restricted to members in the affected 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 Schools' block of the DSG. Funding is allocated to Surrey schools using a local formula that is reviewed annually by the council. Annex 1 details the funding allocated to each funding factor in 2022/23.
- 5 In 2023/24 the DfE is increasing schools funding nationally by £1.5 bn, of which £0.570bn is for 'SEND' and the remainder for mainstream schools. This is the second year of a three-year increase in schools funding announced in autumn 2021. Minimum (average) per pupil funding levels (MPPL) are being increased from £4,265 per primary pupil to £4,405 and from £5,525 per secondary pupil to £5,715 in 2023/24. These minimum funding levels are mandatory at local level, although the government has consulted on circumstances in which the Secretary of State may allow the per pupil levels to be reduced. These changes are estimated to mean an increase, to Surrey, of £13.7m in NFF schools funding and £9.2m in high needs block funding in 2023/24, before the impact of changes in pupil numbers but after assimilation of Schools Supplementary Grant (a separate grant allocated to mainstream schools in 2022/23 which is being merged into DSG in 2023/24).
- 6 Since 2020 the DfE has no longer allowed LAs to meet overspends on DSG budgets from the General Fund. In Surrey this currently affects the high needs block as this has a cumulative and annual deficit. This change increases the pressure to reduce the high needs overspend within DSG. The High Needs DSG deficit is likely to be around £92m by 31 March 2023. The SEND transformation programme aims to reduce costs whilst providing excellent SEND services. The programme is on track with continued action to reduce costs in future years. In order to ensure stability of the Council's balance sheet, the High Needs block deficit has been matched by a General Fund reserve. Surrey has entered into a "safety valve" agreement whereby the DfE will contribute towards the cost of the high needs deficit, alongside contributions from the general fund reserve and from schools (see paragraph .12 below).
- 7 The DfE is continuing to phase in a National Funding Formula (NFF) to replace the individual school funding formulae of 150 local authorities. The government has recently restated its intention to move to a "direct" national funding formula for schools, meaning no local discretion over formula factors and has implemented changes which limit the extent by which LA formula factors may differ from the NFF.
- 8 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.
- 9 During 2022/23 the LA received specific grant to distribute to schools to support pupils in attendance on the Homes for Ukraine scheme. This grant is unrelated to DSG and there is currently no indication any such grant will be paid in 23/24. Further announcements will be monitored and communicated to schools as appropriate should this change.

### Consultation with Surrey schools on changes from April 2023

- 10 In July 2022, the DfE published its NFF funding rates and provisional allocations for 2023/24. During September 2022 all Surrey primary and secondary schools (including academies) were consulted on a number of options for the 2023/24 local schools funding formula.
- 11 The key issues for schools to consider were:
- i. The local schools' funding formula - including the transfer of 1.0% of the total Schools budget (estimated at £7.8m) to the high needs block to support the safety valve agreement
  - ii. 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

- 12 Schools were consulted on a number of proposed changes to the local formula. Annex 2 summarises the responses of schools and the Schools Forum to the consultation.
- 13 Council has already approved the Safety Valve agreement under which 1% of Schools Block funding is to be transferred to high needs block annually in each year of the agreement (2023/24 - 2027/28). However, the transfer still requires annual approval by Secretary of State and therefore Cabinet is asked to approve a proposed set of formula factors, plus a "reserve" set, to be used only if the transfer proposal is rejected by Secretary of State.

It should be noted that:

- Schools' Forum recognised the importance of the safety valve agreement, but had expressed concerns that the proposed transfer of 1.0% (estimated at £7.8m) from schools' budgets to high needs (SEND) budget was unaffordable in the current climate and their feedback will be shared with disapplication request.
- Those schools which receive additional funding to comply with the minimum per pupil level requirement (31% of schools in 2022/23) will not see a lower increase in funding as a result of the proposed transfer to high needs block. Therefore, the cost of the transfer would be borne by the remaining schools

#### Other Schools Funding issues

- 14 Schools' views were sought on a number of other issues as follows:

a) Minimum Funding Guarantee (MFG).

The MFG protects schools that might otherwise see a fall in average funding per pupil and can be set at a range between +0% and +0.5% by local authorities in 2023/24 (2022/23: 0.5% to +2%). In 2022/23 Surrey adopted a 2.0% MFG (the highest permissible). For 2023/24, Surrey is proposing an 0.5% MFG, whether or not the proposed transfer from Schools Block to High Needs Block is approved. This means that schools on MFG do not contribute to the cost of the block transfer.

b) Adoption of NFF funding rates

In 2022/23 Surrey formula funding rates were generally set at 0.2% above NFF rates (except that the lump sum was set slightly higher than that and the basic entitlement slightly lower, in order to protect small schools).

In 2023/24 schools were asked to choose between two sets of funding rates, which differed in the proportion of funding growth allocated through deprivation factors. A small majority supported the option with the higher deprivation funding (see Annex 2) and this is being recommended.

Schools were also asked if they would support the use of NFF formula factors modified for a higher lump sum, should the proposed transfer from schools block to high needs block not be approved. Schools supported this 'reserve proposal' In 2023/24.

c) Ceiling on per pupil gains

The local authority is allowed to impose a ceiling on per pupil funding gains, so that schools which would see large per pupil gains do not see those gains in full. In 2021/22, Surrey could deliver NFF factors without a ceiling, but in 2022/23 Surrey adopted a ceiling of 3.9% in order to deliver NFF factors against a large increase in deprivation. Schools supported the use of a ceiling in 2023/24 if it is necessary in order to deliver the proposed funding rates (as set out in annex 5) if there is a large increase in the cost of additional needs when October 2022 data is available. The alternative would be to reduce formula funding rates to all schools. Schools agreed that any ceiling (on large per pupil gains) should be set at such a level as to minimise the impact on small schools.

d) Level of the lump sum

In 2022/23 Surrey increased the lump sum factor for both primary and secondary schools by 3.0%, in line with the national increase in funding rates, even though Surrey's lump sum was already higher than the NFF lump sum. The LA proposed, and schools supported, an increase in lump sums in line with the increase in other formula factors in 2023/24 in order to assist small schools.

e) Other changes

A few minor changes were proposed and supported

- 15 Annex 3 summarises the recommendations of the Schools' Forum. Decisions made by the Schools' Forum are listed in Annex 4. The Surrey schools funding formula factors and their proposed provisional values for 2023/24 are set out in Annex 5.

Within the Central Schools Services block there is a sum estimated at £445,000 in 2023/24, which is the residue of a larger sum which was originally devolved to schools to support local confederations/partnerships and additional school improvement work. As this is not part of the NFF Schools Budget, there is no legal requirement to delegate this to schools. However, schools have received this (or equivalent) funding through the funding formula, annually since 2017/18, and over and above the NFF, in a way intended to reflect as closely as possible the former devolved allocations. It is proposed that the use of this sum in 2023/24 is agreed by the Director of Education and Lifelong Learning in consultation with the Executive Director

for Children, Families and Lifelong Learning and the Cabinet Member for Education and Learning, following further discussion with the Schools' Forum, in order to retain maximum flexibility to target this sum as required.

### **B. De-delegated services**

- 16 The Schools' Forum can agree on behalf of all Surrey maintained primary and secondary schools to automatically deduct funding from individual maintained schools' budgets to provide specific services. These include behaviour support, ESS SIMS licences, free school meals eligibility checking and Trade Union Facility time. Prior to this decision – which must be made annually – all schools are consulted. All such proposals received majority support from schools and were agreed by the Schools' Forum. The outcome of schools' responses and the Forum's decisions are summarised in Annex 2 and 4 respectively. De-delegation arrangements are not permitted to be introduced for academies or special schools, and thus will cease in time as all schools convert to academies.

The Schools' Forum may also agree to deduct funding from maintained schools to fund statutory school improvement, for which the LA received a separate grant up to 2022/23. In 2023/24 the LA asked for a deduction of £12.65 per pupil (2022/23: £6.50) which is estimated to raise around £0.6m. The increase is due to the loss of grant. This proposal was not supported by a majority of maintained schools. Schools' Forum recognised schools' concerns at the proposed level of deductions, and deferred a decision pending further discussions on different levels of deductions from maintained schools. Should Schools Forum not agree adequate funding, this would be an additional pressure on general fund.

### **C. SEND funding in mainstream schools**

- 17 Officers are currently working with a group of mainstream school headteachers to develop an improved and more flexible framework for distributing funding for high needs SEND pupils in mainstream schools. It is anticipated that schools will be consulted on detailed proposals during the second half of the autumn term. Subject to sufficient support from schools, it is proposed that the changes would be implemented from September 2023. The proposals should be affordable within existing budgets. It is proposed that a decision on implementation is delegated to the Director of Education and Lifelong Learning in consultation with the Executive Director and the Cabinet Member for Education and Learning.

### **EARLY YEARS**

- 18 Local authorities receive funding (currently estimated to be £75.1m in 2022/23) from the DfE for free nursery entitlement for three and four year olds through the Early Years block of the 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. The council consulted providers during September on changes to early years funding for 2023/24.
- 19 DfE has not yet announced the hourly rates which it will pay to LAs for early years provision in 2023/24. Rates for 2023/24 are expected to be announced in November 2022.

- 20 Early years providers must be funded on a termly count whereas the DfE normally 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.
- 21 Local authorities can retain up to 5% of the Early Years funding for 3-4 year olds centrally in 2023/24 (the same level as retained by Surrey in 2022/23) if approved by the Schools' Forum.; The remainder must be passed on to individual providers. Following general support from the sector, the Forum has agreed that in 2023/24 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 a sum to continue a separate SEN inclusion fund for two year olds.
- 22 Following majority support from early years providers in the September funding consultation, Schools Forum also supported use of the whole of any increase in DfE funding rates for three and four year olds to increase the basic hourly rate to providers, plus a further 6p/hr increase reflecting historic underspends. Additionally, funding rates for free meals provision for eligible children in maintained and academy nurseries will be linked to the schools NFF free meals rate, simplifying the process of setting the future funding rate.
- 23 There is a separate DfE grant allocation for two year olds (estimated to be £4.4m in 22/23). The council has funded providers for two year olds at the DfE hourly rate. It is recommended that the whole of this budget continues to be passed onto providers. However, as historically this budget has been overspent, because termly take up exceeds the average of the January census count, as outlined above it may be prudent not to increase the provider rate in 2023/24 by the full amount of any increase in DfE funding rates.

#### **FINE-TUNING OF SCHOOLS' AND EARLY YEARS FORMULAE FOLLOWING DSG SETTLEMENT**

- 24 At this stage, proposed formula values can only be provisional as school formula funding allocations must be based on pupil numbers and characteristics data collected in the October 2022 pupil census – data which is unavailable to local authorities until mid-December 2022. The DfE therefore enables local authorities to fine-tune our proposed formula values by 20 January 2023, to ensure the formula is affordable within the funding settlement. In particular, there is a risk that the current situation with the cost-of-living crisis may mean an increase in the number of pupils qualifying for deprivation funding.
- 25 Fine-tuning of the formulae at that time will be considered by the Director of Education and Lifelong Learning in consultation with the Cabinet Member for Education and Learning.

#### **SPECIAL SCHOOLS**

- 26 Special schools are funded from High Needs DSG, on a per pupil basis. Currently, each school receives:



- £10,000 for every place, this is known as 'place funding' as set out by the DfE;
  - an additional sum per place in lieu of the former teachers' pay and pensions grant;
  - an additional amount per pupil, based on the needs of the pupil as determined by the Special Schools banding matrix.
- Funding rates for special schools and pupil referral units are normally reviewed annually, taking into account inflation pressures on schools (in particular cost of pay increases) and overall pressures on the high needs budget.

### **Additional inflation allocation for special schools and PRUs for 2022/23**

- 27 The pay increase for Surrey support staff in 2022/23 was higher than anticipated when schools' budgets were set, due to the increase in inflation rates from spring 2022. The increase particularly affected special schools, which spend a higher proportion of their budget on support staff on lower grades, and to a smaller extent pupil referral units. Unlike mainstream schools, where inflation was funded through the NFF and schools supplementary grant, the level of inflation provision for special schools and PRUs is a local decision. In order to provide some mitigation against the estimated cost of the increase over and above the 2% for which schools were advised to budget in February/March, it is proposed to make a one-off allocation of £1.0m from unspent non-high needs block DSG to assist special schools and PRUs to meet the extra cost. Any continuing funding for 2023/24 would then need to be considered as part of budget discussions for 2023/24.

### **Consultation:**

- 28 Following receipt of the DfE's updated guidance and illustrative funding for 2023/24 in late July 2022, a Schools Funding Consultation paper was distributed to all schools in early September detailing options for the funding of Surrey schools in 2023/24. A total of 114 schools submitted responses by the deadline, representing 29% of schools, a decrease compared to last year's response rate of 49.6%. Schools' collective responses and comments were discussed at the Surrey Schools Forum on 6 October when recommendations / decisions were made. These are set out in this report.
- 29 A separate consultation was undertaken with early years providers. Responses were received from 64 early years providers (23 state schools and 41 private, voluntary and independent providers) with majority support for all proposals, responses are shown in Annex 6. Accordingly, they are all recommended by Schools Forum for approval by Cabinet.
- 30 The Cabinet Members for Education and Lifelong Learning and Finance and Resources were engaged regularly as the Safety Valve proposals were in development between December 2021 and March 2022. The CFLL Select Committee was briefed on the Safety Valve agreement on 07/04/2022, and received an update as part of the Additional Needs and Disabilities Strategy and Transformation item on 04/10/2022. The new Cabinet Members were



provided a briefing on the Safety Valve agreement on 21/10/2022 and the Member Budget Task Group on 07/11/2022.

#### **Risk Management and Implications:**

- 31 Schools are funded by DSG. Primary and Secondary schools are funded from the Schools block within DSG, with the High Needs block funding special schools.
- 32 Schools' financial challenges and reduced funding to local authorities to intervene in weak schools are creating risks that more schools may accumulate deficits and also be judged inadequate by OFSTED. Challenging budgets may lead to a reduction in the quality of provision. Inadequate schools are forced to convert to sponsored academies, leaving any accumulated deficits as a cost to the council.

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

- 33 In line with Surrey's Safety Valve agreement the latest 2022/23 High Need Block (HNB) DSG forecast is an overspend of £26m. This would result in a c£92m cumulative HNB DSG overspend at the end of the year. The SEND transformation programme on track to contain the overspend as planned.
- 34 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 expect the school to 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.
- 35 As at 1 October 2022, a total of 186 schools have converted to academy status (133 primary, 38 secondary and 12 special and three alternative provision academies) and there are eight 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:**

- 36 Although significant progress has been made to improve the Council's financial position, the financial environment remains challenging. The UK is experiencing the highest levels of inflation for decades, putting significant pressure on the cost of delivering our services. Coupled with continued increasing demand and fixed Government funding this requires an increased focus on financial management to ensure we can continue to deliver services within available funding. In addition to these immediate challenges, the medium-term financial outlook beyond 2022/23 remains uncertain. With no clarity on central government funding in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term.

- 37 As such, the Section 151 Officer supports the Schools and Early Years funding proposals for 2023/24.

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

- 38 The School and Early Years Finance (England) Regulations 2022 set out the process that must be followed by the local authority for consulting on and maintaining the local formula arrangements to allocate funding to mainstream schools and early years providers. The Schools Revenue Funding Operational Guide published by the Education and Skills Funding Agency provides additional guidance.
- 39 The process has been followed and the local authority has carried out a consultation on the proposal which is in accordance with statutory requirements. Such consultation involved those directly affected by the changes together with relevant representative groups.
- 40 There is a clear expectation in public law that the Cabinet should give due regard to the responses to the consultation before considering the recommendations put before Cabinet. The responses to the consultation will need to be conscientiously taken into account when Cabinet makes a decision.
- 41 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.
- 42 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:**

- 43 Equality Impact Assessments (EIA) have been completed and set out in Annex 7.

#### **Other Implications:**

- 44 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.

<b>Area assessed:</b>	<b>Direct Implications:</b>
Corporate Parenting/Looked After Children	DfE no longer allow us to provide formula funding for Looked After Children as of 2023/24. To mitigate this looked after children receive additional funding via the pupil premium plus, the value of which was increased between 2017/18 and 2018/19 from £1,900 to £2,300.
Safeguarding responsibilities for vulnerable children and adults	No significant implications arising from this report
Environmental sustainability	No significant implications arising from this report
Compliance against net-zero emissions target and future climate compatibility/resilience	No significant implications arising from this report.
Public Health	No significant implications arising from this report

#### **What Happens Next:**

The next steps are as follows:

##### Schools' Funding Formula

- 45 The DfE will provide local authorities with updated pupil data at school level during December 2022 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 20 January 2023.
- 46 Surrey maintained schools will receive their individual schools budgets from the council by the end of February 2023. 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 funding formula

- 47 If approved by the Cabinet, the hourly rates will be subject to fine-tuning if necessary, to ensure affordability following receipt of census data and published by 31 March 2023.

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### **Report Author:**

Liz Mills, - Director, Education and, Lifelong Learning, 020 8541 9907

### **Consulted:**

Leigh Whitehouse, Executive Director of Resources

The Surrey Schools Forum

All Surrey schools – via the Schools Funding Consultation, issued September 2022

All Surrey early years providers (for the early years funding changes)

### **Annexes:**

- Annex 1 Allocation of Schools Funding Across Formula Factors
- Annex 2 Responses to Surrey Schools' Funding Consultation September 2022
- Annex 3 Recommendations of Schools Forum
- Annex 4 Schools Forum Decisions
- Annex 5 Proposed Surrey Schools Funding Formula Factors 2023/24
- Annex 6 Responses to Early Years Consultation September 2022
- Annex 7 Equalities Impact Assessment

### **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 2023/24. Department for Education, July 2022

2022/23 Schools revenue funding. Operational Guide. DfE July 2022.

The School & Early Years Finance (England) Regulations 2022

The Education Act 2002

The Education Act 2011

The Schools Standards & Framework Act 1998

Schools' Funding Consultation: Proposals for Changes in 2023/24  
Surrey County Council, September 2022

Early Years Entitlements: Local Authority Funding of Providers, Operational Guide 2022/23, Department for Education November 2021

The Dedicated Schools Grant conditions of grant, DfE January 2022

**Annex 1****ALLOCATION OF SCHOOLS FUNDING ACROSS FORMULA FACTORS**

The table below lists the funding allocated to the schools funding formula factors in 2022/23 and the recommended allocations for 2023/24 based on Oct 2021 pupil numbers and characteristics

	Allocated to Surrey schools 2022/23	Recommended allocations to Surrey schools (with 1% transfer to high needs block) 2023/24
	£m	£m
Basic Entitlement	594.9	618.9
Deprivation funding	32.0	34.8
Lump sum (flat rate)	47.2	49.0
Low prior attainment (SEND indicator)	42.5	42.9
Looked after children	0.2	0
English as an Additional Language	6.0	6.0
Split site funding	0.5	0.5
Rates, rent and other premises factors	6.2	6.2
Pupil mobility	0.4	0.4
Sparsity	0.2	0.2
Additional funding to reach minimum per pupil level (MPPL) (new factor)	8.4	7.3
Minimum Funding Guarantee	4.0	3.7
Ceiling deduction	-0.3	0
Total	<b>742.2</b>	<b>769.9</b>
Growing schools	<b>3.8</b>	<b>TBC</b>
Transfer to high needs block		<b>7.8</b>
NFF schools block	<b>746.0</b>	

## Annex 2

### SURREY SCHOOLS' FUNDING CONSULTATION

September 2022

114 Surrey schools responded to the consultation by the deadline, comprising 29% of all schools. Not all schools responded to every question.

The views of schools and the recommendations of Schools Forum are set out below.

Where the Schools Forum has decision making powers, this is indicated by 'D'.

Schools expressing no views are excluded.

Those question numbers asking for comments only are excluded from this summary table. A summary of comments will be made available to Cabinet members.

Questions	Schools' views		Schools Forum recommendation / decision (D)	Officer Recommendation to Cabinet
	Yes	No		
7 Do you support the transfer of 1% of the schools block allocation to the high needs block in 2023/24, in order to support the implementation of the safety valve agreement which secures additional funding towards the historic high needs deficit? (Section C1)	49	61		Implement
8 Of the proposals listed in section C2 for the 2023/24 formula do you think Proposal A better meets the need of Surrey schools? (Section C2.1) Or proposal B? *=mainstream schools (proposal doesn't affect special schools)	57 (50*)  40		Proposal A	Proposal A
9 Do you support the proposed "reserve" proposals for minimum funding guarantee and formula factors, if no block transfer is approved ? (i.e. basically full NFF)	71	25	Yes	Yes, if necessary
10 Do you agree that a ceiling on per pupil gains should be used only if necessary to maintain the proposed MFG and funding rates?	89	18	Yes	Yes

		Schools' views		Schools Forum recommendation / decision (D)	Officer Recommendation to Cabinet
		Yes	No		
11	Do you agree that any ceiling should be set at such a level as to minimise the impact on small schools?	99	10	Yes	Yes
14	(Maintained schools only) Do you support the deduction of £12.65 per pupil/place from maintained schools' budgets (an increase of £6.15/pupil compared to 2022/23) in order to maintain statutory school improvement services to Surrey LA maintained schools? (section C3)	22	31	Defer(D)	
15	(Maintained schools only) Do you support continued deduction of £8.75/pupil from the budget of maintained schools, to fund additional school improvement support such as that described (in the consultation paper)?	29	21	Defer(D)	
16	De-Delegation of funds from maintained schools' budgets Do you support...?: <u>Primary schools only:</u> a) Behaviour support b) Capita SIMS licences c) Teaching Association time d) Other special staff costs e) Free school meals eligibility checking f) Traveller support <u>Secondary schools only:</u> b) Capita SIMS licences c) Teaching Association time d) Other special staff costs e) Free school meals eligibility checking	38 42 35 31 46 39  3 2 2 2	8 4 7 8 3 9  0 1 1 1	Yes (D) Yes (D) Yes (D) Yes (D) Yes (D) Yes (D)  Yes (D) Yes (D) Yes (D) Yes (D)	Yes Yes Yes Yes Yes Yes  Yes Yes Yes Yes



The Forum supported the majority views of schools except for Q14 and Q15 (both of which are for Forum decision), where the Forum deferred a decision pending further discussions.

NOTE Q1-6 simply asked for details of the respondents. Q12 was not considered because it was required only in the event that Q10 was not supported.

### **Annex 3**

#### **RECOMMENDATIONS TO CABINET**

1. 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 0.5% (the maximum permissible) and the minimum per pupil funding delivered in full.
- b) Formula funding factor rates should increase by 0.88%, and deprivation rates by 2.75% (and thus deprivation rates increase by 1.9% more than other funding rates, in line with the NFF).
- c) Full NFF rates should be adopted in the event that a transfer to high needs block is not approved (although this is seen to be unlikely).
- d) That lump sum funding should be increased by the same percentage as other formula factors.
- e) That a ceiling (maximum limit) on per pupil funding gains is used only if necessary to deliver the above increases, and that if needed it should be set at such a level as to avoid disproportionate disadvantage to small schools.

##### Early Years Funding

- f) Any increase in DfE funding for early years provision for two year olds should be passed on to providers, but in setting the hourly rate paid to providers, the council should have regard to the need to contain costs within the available funding. This means increasing the hourly rate by a smaller sum than the increase in the DfE rate.
- g) All of any increase in the DfE hourly funding rate for three and four year olds should be used to increase the basic hourly rate for providers, plus a further increase (estimated at 6p) reflecting historic underspend.
- h) That funding for free meals provision in maintained and academy nurseries should be linked to the funding rate for free school meals in the mainstream schools NFF.
- i) That the additional funding provided by DfE for maintained nursery schools should continue to be passed on in full to maintained nursery schools, on the same basis as in 2022/23.

## Annex 4

### **SCHOOLS FORUM DECISIONS**

At its meeting on 6 October 2022, the Schools Forum made the following decisions:

#### Schools Funding

1. That specific services are approved for automatic de-delegation from maintained primary and secondary schools' budgets.

#### Early Years

2. That the local authority may retain 5% 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 continue the SEND inclusion fund for 2 year olds. This is the maximum sum which the LA is allowed to retain, rather than to pass on to individual providers.

**Annex 5****PROPOSED SURREY SCHOOLS' FUNDING FORMULA FACTORS 2023/24**

The table lists the proposed values of the Surrey formula factors for 2023/24, based on Option A, with a transfer of £7.8m to the high needs block: These will require review in December when October 2022 pupil numbers and characteristics are known.

	2022/23 values		2023/24 provisional values (with block transfer)	
	Primary £	Secondary £	Primary £	Secondary £
<b>Basic entitlement per pupil</b>				
• Key stages 1 & 2	3,395.46	-	3,534.24	-
• Key stage 3		4,789.01	-	4,979.45
• Key stage 4		5,398.45		5,613.07
<b>Deprivation:</b>				
Per pupil on free school meals	496.98	496.98	500.23	500.23
Per "Ever 6" FSM pupil	638.59	914.65	734.71	1073.41
Per pupil in IDACI band F <sup>1</sup>	233.79	338.37	239.69	349.11
Per pupil in IDACI band E	286.90	449.39	291.80	463.76
Per pupil in IDACI band D	446.33	629.15	458.55	646.13
Per pupil in IDACI band C	488.82	687.31	500.23	708.66
Per pupil in IDACI band B	520.70	740.18	531.50	760.77
Per pupil in IDACI band A	680.10	941.09	698.24	969.20
<b>Lump sum per school</b>	131,168	137,744	136,241	142,874
<b>Low prior attainment:</b>				
Per low attainer based on Foundation Stage Profile	1,194.86		1,203.68	
Per secondary pupil scoring below level 4 in either maths or English or both at key stage 2		1,808.15		1,823.75
<b>Per Looked After Child</b>	396	396		
<b>English as an Additional Language:</b>				
Per pupil with EAL in school system less than 3 years	597.43	1,617.82	604.45	1,630.96
<b>Pupil mobility:</b>				
Per mobile child above 6% of roll	978.09	1,406.34	984.83	1,417.32
<b>Sparsity lump sum</b>	58,157	84,592	58,673	85,352
<b>Minimum per pupil funding level</b>	4,265	5,525	4,405	5,715

## Notes

### 1 *IDACI Income deprivation affecting children index (Bands defined by DfE)*

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.

Formula funding for looked after children is no longer allowed in 2023/24.

The provisional amounts above are likely to require amendment once the outcome of the October 2022 pupil census is known in December, to ensure they are still affordable within the available funding.

Note: Basic Entitlement, Ever 6 FSM deprivation and lump sum factors include an increase for the assimilation of Schools Supplementary grant in addition to the 0.8% increase and the further 1.9% increase in deprivation factors between 2022/23 and 2023/24.

## Annex 6

### EARLY YEARS FORMULA CONSULTATION

September 2022

There were 64 responses: 41 from private providers and 23 from maintained schools and academies with nursery classes (including maintained nursery schools)

	Yes	No	Yes	No
Do you agree that 100% of the DfE funding for 2-year-olds should continue to be passed on to providers through the hourly rate?	56	3	87.5%	4.7%
Do you support the proposals for setting the 2 year old hourly rate, in order to ensure that the budget for 2 year olds can break even while maximising the opportunity for children to take up the 2 year old offer?	64	0	100.0%	0.0%
Do you agree that the whole of any increase in the DfE hourly funding rate for 3–4-year-olds should be used to increase the hourly rate to providers?	48	4	75.0%	6.3%
Do you agree that there should be a further increase of 6p/hr in the basic rate over and above the DfE increase?	63	1	98.5%	1.5%
Do you agree that the current basis and level of deprivation funding should be maintained	59	2	93.2%	3.1%
Do you support maintaining the Early Intervention Fund (EIF) at the current level for the next financial year?	58	5	90.1%	7.8%
Do you support the continued retention of 5% of funding for 3–4-year-olds to administer the funding and provide support to the sector?	48	15	75.0%	23.4%
Do you support the continued provision of an Inclusion Fund for 2 year olds, funded from the 5% centrally retained funds for three and four year olds?	46	11	71.9%	17.2%
Do you support linking the funding rate for free meals provision for entitled pupils in state-maintained nursery schools and classes to the national funding formula rate for free meals in primary schools?	55	4	74.3%	5.4%

Note: percentages shown are percentages of those providers offering an answer to the question. They do not add up to 100% because some providers selected “no views”.



## ANNEX 7 EQUALITY IMPACT ASSESSMENT

### SCHOOLS FUNDING FORMULA 2023/24: IMPACT OF MAIN FORMULA FUNDING DECISIONS

#### 1. Explaining the matter being assessed

Question	Answer
<p><b>What policy, function or service change are you assessing?</b></p>	<p>Changes to the schools funding formula 2023/24. The main proposals being considered are</p> <ul style="list-style-type: none"> <li>(a) to set the level of the minimum funding guarantee for schools where the average increase in funding per pupil from 2022/23 to 2023/24 is small, at the highest level permitted by legislation (0.5%),</li> <li>(b) to make a small increase in the level of the lump sum factor, even though that would mean it remains higher than the national funding formula (NFF) lump sum</li> <li>(c) to increase deprivation funding factors by a higher proportion than other funding factors, in line with changes to the government’s national funding formula. In the NFF deprivation funding factors have increased by an extra 1.9% over and above other factors.</li> <li>(d) to impose a ceiling, or limit on the maximum average per pupil increase received by schools</li> </ul> <p>The proposals affect HOW funding is distributed and not how much in total is distributed. The total is constrained by government funding allocations, legislation, and the existing high needs “safety valve” agreement with the DfE.</p> <p>Note: there are other proposals in this Cabinet paper which have not been subjected to a full assessment. The note at the end of this annex explains why they are not considered to disadvantage protected groups.</p>
<p><b>Why does this EIA need to be completed?</b></p>	<p>The four issues described above are the main factors to be considered in setting the mainstream schools funding formula. Neither is directly linked to the incidence of protected characteristics, and none are targeted at specific service changes. However, it is possible that any or all of the choices could have a disproportionate impact on schools with a high incidence of pupils in protected groups. Legally the management of budget shares is delegated to individual schools. Thus it is for individual schools to decide how to deploy their resources and in so doing to have regards to the needs of protected groups. But in allocating funds to schools we recognise that their spending decisions are affected by the total funding available.</p>

Question	Answer
<b>Who is affected by the proposals outlined above?</b>	Schools and pupils and staff in schools. The proposals will affect the level of funding of individual schools
<b>How does your service proposal support the outcomes in <u>the Community Vision for Surrey 2030</u>?</b>	Everyone benefits from education, skills and employment opportunities which help them succeed in life
<b>Are there any specific geographies in Surrey where this will make an impact?</b>  (Delete the ones that don't apply)	<ul style="list-style-type: none"> <li>• County-wide</li> </ul>
<b>Briefly list what evidence you have gathered on the impact of your proposals</b>	<p>We have estimated funding allocations at individual school level using a range of scenarios and have compared them with data on incidence of ethnic minorities (as a proxy for race), children with special educational needs and disabilities (as a proxy for disability) and pupils eligible for free school meals (as a proxy for deprivation) and with DfE data on staff characteristics. The data which we have used is largely taken from the school census or from DfE data sets e.g. workforce census. We do not have data on the incidence in schools of most of the other protected characteristics.</p> <p>We consulted all individual mainstream schools in September 2022 via a consultation paper and we provided illustrations of impact to individual schools. There were 114 responses to the consultation paper (29% of eligible schools). The estimates of impact are based on historic data, and the actual impact in 2023/24 will depend on Oct 2022 census data, still being collected.</p>

## 2. Service Users / Residents

There are 10 protected characteristics to consider in your proposal. These are:

1. Age including younger and older people
2. Disability
3. Gender reassignment
4. Pregnancy and maternity
5. Race including ethnic or national origins, colour or nationality
6. Religion or belief including lack of belief
7. Sex
8. Sexual orientation
9. Marriage/civil partnerships
10. Carers protected by association

Though not included in the Equality Act 2010, Surrey County Council recognises that socio-economic disadvantage is a significant contributor to inequality across the County and therefore regards this as an additional factor.

Therefore, if relevant, you will need to include information on this. Please **refer to the EIA guidance** if you are unclear as to what this is.

Age

Question	Answer
<b>What information (data) do you have on affected service users/residents with this characteristic?</b>	All of these proposals affect children between the ages of 4-16 only. The funding can only be allocated by reference to this age group.
<b>Impacts</b> (Delete as applicable)	Neither

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
None	N/a	n/a	N/a	N/a

**Question**

**What other changes is the council planning/already in place that may affect the same groups of residents?**

**Answer**

None known which are specifically relevant to schools

**Are there any dependencies decisions makers need to be aware of**

**Question****Answer**

**Any negative impacts that cannot be mitigated? Please identify impact and explain why**

N/a

## Disability

Question	Answer															
<p><b>What information (data) do you have on affected service users/residents with this characteristic?</b></p>	<p>We do not hold data on disability as such for school children. We have considered data on special educational needs as the nearest proxy we hold.</p> <p><b>Minimum funding guarantee</b></p> <p>The table below shows the proportion of primary and secondary schools with different levels of SEND which were on minimum funding guarantee in 2022/23.</p> <p>Proportion of schools receiving additional funding under the minimum funding guarantee in 2022/23</p> <table border="1" data-bbox="600 1018 2130 1313"> <thead> <tr> <th></th> <th>Primary</th> <th>Secondary</th> </tr> </thead> <tbody> <tr> <td>all schools</td> <td>27.76%</td> <td>16.07%</td> </tr> <tr> <td>Above average for EHCPs</td> <td>33.33%</td> <td>21.33%</td> </tr> <tr> <td>Above upper quartile for EHCPs</td> <td>41.33%</td> <td>28.57%</td> </tr> <tr> <td>Top 10% for EHCPs</td> <td>41.4%</td> <td>28.57%</td> </tr> </tbody> </table>		Primary	Secondary	all schools	27.76%	16.07%	Above average for EHCPs	33.33%	21.33%	Above upper quartile for EHCPs	41.33%	28.57%	Top 10% for EHCPs	41.4%	28.57%
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Question	Answer				
			Primary	Secondary	
	Above average for %SEN			34.00%	21.43%
	Above upper quartile for %SEN			44.00%	28.57%
	Top10% for %SEN			41.38%	28.57%
	This suggests that a higher proportion of schools with high levels of SEND benefit from the minimum funding guarantee and therefore will benefit from the proposal to set the minimum funding guarantee at the highest permissible level.				
	<b>Increasing the lump sum</b>				
	The table below summarises the impact of increasing the lump sum, compared to reducing it towards the NFF level with a corresponding increase in per pupil funding.				
	% gaining 0.1% or 0.05% of budget from lump sum increase	Primary Gain>0.1%	Secondary Gain >0.1%	Primary gain >0.05%	Secondary gain >0.05%
	all schools	19.73%	0%	33.44%	8.93%
	Above average for EHCPs	12.00%	0%	27.33%	14.29%
Above upper quartile for EHCPs	13.51%	0%	22.97%	21.43%	
Above average for %SEN	11.33%	0%	27.33%	14.29%	
Above upper quartile for %SEN	13.51%	0%	25.68%	21.43%	

Question	Answer
	<p>This data shows that in general primary schools with a high incidence of SEN benefit less than others from an increase in the lump sum, whereas the reverse applies for secondary schools. However, the possible negative impact on primary schools must be considered against the need to maintain the viability of small schools and a school presence in rural communities. An increase in the lump sum is the only way in which the council can assist small schools within the constraints of the schools funding legislation. The increase proposed is similar to the increase proposed for other formula factors, it is just that it maintains the Surrey lump sum at a higher level than would be provided under the national funding formula. Maintaining the viability of small schools will maintain opportunities for children with SEND and disabilities to be educated locally. There is a legal presumption against the closure of rural schools.</p> <p><b>Increasing deprivation funding by 1.9% rather than a lower sum</b></p> <p>The table below summarises the estimated impact of increasing deprivation funding by an extra 1.9% (in line with the NFF) rather than by half of that. The impact is small; the difference is less than 0.1% of budget for all schools.</p>



Question	Answer																										
	<p>Proportion of schools estimated to benefit in 2023/24 by more than 0.05% of budget from passing on the full 1.9% additional increase in deprivation funding factors</p> <table border="1" data-bbox="622 405 1816 900"> <thead> <tr> <th></th> <th>Primary</th> <th>Secondary</th> </tr> </thead> <tbody> <tr> <td>all schools</td> <td>0.33%</td> <td>0%</td> </tr> <tr> <td>Above average for EHCPs</td> <td>0.67%</td> <td>0%</td> </tr> <tr> <td>Above upper quartile for EHCPs</td> <td>0%</td> <td>0%</td> </tr> <tr> <td>Top 10% for EHCPs</td> <td>0%</td> <td>0%</td> </tr> <tr> <td>Above average for %SEN</td> <td>0.67%</td> <td>0%</td> </tr> <tr> <td>Above upper quartile for %SEN</td> <td>0%</td> <td>0%</td> </tr> <tr> <td>Top10% for %SEN</td> <td>0%</td> <td>0%</td> </tr> </tbody> </table> <p>No school gains more than 0.05% of budget by using the higher deprivation factors in full rather than only in part. Therefore, it is concluded that the proposed increase in deprivation funding is of minor effect.</p> <p><b>Using a ceiling on per pupil gains</b></p> <p>The table below shows the proportion of schools subject to a ceiling on gains in 2022/23. The pattern in 2023/24 cannot be ascertained yet and may well be different. A ceiling on gains will generally disadvantage those schools with an increase in measured additional need from year to year. These need not be schools with overall highest need, although in 2022/23 the proportion of schools with</p>				Primary	Secondary	all schools	0.33%	0%	Above average for EHCPs	0.67%	0%	Above upper quartile for EHCPs	0%	0%	Top 10% for EHCPs	0%	0%	Above average for %SEN	0.67%	0%	Above upper quartile for %SEN	0%	0%	Top10% for %SEN	0%	0%
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	<p>above average incidence of EHCPs/SEND on ceiling was higher than the proportion for schools as a whole.</p> <table border="1" data-bbox="584 395 2148 1038"> <thead> <tr> <th></th> <th>Primary</th> <th>Secondary</th> </tr> </thead> <tbody> <tr> <td>all schools</td> <td>15.38%</td> <td>7.14%</td> </tr> <tr> <td>Above average for EHCPs</td> <td>16.67%</td> <td>14.29%</td> </tr> <tr> <td>Above upper quartile for EHCPs</td> <td>18.67%</td> <td>21.43%</td> </tr> <tr> <td>Top 10% for EHCPs</td> <td>20.69%</td> <td>14.29%</td> </tr> <tr> <td></td> <td>Primary</td> <td>Secondary</td> </tr> <tr> <td>Above average for %SEN</td> <td>16.00%</td> <td>10.71%</td> </tr> <tr> <td>Above upper quartile for %SEN</td> <td>18.67%</td> <td>21.43%</td> </tr> <tr> <td>Top 10% for %SEN</td> <td>20.69%</td> <td>42.86%</td> </tr> </tbody> </table>				Primary	Secondary	all schools	15.38%	7.14%	Above average for EHCPs	16.67%	14.29%	Above upper quartile for EHCPs	18.67%	21.43%	Top 10% for EHCPs	20.69%	14.29%		Primary	Secondary	Above average for %SEN	16.00%	10.71%	Above upper quartile for %SEN	18.67%	21.43%	Top 10% for %SEN	20.69%	42.86%
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<p><b>Impacts</b> (Delete as applicable)</p>	<p>Proposed changes to minimum funding guarantee are in general beneficial to schools with high incidence of SEND Proposed changes to the lump sum are beneficial to small schools; the incidence of SEN in small secondary schools is higher than for the sector as a whole but for small primary schools it is lower. The difference between the two deprivation funding options</p>																													

Question	Answer
	considered is negligible. In 2022/23, the proportion of “high SEND” schools subject to a ceiling deduction was higher than for schools as a whole, but that need not be true in all years i.e. it is not an automatic consequence of using a ceiling.

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
As above	As above	<p>Negative impacts of lump sum increase in primary schools will be accepted given the need to maintain the viability of small schools and the limited tools available for this purpose within the funding legislation.</p> <p>Impact of using a ceiling, and its level, will need to be carefully considered as it may have disproportionate impact on protected groups.</p>	n/a	N/a

**Question**

**What other changes is the council planning/already in place that may affect the same groups of residents?**

**Are there any dependencies decisions makers need to be aware of**

**Answer**

None known at present

**Question**

**Any negative impacts that cannot be mitigated? Please identify impact and explain why**

**Answer**

As above. There may be negative impacts at school level for individual schools. It will be for individual schools to avoid negative impacts on individuals.

Gender reassignment

Question	Answer
<b>What information (data) do you have on affected service users/residents with this characteristic?</b>	This data is not available for school pupils
<b>Impacts</b> (Delete as applicable)	Unknown

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
None	N/a	n/a	N/a	N/a

**Question**

**Answer**

What other changes is the council planning/already in place that may affect the same groups of residents?

N/a.

Are there any dependencies decisions makers need to be aware of

**Question**

**Answer**

Any negative impacts that cannot be mitigated? Please identify impact and explain why

N/a

## Pregnancy/maternity

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	N/a (school pupils)
Impacts (Delete as applicable)	N/a

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
None	N/a	n/a	N/a	N/a

**Question****Answer**

What other changes is the council planning/already in place that may affect the same groups of residents? N/a.

Are there any dependencies decisions makers need to be aware of

**Question**

**Answer**

**Any negative impacts that cannot be mitigated? Please identify impact and explain why**

N/a

Race including ethnic or national origins, colour or nationality

Question	Answer		
<b>What information (data) do you have on affected service users/residents with this characteristic?</b>	<b>Minimum funding guarantee</b>	Primary	Secondary
	The table below shows the proportion of schools receiving additional funding under the Minimum Funding Guarantee in 2022/23		
	All schools	27.76%	16.07%
	Schools with:	29.33%	25.00%
	above average non British		
above upper quartile non British	24.00%	35.71%	
top 10% non British	31.00%	42.86%	
The table shows that the proportion of schools with above average incidence of non British ethnicity benefiting from the minimum funding guarantee is higher than the proportion of all schools thus benefiting.			
<b>Increase in lump sum</b>			



Question	Answer				
	<p>The table below shows the proportion of schools gaining funding from an increase in lump sum, rather than reducing it to the NFF level (with a corresponding increase in per pupil funding).</p>				
	<p>% gaining &gt;0.1% or &gt;0.05% of budget from higher lump sum</p>	<p>Primary gain &gt;0.1%</p>	<p>Secondary gain &gt;0.1%</p>	<p>Primary gain &gt;0.05%</p>	<p>Secondary gain &gt;0.05%</p>
	<p>all schools</p>	<p>19.73%</p>	<p>0%</p>	<p>33.44%</p>	
	<p>above average non British</p>	<p>9.33%</p>	<p>0%</p>	<p>20.00%</p>	
	<p>above upper quartile non British</p>	<p>6.76%</p>	<p>0%</p>	<p>17.57%</p>	
	<p>This data shows that in general primary and secondary schools with a high incidence of ethnic minorities benefit less than others from an increase in the lump sum. However, the possible negative impact has to be considered against the need to maintain the viability of small schools and a school presence in rural communities. An increase in the lump sum is the only way in which the council can assist small schools within the constraints of schools funding legislation. The increase proposed is similar to the increase proposed for other formula factors, just that it maintains the Surrey lump sum at a higher level than would be provided under the national formula. Maintaining the viability of small schools will maintain opportunities for children to be educated locally irrespective of race and ethnic origin. There is a legal presumption against the closure of rural schools.</p>				
	<p><b>Increasing deprivation funding by 1.9% rather than by a lower sum</b></p>				

Question	Answer																							
	<p>The table below summarises the estimated impact of increasing deprivation funding by an extra 1.9% (in line with the NFF) rather than by half of that. The impact is small; the difference is less than 0.1% of budget for all schools.</p> <p>Proportion of schools estimated to benefit in 2023/24 by more than 0.05% of budget from passing on the full 1.9% additional increase in deprivation funding factors.</p> <table border="1" data-bbox="439 560 1944 783"> <thead> <tr> <th></th> <th>Primary</th> <th>Secondary</th> </tr> </thead> <tbody> <tr> <td>all schools</td> <td>0.33%</td> <td>0%</td> </tr> <tr> <td>Above average for % non British</td> <td>0.67%</td> <td>0%</td> </tr> <tr> <td>Above upper quartile for % non British</td> <td>1.35%</td> <td>0%</td> </tr> </tbody> </table> <p>No school gains more than 0.05% of budget by using the higher deprivation factors in full rather than only in part. Therefore conclude that the proposed increase in deprivation funding is of minor effect.</p> <p><b>Using a ceiling on large per pupil gains</b></p> <p>The table below shows the proportion of schools subject to a ceiling on gains in 2022/23. The pattern in 2023/24 cannot be ascertained yet and may well be different. A ceiling on gains will generally disadvantage those schools with an increase in measured additional need from year to year. These need not be schools with overall highest need.</p> <table border="1" data-bbox="439 1142 1944 1294"> <thead> <tr> <th></th> <th>Primary</th> <th>Secondary</th> </tr> </thead> <tbody> <tr> <td>all schools</td> <td>15.38%</td> <td>7.14%</td> </tr> <tr> <td>Above average% non British</td> <td>10.67%</td> <td>7.14%</td> </tr> </tbody> </table>				Primary	Secondary	all schools	0.33%	0%	Above average for % non British	0.67%	0%	Above upper quartile for % non British	1.35%	0%		Primary	Secondary	all schools	15.38%	7.14%	Above average% non British	10.67%	7.14%
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Question	Answer			
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Above upper quartile % non British</td> <td style="width: 30%; text-align: center;">12.00%</td> <td style="width: 30%; text-align: center;">0%</td> </tr> </table> <p>So schools with high incidence of ethnic minorities were less likely to be subject to a ceiling on gains than schools as a whole (which is generally consistent with them being more likely to be on minimum funding guarantee).</p>	Above upper quartile % non British	12.00%	0%
Above upper quartile % non British	12.00%	0%		
<b>Impacts</b> (Delete as applicable)	Proposed changes to minimum funding guarantee are in general beneficial to schools with higher incidence of ethnic minorities (on the basis of available data) whereas proposed increases to the level of lump sum are not. Use of a ceiling on gains does not disproportionately disadvantage schools with high incidence of ethnic minorities. The impact of changes in the level of deprivation funding is very small. A ceiling on gains does not relatively disadvantage these schools.			

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
As above	As above	It is proposed that the possible negative impacts (of the lump sum changes) are accepted in view of the need to maintain the viability of small schools and the limited alternative options		

**Question****Answer**

What other changes is the council planning/already in place that may affect the same groups of residents?

N/a

Are there any dependencies decisions makers need to be aware of

**Question****Answer**

Any negative impacts that cannot be mitigated? Please identify impact and explain why

As above

Religion including belief or lack of belief

Question	Answer											
<p>What information (data) do you have on affected service users/residents with this characteristic?</p>	<p>We do not hold data on individual pupils' religion. However, we have looked at the relative impact on faith schools (all of which are Christian -Anglican or Roman Catholic).</p> <p>Proportion of schools on minimum funding guarantee</p> <table border="1" data-bbox="600 1082 2136 1214"> <thead> <tr> <th data-bbox="600 1082 1115 1145"></th> <th data-bbox="1115 1082 1621 1145">Primary</th> <th data-bbox="1621 1082 2136 1145">Secondary</th> </tr> </thead> <tbody> <tr> <td data-bbox="600 1145 1115 1177">All schools</td> <td data-bbox="1115 1145 1621 1177">27.76%</td> <td data-bbox="1621 1145 2136 1177">16.07%</td> </tr> <tr> <td data-bbox="600 1177 1115 1214">Church schools</td> <td data-bbox="1115 1177 1621 1214">27.10%</td> <td data-bbox="1621 1177 2136 1214">9.09% (one school)</td> </tr> </tbody> </table>				Primary	Secondary	All schools	27.76%	16.07%	Church schools	27.10%	9.09% (one school)
	Primary	Secondary										
All schools	27.76%	16.07%										
Church schools	27.10%	9.09% (one school)										

Question	Answer																								
	<p data-bbox="600 308 2107 371"><b>Therefore the proposal to maximise the level of the minimum funding guarantee does not appreciably disadvantage Church schools .</b></p> <p data-bbox="600 403 860 435"><b>Increase in lump sum</b></p> <p data-bbox="600 467 2096 531"><b>Table below shows the proportion of schools benefiting from the proposed increase in lump sum, relative to using the NFF lump sum</b></p> <table border="1" data-bbox="600 563 2136 722"> <thead> <tr> <th data-bbox="600 563 909 659">% gaining &gt;0.1% or &gt;0.05% of budget from higher lump sum</th> <th data-bbox="909 563 1218 595">Primary gain&gt;0.1%</th> <th data-bbox="1218 563 1527 595">Secondary gain&gt;0.1%</th> <th data-bbox="1527 563 1836 595">Primary gain &gt;0.05%</th> <th data-bbox="1836 563 2136 595">Secondary gain&gt;0.05%</th> </tr> </thead> <tbody> <tr> <td data-bbox="600 659 909 691"><b>All schools</b></td> <td data-bbox="909 659 1218 691"><b>19.73%</b></td> <td data-bbox="1218 659 1527 691"><b>0%</b></td> <td data-bbox="1527 659 1836 691"><b>33.44%</b></td> <td data-bbox="1836 659 2136 691"><b>8.93%</b></td> </tr> <tr> <td data-bbox="600 691 909 722"><b>Church schools</b></td> <td data-bbox="909 691 1218 722"><b>25.23%</b></td> <td data-bbox="1218 691 1527 722"><b>0%</b></td> <td data-bbox="1527 691 1836 722"><b>40.19%</b></td> <td data-bbox="1836 691 2136 722"><b>18.18%</b></td> </tr> </tbody> </table> <p data-bbox="600 722 2096 786"><b>A higher proportion of Church schools gains from using a higher lump sum, largely reflecting the large number of small rural Church schools.</b></p> <p data-bbox="600 818 1420 850"><b>Increasing deprivation funding by 1.9%, rather than by a lower sum</b></p> <p data-bbox="600 882 2119 978">No church primary or secondary school gains or loses more than 0.5% of budget as a result of passing on the NFF deprivation increase in full, rather than scaling it back. Therefore it is concluded that the proposal has no significant impact on this category of schools.</p> <p data-bbox="600 1010 1066 1042"><b>Using a ceiling on large per pupil gains</b></p> <p data-bbox="600 1074 2063 1185">The table below shows the proportion of schools subject to a ceiling on gains in 2022/23. The pattern in 2023/24 cannot be ascertained yet and may well be different. A ceiling on gains will generally disadvantage those schools with an increase in measured additional need from year to year. These need not be schools with overall highest need.</p> <table border="1" data-bbox="600 1217 2136 1310"> <thead> <tr> <th data-bbox="600 1217 1113 1249">% on ceiling</th> <th data-bbox="1113 1217 1626 1249">Primary</th> <th data-bbox="1626 1217 2136 1249">Secondary</th> </tr> </thead> <tbody> <tr> <td data-bbox="600 1249 1113 1281">All schools</td> <td data-bbox="1113 1249 1626 1281">15.38%</td> <td data-bbox="1626 1249 2136 1281">15.89%</td> </tr> <tr> <td data-bbox="600 1281 1113 1310">Church schools</td> <td data-bbox="1113 1281 1626 1310">7.14%</td> <td data-bbox="1626 1281 2136 1310">9.09%</td> </tr> </tbody> </table>	% gaining >0.1% or >0.05% of budget from higher lump sum	Primary gain>0.1%	Secondary gain>0.1%	Primary gain >0.05%	Secondary gain>0.05%	<b>All schools</b>	<b>19.73%</b>	<b>0%</b>	<b>33.44%</b>	<b>8.93%</b>	<b>Church schools</b>	<b>25.23%</b>	<b>0%</b>	<b>40.19%</b>	<b>18.18%</b>	% on ceiling	Primary	Secondary	All schools	15.38%	15.89%	Church schools	7.14%	9.09%
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% on ceiling	Primary	Secondary																							
All schools	15.38%	15.89%																							
Church schools	7.14%	9.09%																							

Question	Answer
	In 2022/23 a much smaller proportion of church schools were subject to a ceiling deduction, so on that basis a ceiling deduction does not disproportionately disadvantage those schools.
<b>Impacts</b> (Delete as applicable)	The impact of the proposals on the Church school sector is variable: they benefit less from a higher minimum funding guarantee than schools as a whole, but gain more from the proposed increase in the lump sum factor.

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
As above	As above	No further action to be taken	N/a	N/a

Question	Answer
What other changes is the council planning/already in place that may affect the same groups of residents?	n/a.
Are there any dependencies decisions makers need to be aware of	

Question	Answer
Any negative impacts that cannot be mitigated? Please identify impact and explain why	n/a.

## Sex

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	We have two single sex mainstream secondary schools (one for boys and one for girls). They are both relatively large schools with low incidence of additional needs and thus the impact of the proposed changes is similar for both of them.
Impacts (Delete as applicable)	N/a



Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
None	N/a	n/a	N/a	N/a

**Question**

**Answer**

What other changes is the council planning/already in place that may affect the same groups of residents?

N/a.

Are there any dependencies decisions makers need to be aware of

**Question**

**Answer**

Any negative impacts that cannot be mitigated? Please identify impact and explain why

N/a

## Sexual orientation

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	Data not held on school pupils
Impacts (Delete as applicable)	N/a

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
None	N/a	n/a	N/a	N/a

**Question****Answer**

What other changes is the council planning/already in place that may affect the same groups of residents? n/a.

Are there any dependencies decisions makers need to be aware of

**Question****Answer**

**Any negative impacts that cannot be mitigated? Please identify impact and explain why**

n/a

Marriage/civil partnership

Question	Answer
<b>What information (data) do you have on affected service users/residents with this characteristic?</b>	Not relevant as proposals only concern school pupils
<b>Impacts</b> (Delete as applicable)	N/a

<b>Impacts identified</b>	<b>Supporting evidence</b>	<b>How will you maximise positive/minimise negative impacts?</b>	<b>When will this be implemented by?</b>	<b>Owner</b>
None	N/a	n/a	N/a	N/a

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
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**Question**

What other changes is the council planning/already in place that may affect the same groups of residents?

**Answer**

n/a

Are there any dependencies decisions makers need to be aware of

**Question**

Any negative impacts that cannot be mitigated? Please identify impact and explain why

**Answer**

n/a

Carers (protected by association)

Question	Answer
<p>What information (data) do you have on affected service users/residents with this characteristic?</p>	<p>Some school pupils will be carers, but we do not have any data on how many there are.</p>

Question	Answer
Impacts (Delete as applicable)	N/a

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
None	N/a	n/a	N/a	N/a

Question	Answer
What other changes is the council planning/already in place that may affect the same groups of residents?	N/a
Are there any dependencies decisions makers need to be aware of	

Question	Answer
Any negative impacts that cannot be mitigated? Please identify impact and explain why	N/a

## Economic deprivation

Question	Answer															
<p><b>What information (data) do you have on affected service users/residents with this characteristic?</b></p>	<p><b>Minimum funding guarantee</b></p> <p>The table below shows that in general schools with high incidence of deprivation (as measured by eligibility for free school meals (FSM) were more likely to be on minimum funding guarantee in 2022/23 and thus to benefit from a higher level of minimum funding guarantee.</p> <table border="1" data-bbox="607 596 1653 906"> <thead> <tr> <th data-bbox="607 596 1301 667">Schools on Minimum Funding Guarantee</th> <th data-bbox="1301 635 1503 667">Primary</th> <th data-bbox="1503 635 1653 667">Secondary</th> </tr> </thead> <tbody> <tr> <td data-bbox="607 692 741 724">all schools</td> <td data-bbox="1301 692 1413 724">27.76%</td> <td data-bbox="1503 692 1653 724">16.07%</td> </tr> <tr> <td data-bbox="607 750 1003 782">Above average FSM deprivation</td> <td data-bbox="1301 750 1413 782">34.67%</td> <td data-bbox="1503 750 1653 782">21.43%</td> </tr> <tr> <td data-bbox="607 807 1077 839">Above upper quartile FSM deprivation</td> <td data-bbox="1301 807 1413 839">49.33%</td> <td data-bbox="1503 807 1653 839">28.57%</td> </tr> <tr> <td data-bbox="607 865 864 896">top 10% deprivation</td> <td data-bbox="1301 865 1413 896">62.10%</td> <td data-bbox="1503 865 1653 896">42.86%</td> </tr> </tbody> </table> <p><b>Increasing lump sum</b></p> <p>The table below shows the proportion of schools with high incidence of economic deprivation which would benefit from an increase in the lump sum, rather than reducing it to the NFF level, with a corresponding increase in per pupil funding. In this case the proportion of high deprivation primary schools gaining is lower than the proportion of all primary schools gaining, but the reverse applies to secondary schools. This reflects the fact that a number of smaller secondary schools have relatively high incidence of deprivation.</p>	Schools on Minimum Funding Guarantee	Primary	Secondary	all schools	27.76%	16.07%	Above average FSM deprivation	34.67%	21.43%	Above upper quartile FSM deprivation	49.33%	28.57%	top 10% deprivation	62.10%	42.86%
Schools on Minimum Funding Guarantee	Primary	Secondary														
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Above average FSM deprivation	34.67%	21.43%														
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top 10% deprivation	62.10%	42.86%														

Question	Answer			
	Primary schools gain >0.1%	Secondary schools gain >0.1%	Primary schools gain >0.05%	Secondary schools gain >0.05%
	% of schools gaining from lump sum protection)			
all schools	19.73%	0%	33.44%	8.93%
Above average for deprivation	12.16%	0%	28.00%	10.71%
Above upper quartile for deprivation	12.67%	0%	24.32%	21.43%
	<b>Increasing deprivation funding by 1.9% rather than by a lower amount</b>			
	Proportion of schools estimated to benefit in 2023/24 by more than 0.05% of budget from passing on the full 1.9% additional increase in deprivation funding factors.			
		Primary		Secondary
all schools		0.33%		0%
Above average for FSM deprivation		0.67%		0%



Question	Answer												
	<p data-bbox="607 308 2123 435">Above upper quartile for FSM deprivation 1.35% 0%</p> <p data-bbox="607 368 2123 435">No school gains more than 0.05% of budget by using the higher deprivation factors in full rather than only in part. Therefore conclude that the proposed increase in deprivation funding is of minor effect.</p> <p data-bbox="607 523 1350 555"><b>Using a ceiling deduction for schools with high per pupil gains</b></p> <p data-bbox="607 587 1671 619">The table below shows the proportion of schools subject to a ceiling deduction in 2022/23</p> <table border="1" data-bbox="607 643 2123 858"> <thead> <tr> <th></th> <th>Primary</th> <th>Secondary</th> </tr> </thead> <tbody> <tr> <td>all schools</td> <td>15.38%</td> <td>7.14%</td> </tr> <tr> <td>Above average% FSM</td> <td>19.33%</td> <td>10.71%</td> </tr> <tr> <td>Above upper quartile % FSM</td> <td>22.67%</td> <td>21.43%</td> </tr> </tbody> </table> <p data-bbox="607 991 2123 1054">Schools with high levels of deprivation were more likely to be on a ceiling deduction in 2022/23. This may recognise that one of the main causes of an increase in per pupil funding in 2022/23 was increased deprivation.</p>		Primary	Secondary	all schools	15.38%	7.14%	Above average% FSM	19.33%	10.71%	Above upper quartile % FSM	22.67%	21.43%
	Primary	Secondary											
all schools	15.38%	7.14%											
Above average% FSM	19.33%	10.71%											
Above upper quartile % FSM	22.67%	21.43%											
<p data-bbox="203 1177 304 1209"><b>Impacts</b></p> <p data-bbox="203 1233 472 1265">(Delete as applicable)</p>	<p data-bbox="607 1153 2136 1297">Again the proposal to set the minimum funding guarantee as high as possible is generally beneficial to schools with above average incidence of deprivation. The proposal to increase the lump sum is relatively beneficial to deprived secondary schools, but not to deprived primary schools. The impact of the proposed change to deprivation funding is minimal. Applying a ceiling on gains disadvantaged high deprivation schools in 2022/23, but need not always do so.</p>												

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
Inconclusive	As above	Negative impacts will need to be accepted in order to assist small schools. However, care will be needed in determining an appropriate level of ceiling deduction, if used.	N/a	N/a

**Question****Answer**

**What other changes is the council planning/already in place that may affect the same groups of residents?**

None known affecting schools in 2023/24

**Are there any dependencies decisions makers need to be aware of**

**Question****Answer**

**Any negative impacts that cannot be mitigated? Please identify impact and explain why**

As above

3. Staff

Age

Question	Answer
<b>What information (data) do you have on affected service users/residents with this characteristic?</b>	<p>Some evidence on teacher ages is available from the DfE workforce survey. NB many of the staff affected work in academies, for which the council does not hold staffing data, hence the reliance on DfE data. For teachers we considered the incidence of teachers over 50 and under 30 in schools which benefited from the minimum funding guarantee, from an increase in the lump sum, from increased deprivation funding, and those which lost out due to use of a ceiling on gains. The impact was inconclusive, although there is some suggestion that schools with a higher proportion of older teaching staff may be disadvantaged by use of a ceiling and from a higher lump sum.</p> <p>Corresponding data is not published for support staff and so a similar analysis was not possible for support staff.</p>

**Minimum funding guarantee**

Table below shows the proportion of schools on minimum funding guarantee in 2022/23

	primary	secondary
All schools	27.76%	16.07%
Above average incidence teachers aged over 50	28.00%	14.29%
Above upper quartile teachers aged over 50	29.33%	28.57%
Top 10% teachers aged over 50	20.70%	14.29%
Above average incidence teachers aged under 30	28.00%	17.86%
Above upper quartile teachers aged under 30	28.00%	21.43%
Top 10% teachers aged under 30	27.60%	0.00%

**Increase in lump sum**

Table below shows the proportion of schools benefiting from an increase in lump sum

	Primary	Secondary	Primary	Secondary
	Gain>0.1%	Gain>0.1%	Gain>0.05%	Gain>0.05%
All schools	19.73%	0.00%	33.44%	8.93%
Above average incidence teachers aged over 50	22.67%	0.00%	39.33%	10.71%
Above upper quartile teachers aged over 50	32.00%	0.00%	49.33%	7.14%
Above average incidence teachers aged under 30	14.00%	0.00%	24.67%	3.57%
Above upper quartile teachers aged under 30	12.00%	0.00%	20.00%	7.14%
<b>Increasing deprivation funding by 1.9% (rather than by a lower amount)</b>				
Proportion of schools estimated to benefit in 2023/24 by more than 0.05% of budget from passing on the full 1.9% additional increase in deprivation funding factors.				
	Primary		Secondary	
all schools	0.33%		0%	
Above average for teachers over 50	0.67%		0%	
Above upper quartile for teachers over 50	0%		0%	
Above average for teachers under 30	0.67%		0%	
Above upper quartile for teachers under 30	1.33%		0%	

	<b>Using a ceiling on large per pupil gains</b>		
		Primary	Secondary
	all schools	15.38%	7.14%
	Above average incidence teachers over 50	18.00%	3.57%
	Above upper quartile teachers over 50	22.67%	7.14%
	Above average incidence teachers under 30	12.00%	3.57%
	Above upper quartile incidence teachers under 30	8.00%	7.14%
<b>Impacts</b> (Delete as applicable)	There is a potential impact in that changes in funding levels may affect scope for promotion or create needs for redundancies (which may disproportionately affect staff in some age groups, e.g. recent starters) and the distribution of funding may affect which, and how many, schools will be affected. Decisions as to which staff are affected would be a matter for individual schools.		

<b>Impacts identified</b>	<b>Supporting evidence</b>	<b>How will you maximise positive/minimise negative impacts?</b>	<b>When will this be implemented by?</b>	<b>Owner</b>
Inconclusive	Workforce survey evidence for teacher	n/a	n/a	n/a

### Disability

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	This data is not held centrally for school staff.
<b>Impacts</b> (Delete as applicable)	There is a potential impact in that changes in funding levels may affect scope for promotion or create needs for redundancies. Decisions as to which staff are affected would be a matter for individual schools.

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
Unable to identify -insufficient data held	N/a	N/a	n/a	n/a

**Gender reassignment**

Question	Answer
<p><b>What information (data) do you have on affected service users/residents with this characteristic?</b></p>	<p>This data is not held for school staff.</p>
<p><b>Impacts</b> (Delete as applicable)</p>	<p>There is no reason to think that staff with this protected characteristic will be disproportionately affected by the proposals, although it would be for individual schools to ensure that specific individuals were not disadvantaged.</p>

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
<p>Unable to identify-insufficient data</p>	<p>N/a</p>	<p>n/a</p>	<p>n/a</p>	



### Pregnancy/maternity

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	This data is not held for school staff.
<b>Impacts</b> (Delete as applicable)	There is a potential impact in that changes in funding levels may affect scope for promotion or create needs for redundancies. Decisions as to which staff are affected would be a matter for individual schools.

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
Insufficient data to identify impact	N/a	n/a	n/a	n/a

**Race, including ethnicity or national origin, colour or nationality**

Question	Answer
<b>What information (data) do you have on affected service users/residents with this characteristic?</b>	Limited data is available for school staff from the DfE workforce census  There is a potential impact in that changes in funding levels may affect scope for promotion or create needs for redundancies. Decisions as to which staff are affected would be a matter for individual schools.

Impacts (Delete as applicable)	Minimum funding guarantee		
	Proportion of schools on minimum funding guarantee in 2022/23		
		Primary	Secondary
	All schools	27.76%	16.07%
	Schools with		
	Above average incidence of ethnic minority teachers	27.33%	14.29%
	Above upper quartile incidence of ethnic minority teachers	28.00%	14.29%
	Top 10% for incidence of ethnic minority teachers	37.90%	28.57%
	Above average incidence of ethnic minority support staff	26.67%	17.86%
	Above upper quartile incidence of ethnic minority support staff	24.00%	14.29%
	Top 10% for incidence of ethnic minority support staff	31.00%	28.57%

### Minimum funding guarantee

The table below shows that in general a higher proportion of schools with the highest levels of ethnic minority staff were likely to be on minimum funding guarantee in 2022/23, but otherwise there was no link.

#### Proportion of schools on minimum funding guarantee in 2022/23

Primary      Secondary

All schools	27.76%	16.07%
Schools with		
Above average incidence of ethnic minority teachers	27.33%	14.29%
Above upper quartile incidence of ethnic minority teachers	28.00%	14.29%
Top 10% for incidence of ethnic minority teachers	37.90%	28.57%
Above average incidence of ethnic minority support staff	26.67%	17.86%
Above upper quartile incidence of ethnic minority support staff	24.00%	14.29%
Top 10% for incidence of ethnic minority support staff	31.00%	28.57%

**Lump sum**

The table below shows that the impact on schools with higher incidence of ethnic minority staff of increasing the lump sum is inconclusive.

	Primary gain>0.1%	Secondary gain>0.1%	Primary gain>0.05%	Secondary gain>0.05%
all schools	19.73%	0%	33.44%	8.93%
Above average for ethnic minority teachers	12.67%	0%	26.43%	10.71%
Above upper quartile for ethnic min teachers	16.72%	0%	32.43%	14.29%
Top 10% for ethnic min teachers	20.69%	0%	44.83%	0%
Above average for ethnic minority support staff	14.00%	0%	26.00%	7.14%
Above upper quartile for ethnic min support staff	13.33%	0%	22.67%	7.14%
Top 10% for ethnic minority support staff	13.79%	0%	20.69%	14.29%

**Increasing deprivation funding by 1.9% rather than a lower sum**

Proportion of schools estimated to benefit in 2023/24 by more than 0.05% of budget from passing on the full 1.9% additional increase in deprivation funding factors.

	Primary	Secondary
all schools	0.33%	0%
Above average for ethnic minority teachers	0.67%	0%
Above upper quartile for ethnic minority teachers	1.33%	0%
Above average for ethnic minority support staff	0%	0%
Above upper quartile for ethnic minority support staff	0%	0%
<p>No school gains more than 0.05% of budget by using the higher deprivation factors in full rather than only in part. Therefore conclude that the proposed increase in deprivation funding is of minor effect on schools with high incidence of ethnic minority staff.</p>		
<p><b>Using a ceiling deduction on large gains</b></p>		
<p>The table below shows the proportion of schools subject to a ceiling deduction in 2022/23. Again it is concluded that there is no evidence of consistent disadvantage to schools with high incidence of ethnic minority staff.</p>		

Question	Answer																								
	<table border="1"> <thead> <tr> <th></th> <th>Primary</th> <th>Secondary</th> </tr> </thead> <tbody> <tr> <td>all schools</td> <td>15.38%</td> <td>7.14%</td> </tr> <tr> <td>Above average incidence ethnic minority teachers</td> <td>12.67%</td> <td>10.71%</td> </tr> <tr> <td>Above upper quartile % ethnic minority teachers</td> <td>17.33%</td> <td>14.29%</td> </tr> <tr> <td>Top 10% ethnic minority teachers</td> <td>20.69%</td> <td>0%</td> </tr> <tr> <td>Above average incidence ethnic minority support staff</td> <td>10.67%</td> <td>7.14%</td> </tr> <tr> <td>Above upper quartile incidence ethnic minority support staff</td> <td>12.00%</td> <td>7.14%</td> </tr> <tr> <td>Top 10% ethnic minority support staff</td> <td>6.90%</td> <td>0%</td> </tr> </tbody> </table>		Primary	Secondary	all schools	15.38%	7.14%	Above average incidence ethnic minority teachers	12.67%	10.71%	Above upper quartile % ethnic minority teachers	17.33%	14.29%	Top 10% ethnic minority teachers	20.69%	0%	Above average incidence ethnic minority support staff	10.67%	7.14%	Above upper quartile incidence ethnic minority support staff	12.00%	7.14%	Top 10% ethnic minority support staff	6.90%	0%
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Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
What impacts have you identified?	Generally inconclusive	n/a	n/a	n/a

<b>Question</b>	<b>Answer</b>
<b>What other changes is the council planning/already in place that may affect the same groups of residents?</b>	n/a
<b>Are there any dependencies decisions makers need to be aware of</b>	

<b>Question</b>	<b>Answer</b>
<b>Any negative impacts that cannot be mitigated? Please identify impact and explain why</b>	n/a

**Religion or belief, including lack of belief**

<b>Question</b>	<b>Answer</b>
<b>What information (data) do you have on affected service users/residents with this characteristic?</b>	This data is not held for school staff.
<b>Impacts</b> (Delete as applicable)	n/a

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
Unable to identify as no data held	n/a	n/a	n/a	n/a

**Sex**

Question	Answer
<b>What information (data) do you have on affected service users/residents with this characteristic?</b>	This data is not held for school staff (the workforce census does not show it for all schools)
<b>Impacts</b> (Delete as applicable)	There is a potential impact in that changes in funding levels may affect scope for promotion or create needs for redundancies. Decisions as to which staff are affected would be a matter for individual schools.

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
Insufficient data	n/a	n/a	n/a	n/a



### Sexual Orientation

Question	Answer
What information (data) do you have on affected service users/residents with this characteristic?	This data is not held for school staff.
<b>Impacts</b> (Delete as applicable)	There is a potential impact in that changes in funding levels may affect scope for promotion or create needs for redundancies. Decisions as to which staff are affected would be a matter for individual schools.

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
Unable to identify impact as no data is available	n/a	n/a	n/a	n/a

**Marriage and civil partnerships**

Question	Answer
<b>What information (data) do you have on affected service users/residents with this characteristic?</b>	This data is not held for school staff.
<b>Impacts</b> (Delete as applicable)	There is a potential impact in that changes in funding levels may affect scope for promotion or create needs for redundancies. Decisions as to which staff are affected would be a matter for individual schools.

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
Unable to identify as insufficient data held	n/a	n/a	n/a	n/a

**Carers (protected by association)**

Question	Answer
<b>What information (data) do you have on affected service users/residents with this characteristic?</b>	This data is not held for school staff.
<b>Impacts</b> (Delete as applicable)	There is a potential impact in that changes in funding levels may affect scope for promotion or create needs for redundancies. Decisions as to which staff are affected would be a matter for individual schools.

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
Unable to identify specific impacts as no data is held	m/a	n/a	n/a	n/a

**Socio-economic disadvantage**

Question	Answer
<b>What information (data) do you have on affected service users/residents with this characteristic?</b>	This data is not held for school staff.
<b>Impacts</b> (Delete as applicable)	There is a potential impact in that changes in funding levels may affect scope for promotion or create needs for redundancies. Decisions as to which staff are affected would be a matter for individual schools.

Impacts identified	Supporting evidence	How will you maximise positive/minimise negative impacts?	When will this be implemented by?	Owner
Insufficient data held	N/a	n/a	n/a	n/a

#### 4. Amendments to the proposals

CHANGE	REASON FOR CHANGE
None yet	

#### 5. Recommendation

Based your assessment, please indicate which course of action you are recommending to decision makers. You should explain your recommendation below.

Outcome Number	Description	Tick
Outcome One	<b>No major change to the policy/service/function required.</b>	
Outcome Two	<b>Adjust the policy/service/function</b> to remove barriers identified by the EIA or better advance equality. Are you satisfied that the proposed adjustments will remove the barriers you identified?	
Outcome Three	<p><b>Continue the policy/service/function</b> despite potential for negative impact or missed opportunities to advance equality identified. You will need to make sure the EIA clearly sets out the justifications for continuing with it. You need to consider whether there are:</p> <ul style="list-style-type: none"> <li>• Sufficient plans to stop or minimise the negative impact</li> <li>• Mitigating actions for any remaining negative impacts plans to monitor the actual impact.</li> </ul>	x

<b>Outcome Four</b>	<p><b>Stop and rethink</b> the policy when the EIA shows actual or potential unlawful discrimination</p> <p>(For guidance on what is unlawful discrimination, refer to the <a href="#">Equality and Human Rights Commission’s guidance and Codes of Practice on the Equality Act</a> concerning employment, goods and services and equal pay).</p>	
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<b>Question</b>	<b>Answer</b>
<b>Confirmation and explanation of recommended outcome</b>	<p>This EIA considers several linked decisions. None have a direct impact on services to individual pupils but collectively they may have an indirect impact based on the overall budget allocated to each school. The proposed changes to the level of the minimum funding guarantee are in general beneficial to those schools with a high incidence of those protected groups for which data is available. The proposed increase in lump sum is generally not beneficial to such schools, but is still recommended as it is the only mechanism available within the available funding formula factors, to support small schools not meeting the DfE sparsity criteria, and thus support provision of education in rural communities. The impact of the proposed changes in deprivation funding appears to be negligible. The impact of using a ceiling on large per pupil gains is variable, and will need to be considered carefully when the calculations are updated for Oct 2022 pupil data in December/January.</p>

## 6a. Version control

Version Number	Purpose/Change	Author	Date
0.1	Original	David Green	20 Oct 2022

The above provides historical data about each update made to the Equality Impact Assessment.

Please do include the name of the author, date and notes about changes made – so that you are able to refer back to what changes have been made throughout this iterative process.

For further information, please see the EIA Guidance document on version control.

## 6b. Approval

Approved by*	Date approved
Head of Service – Liz Mills	01/11/2022
Executive Director - Rachael Wardell	01/11/2022
Cabinet Member- Clare Curran	01/11/2022
Directorate Equality Group – Liz Mills	01/11/2022

<b>EIA Author</b>	
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[\\*Secure approval from the appropriate level of management based on nature of issue and scale of change being assessed.](#)

6c. EIA Team

<b>Name</b>	<b>Job Title</b>	<b>Organisation</b>	<b>Team Role</b>
David Green	Senior Finance Business Partner	Surrey County Council (Resources)	Author

If you would like this information in large print, Braille, on CD or in another language please contact us on:

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SMS: 07860 053 465

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



**Note: equalities consideration for other schools funding proposals in this paper****Transfer of funding from schools block to high needs block**

Impact not considered, as the transfer formed part of the “safety valve” agreement, which has already been approved by the County Council, and thus is not a new policy choice.

**De-delegation of specified services**

Impact not considered, as no changes are proposed to the services being de-delegated, apart from the deletion of the primary schools contingency, which has been unused for several years. As it has been unused, it is impossible to demonstrate any impact on protected groups of deleting it.

**Changes to mainstream SEND funding**

No detailed proposals are included within this paper. This largely concerns a single group (children with SEND) often linked to protected characteristics (disability).

**Changes to early years funding**

The proposals here do not represent any change in general policy or any change in the balance between universal and targeted services and therefore there should be negligible impact on protected groups.

**SURREY COUNTY COUNCIL****CABINET****DATE: 29 NOVEMBER 2022**

14

**REPORT OF CABINET MEMBER: MARK NUTI, CABINET MEMBER FOR ADULTS AND HEALTH****LEAD OFFICER: LIZ BRUCE, JOINT EXECUTIVE DIRECTOR ADULT SOCIAL CARE AND INTEGRATED COMMISSIONING****SUBJECT: ADULT SOCIAL CARE STRATEGY FOR PEOPLE WITH PHYSICAL DISABILITY AND SENSORY IMPAIRMENT 2022 - 2027****ORGANISATION STRATEGY PRIORITY AREA: TACKLING HEALTH INEQUALITY/EMPOWERING COMMUNITIES****Purpose of the Report:**

This paper sets out Surrey County Council's (SCC) new strategy for people with physical disabilities and/or sensory impairments 2022 – 2027. The strategy tells us what we know about the needs of people with physical disabilities and/or sensory impairments generally, and in Surrey. It develops and articulates a shared understanding, vision, and action plan of how we will respond to the needs of people with a physical disability and/or sensory impairment. It acknowledges there are significant barriers to achieving our vision across the service system and the wider community which will require a better understanding of disabilities, and the culture change needed across Surrey's workforce, services, and community to address them.

The strategy is here to focus the action of all the partners across the Surrey system who will need to work together to make the changes we need to see.

The strategy will enable people to access the right health and social care at the right time in the right place that helps them to remain independent, achieve their potential and ensures nobody is left behind.

**Recommendations:**

It is recommended that Cabinet:

1. Endorse the new strategy for people with physical disability and/or sensory impairment.
2. Agrees to establishing a Disability Partnership Board which will be co-led by people with lived experience of physical disabilities and sensory impairments and will oversee the development of the different work streams needed to achieve the strategy and strategy action plan.

## Reason for Recommendations:

The recommendations have been made to ensure that together with our system partners we improve outcomes, services, and support for people in Surrey with a wide range of physical disabilities and/or sensory impairments.

## Executive Summary:

1. In 2018 SCC embarked on a large-scale engagement activity with residents, staff, members, partners and businesses to shape our vision for Surrey in 2030. Together we agreed that;

*'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.'*

2. It is essential that the care and support provided by Adult Social Care (ASC) enables us to deliver our Community Vision for 2030 and promotes the independence of the individual in all scenarios. Through our Strategy for People with Physical Disability and Sensory Impairment we will actively work to enable people to access the right health and social care at the right time in the right place and ensure we improve outcomes, services, and support for people with a wide range of physical disabilities and/or sensory impairments.
3. Currently 3,300 individuals are known to SCC Adult Social Care and have a Primary Client Category of Physical Disabilities recorded on LAS, Surrey County Council's case management system. This number will include people with physical disabilities and sight and hearing impairment, as well as people with long term neurological conditions.
4. The strategy identifies priorities to deliver the vision of services that people with physical and/or sensory impairments want and makes commitments as to action the Council will take to address them. The six key themes are:
  - Community inclusion – relating to support and facilities and facilitating welcoming and accessible neighbourhoods, communities and employers .
  - Establish an effective approach to securing improved accommodation: new housing options, access to aids and adaptations, access to social housing.
  - Ensure our direct payments offer acts as a constructive way to maximize choice, control and independence.
  - Establish workforce development initiatives that support practitioners to work in partnership with people regarding their support and reflect best practice.
  - Ensure carers of disabled people have access to the support they need and recognise them as expert partners in care.
  - Partnership work with NHS colleagues to improve care pathways and achieve better health outcomes for residents
5. The strategy also demonstrates our commitment to establishing a new governance structure, co-produced with disabled people in the form of a Disability Partnership Board. The Board will oversee the development of the different work streams needed to achieve

the strategy and strategy action plan, and as part of the infrastructure to implement change develop a 'performance dashboard' allowing us to track and review actions.

6. The action plan is a dynamic document and will continue to be reviewed. Actions include Disability Champions within ASC Teams providing advice and training to front line practitioners, engagement with community providers and residents to ensure services are relevant and fit for purpose. Implementation and review of outcomes will be overseen by the Partnership Board.
7. The Partnership Board terms of reference and membership are being developed and will ensure that people, services and organisations are brought together to achieve common goals creating inclusive and enabling communities with and for people with disabilities.
8. In addition, we will co-produce a market position statement setting out the market development needed for effective delivery of the strategy; and will hold an annual event to support the engagement of the whole system to review progress and refresh the delivery plan.
9. Throughout the lifespan of the strategy, we will continue to work with people with a wide range of physical and/or sensory impairment to ensure that they continue to shape services and communities.

#### **Consultation:**

10. During our initial engagement phase (Nov 20 – Jan 2021) a survey was launched to gather the main thoughts, views, and concerns from residents with a physical disability and/or sensory impairment, which generated 73 individual responses. We shared the survey with a large range of partners including Sight for Surrey, Action for Carers, Surrey Choices and health professionals.
11. Further engagement was undertaken with various specific interest groups including all of the Disables Empowerment Networks, Surrey Vision Action Group, the Long Term Neurological Conditions Group and the Hard of Hearing Forum which resulted in engaging with 111 residents.
12. The insight gained from the survey and through our continued engagement with the special interest groups resulted in the development the co-produced strategy. We continue to engage with these groups and those who responded to our initial survey through invitations to engagement meetings focused on developing aspects of the strategy action plan which will support the delivery of the strategy over its life span.
13. In addition to the external consultation outlined above, 16 internal staff engagement workshops were held with locality social care practitioners, reablement workers, adult social care commissioners, transitions, and safeguarding and quality assurance teams. As a result, an internal Practice Improvement Network has been established to support the confidence and skills of practitioners directly supporting individuals with physical disabilities and/or sensory impairments.
14. The lead commissioner for the strategy attended locality management boards and Local Joint Commissioning Groups to introduce and present the strategy to senior health and

social care colleagues. Health colleagues recognise the whole system benefits of the strategy and view it as a key part of health and social care integration.

15. The previous Cabinet Member for Adult Social Care was closely involved in the development of the strategy. The current Cabinet Member for Adult Social Care will be involved going forward and will receive regular updates.
16. The strategy and action plan will be shared with members at a forthcoming Adults & Health Select Committee and Health and Well Being Board.

#### **Risk Management and Implications:**

17. The Council is committed to improving outcomes, services, and support for people with a disability and/or sensory impairment. People with disabilities have told us that there are significant barriers to achieving our vision across the service system and the wider community. Endorsing this strategy will help us address these barriers and develop a better understanding of disabilities, using the insights and expertise of people with a wide range of disabilities and/or sensory impairments by engaging them closely in the design and delivery of services and support.

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

18. The Council currently spends almost £43m per year on care packages for people with a physical disability and / or sensory impairment. This includes everyone who entered the care system under the age of 65 whose primary need was a physical disability and / or sensory impairment, some of whom are now over 65. It does not include people who entered the care system over the age 65 due largely to frailty or other supported needs related to their older age who may have a physical disability and / or sensory impairment. Total expenditure is therefore higher, noting additionally that the Council also funds a number of preventative and wider support services for people with a physical disability and / or sensory impairment beyond care packages to meet a person's assessed Care Act eligible needs.
19. There are no additional costs directly arising out of the implementation of the strategy set out in this paper. Its implementation will not only enable improved outcomes for residents but will also help to achieve some of the efficiencies budgeted in the Council's Medium Term Financial Strategy (MTFS). This will be particularly in relation to efficiencies associated with strengths-based practice, changing models of care to enhance people's independence and ensuring development of cost effective services tailored to meeting people's changing needs through delivering the intended commissioning strategy.

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

20. Although significant progress has been made to improve the Council's financial position, the financial environment remains challenging. The UK is experiencing the highest levels of inflation for decades, putting significant pressure on the cost of delivering our services. Coupled with continued increasing demand and fixed Government funding this requires an increased focus on financial management to ensure we can continue to deliver services within available funding. In addition to these immediate challenges, the medium-term financial outlook beyond 2022/23 remains uncertain. With no clarity on central government funding in the medium term, our working assumption is that financial

resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term.

- 21. In this context the Section 151 Officer supports the objectives of the Adult Social Care Strategy for Physical Disability and Sensory Impairment to deliver better outcomes for residents while at the same time ensuring cost effective service provision that utilises opportunities to deliver efficiencies to contribute towards the very significant financial challenge that the Council faces. The Finance service will continue to work closely with Adult Social Care as the implementation of the strategy progresses, and ensure its financial impact continues to be reflected appropriately in the MTFS.

**Legal Implications – Monitoring Officer:**

- 22. This report is confined to the implementation of a new strategy to enhance the way in which the Council fulfils existing duties and responsibilities. It does not introduce any additional legal obligations and as such there are no legal implications or legislative requirements associated with this report.

**Equalities and Diversity:**

- 23. An [Equality Impact Assessment](#) (EIA) has been completed, approved by the Adult Social Care Directorate Equalities Group (DEG) and published on the Council website. The EIA did not identify any potential negative impacts of the strategy and all opportunities to promote equality have been undertaken. There is an action plan based on the mitigations recommended. On-going work with the Disability Partnership Board, with participation of people with lived experience and their carer’s, will enable any emerging equality impacts to be identified, tracked and managed through the lifetime of the strategy.

**Other Implications:**

- 24. 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.

<b>Area assessed:</b>	<b>Direct Implications:</b>
Corporate Parenting/Looked After Children	No significant implications.
Safeguarding responsibilities for vulnerable children and adults	The actions in the strategy can positively impact in terms of safeguarding, ensuring that vulnerable adults have access to appropriate care and support services designed around them.
Environmental sustainability	No significant implications.
Compliance against net-zero emissions target and future climate compatibility/resilience	No significant implications.

Public Health	The actions in the strategy can positively impact on public health outcomes, including reductions in social isolation and/or loneliness; increased wellbeing for residents participating in community opportunities and activities.
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### What Happens Next:

25. Should Cabinet agree the recommendations the next steps and timescales are:
- a. The Strategy will be published on the Council's website, Nov 2022
  - b. Establish the Disability Partnership Board Nov – Jan 2023
  - c. A dashboard will be developed to enable ASC to improve equitable access to and delivery of services by Jan 2024
  - d. Discussion of the Strategy and its impact for the health and social care system in Surrey at the Health and Wellbeing Board by Jan 2024.

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**Report Author:** Sarah Ford, Senior Commissioning Manager Disabilities Adult Social Care, sarah.ford@surreycc.gov.uk

### Consulted:

Mark Nuti, Cabinet Member for Adults and Health

Liz Bruce, Joint Executive Director for Adult Social Care and Integrated Commissioning

Wendy Hale, Area Director Guildford and Waverley

Anna Waterman, Head of Commissioning – Disabilities, Adult Social Care

Surrey Coalition and the special interest groups

### Annexes:

Annex 1: Equalities Impact Assessment

[https://www.surreycc.gov.uk/\\_data/assets/pdf\\_file/0009/316809/Equality-Impact-Assessment-PDSI-Strategy-22-to-27-v8.pdf](https://www.surreycc.gov.uk/_data/assets/pdf_file/0009/316809/Equality-Impact-Assessment-PDSI-Strategy-22-to-27-v8.pdf)

Annex 2: Adult Social Care Strategy For People With Physical Disability And Sensory Impairment (PDSI) 2022 To 2027

[https://www.surreycc.gov.uk/adults/professionals/information-and-resources/commissioning-strategies/pdsi-strategy?SQ\\_VARIATION\\_303688=0](https://www.surreycc.gov.uk/adults/professionals/information-and-resources/commissioning-strategies/pdsi-strategy?SQ_VARIATION_303688=0)

**SURREY COUNTY COUNCIL****CABINET****DATE: 29 NOVEMBER 2022****REPORT OF CABINET MEMBER: MARISA HEATH, CABINET MEMBER FOR ENVIRONMENT****LEAD OFFICER: KATIE STEWART, EXECUTIVE DIRECTOR FOR ENVIRONMENT TRANSPORT AND INFRASTRUCTURE****SUBJECT: PROGRESS REPORT OF THE GREENER FUTURES CLIMATE CHANGE DELIVERY PLAN****ORGANISATION STRATEGY PRIORITY AREA: ENABLING A GREENER FUTURE****Purpose of the Report:**

In response to the climate emergency Surrey County Council, working with partners, produced a Climate Change Strategy in 2020 [1] and subsequently, the *Surrey Greener Futures Climate Change Delivery Plan 2021-2025* [2] ("The Plan"). The Plan included the commitments that partners would deliver order to meet the targets set in the Strategy that Surrey would become a net zero carbon emissions county by 2050 and that all Local Authorities in Surrey would become net zero on a faster timeline.

This report provides an overview one year on from the launch of The Plan, including an update on progress towards the 2050 net zero county emissions target, successes achieved, challenges faced and changes in approach for the next year of implementation (Annex 1). This report also provides progress on Surrey County Council's net zero 2030 target (Annex 2).

**Recommendations:**

It is recommended that Cabinet:

1. Note the progress and findings of the Greener Futures Climate Change Delivery Plan Progress Reports (Annex 1 and 2); and
2. Agree the suggested programme amendments which lie within the scope of the current *Greener Futures Climate Change Delivery Plan 2021-2025* and have been developed with the Greener Futures Member Reference Group and other partners.

**Reason for Recommendations:**

There has been some good progress and some notable partnership successes, especially in collaboration with districts and boroughs, in the first year of The Plan which should be noted. However, there are also some significant challenges to current and future delivery, which, while the current Plan is still sound, do require some amendments to how Surrey County



Council and partners deliver over the remaining years to 2025/26, and these are set out in paragraph 12.

## **Executive Summary**

1. Over the last few years, the impacts of climate change on the lives of Surrey's residents are becoming more apparent and more extreme. Fires, floods and droughts have had a direct; and in some cases, a devastating effect over the last two years. The increase in extreme weather effects across the world impacts the economy at home through increased prices and availability of necessary goods and services. The Plan seeks to ensure that Surrey plays our part in reducing emissions, ameliorating the impacts for Surrey residents and more widely.

### **Climate Change Delivery Plan Progress Report key points (Annex 1)**

#### ***Surrey 2050 net zero target data review***

2. The latest available data for Surrey shows that annual emissions have reduced by over 1M tonnes (17%) per year, in line with a trajectory to meet 2050 net zero targets.
3. However, because of a lag in the data available, this result must be treated with caution as Covid may be a factor in mitigating emissions for the period measured. Furthermore, trends in energy use have shown that progress in the installation of low carbon measures (such as solar PV and heat pumps) has so far fallen far short of what is needed to achieve the 2050 target, and trends in road transport show that the county has not yet achieved the desired step change in reducing reliance on petrol or diesel motor-vehicle use, nor a sustained increase in active and sustainable travel.
4. The data also revealed that despite a reduction in emissions, external factors have meant an overall energy use in homes had increased, exposing residents to higher energy bills. As a result of the cost-of-living crisis, the proportion of fuel-poor homes is increasing, making our target to support 20% of fuel poor homes harder to meet.
5. All Local Authorities face similar challenges. However, the data does help to show where sustained and, in some cases, increased focus, will be critical if the county is to achieve its 2050 targets. It is also worth noting that a wide range of actions taken may have led to changes which are not measurable under the 2050 goals. Whilst they sit outside of the targets, they provide an important contribution to reducing emissions that result from the actions of Surrey's residents and businesses.

#### ***Public Sector net zero targets data review***

6. As the Progress Report shows, a 20% reduction in emissions puts Local Authorities, including SCC, on track to meet a 40% emission reduction by the end of the Delivery Plan period, but performance varies between different boroughs and districts. Maintaining a trajectory to net zero by 2030 will be challenging as "quick wins" have generally been achieved and a reduction in local authorities' carbon-emitting activities through the pandemic has temporarily reduced emissions in a way that is likely to revert in later years post-Covid.

7. However, there is a view that the building retrofit and fleet decarbonisation programmes – currently in their infancy – will start to have an impact on emissions in future years of the Plan period, although their impact cannot yet be measured.
8. It has not been possible to collect local data to indicate progress of wider public sector organisations in Surrey such as the NHS, Police and academia. There is work underway to consider whether future years' assessments can include this wider public sector data.

### **Surrey County Council net zero target data review 2030 (Annex 2)**

9. By April 2022, the SCC target was an emissions reduction of between 20% and 33% compared to emissions produced in 2019/2020. In April 2022, Surrey County Council had achieved a 27% reduction. This places us on track to meet the 2030 net zero target.
10. However, as with the county and wider local authority targets, there is a risk that emission reductions may not be sustained over the next few years because much of the reduction was caused by a change in service delivery patterns and staff behaviour change as a result of Covid restrictions.
11. That said, as with the wider local authority target, it is too early to measure the impact of key estate and fleet decarbonisation programmes which are projected to reduce emissions – which is where more sustained reductions in emissions are expected. Furthermore, we may need to increase renewable energy on SCC sites if there is a slower transition of renewable energy to meet the 2030 net zero target.

### **Climate Change Delivery Plan – highlights and achievements**

12. Several of Surrey's decarbonisation programmes have out-performed expectations and have delivered significant carbon savings, bill savings and accelerated deployment in renewables. In total, since the launch of the plan, £60M has been leveraged into the County to deliver climate change mitigation activity including improving energy efficiency of homes, businesses and public sector buildings, installing renewable energy, active travel schemes and tree planting and includes:
  - Approximately £13M has been invested in low income homes in Surrey to improve energy efficiency through Surrey's Sustainable Warmth Programme (Government funded) with total annual savings of £478K. The Council is currently working with partners to deliver a new tranche of £11.9M as part of this programme to enable a further 1,103 low income households to reduce energy bills and save carbon.
  - 5.6MW of solar has been installed on domestic roof tops across the county in just over one year, mobilising around £8M in private investment through the Surrey Solar Together scheme in 2021. This equates to approximately 50% of Surrey's total domestic installed PV capacity installed since 2017.
  - £1.2M investment in low carbon technologies through LoCASE, an EU funded programme which offers grants of up to £20K to SME businesses for energy efficiency and decarbonisation measures. To date, 55 business have been

supported with grants resulting in annual emission reductions of 288 tCO<sub>2</sub>e and annual energy savings of £232K.

- A significant increase in engagement around climate priorities has taken place, including several comms campaigns, the launch of better points app, community engagement activities and the launch of a staff green champions scheme.

### **Emphasis of the plan in 2023/4**

13. Based on the assessments, it is proposed that the scope and ambition of The Plan itself is still sound; however, the scale and pace of activity needs to increase substantially, with a need for further investment from Government and other sources to sustain this scale of activity – something that was identified in the original Plan itself. This will be a challenge in the current economic climate, and therefore there is a pressing need to take the opportunity to redouble efforts in some areas, and realign our focus in other areas, as set out below:

- **Significantly increasing meaningful collaboration** not only between Surrey local authorities, but also with Government, communities, the not for profit sector and business to improve efficiency, and effectiveness of delivery and increase impact. There is already collaboration happening, but more is needed.
- **Stronger and more focused collective engagement and lobbying.** Lobbying priorities will include recognising and supporting the key role of local government in tackling climate change, alongside funding which enables sustained, long-term action. Our engagement activity will ensure that communities and residents are central to, and embedded within, our approach.
- **A greater focus on supporting all residents and businesses to save energy, reduce energy costs and have easier access to affordable, low carbon energy.** Recognising the criticality of the cost of living crisis for so many of our residents, we will work with partners to continue to support residents in fuel poverty as a priority, but look to also increase support to residents and businesses as a whole.
- **Greater priority to be placed on accelerating local renewable energy generation for example new projects such as rent-a-roof PV schemes** on schools, community buildings and commercial property that reduce up-front energy costs – a key barrier to the uptake of these measures. This will generate income which the Council and partners can utilise to further finance carbon and energy saving schemes across the county, as well as growing the renewable energy sector in Surrey and creating green jobs.
- **More resource will be targeted at initiatives and mechanisms to develop a step change in investment.** An updated financial strategy that focuses on new funding mechanisms to lessen the huge funding gap that prevents local authorities to meet net zero targets will be developed by the end of the year. It is proposed that this updated finance strategy will be brought back to Cabinet in Spring 2023.

### Consultation:

14. There has been extensive engagement with Surrey County Council and Borough and District Officers who are partners in delivering actions within the Climate Change Delivery Plan. The initial findings have also been shared with external stakeholders through the Greener Futures Board.
15. The key findings of the report have been shared with the Greener Futures Member Reference Group and CEH Select Committee. Borough and District Chief Executives and Cabinet Members have been involved in the development of the report through the Greener Futures Partnership Steering Board.
16. Because the report is principally about reporting progress, once Cabinet have considered the report, it is the intention is to share the results widely through our website and wider community engagement.

### Risk Management and Implications:

17. Since the publication of the *Greener Futures Climate Change Delivery Plan 2021-2025*, the top 4 programme-level risks and issues that were identified at the formation of the Plan have remained largely the same:
  - a. Over 95% of the emissions in the target are reliant on residents, businesses and other public sector bodies to reduce emissions. Increasing the reach of the Delivery Plan is being addressed through the formation of the Greener Futures Board and supporting stakeholder engagement.
  - b. Funding and legislative barriers at National Government continue to hold back progress. Effective lobbying is being developed to argue for greater action and funding at National level.
  - c. The speed and complexity of delivering a wide range of impactful projects continues to be challenging. To mitigate this risk, SCC's own Greener Futures team and those within partner organisations are managed in as dynamic a way as possible, ensuring that capacity is applied where it is needed the most in response to a constantly changing agenda. In addition, greater co-ordination and building improved programme management arrangements are being put in place.
  - d. Updated climate science forecasting may predict that climate change is happening faster than originally predicted. The Plan will continue to be responsive to changes in evidence.
18. The above risks are being monitored and managed through the Greener Futures Steering Group internally and the Greener Futures Board externally.

### Financial and Value for Money Implications:

19. Although Progress Report identifies the need for more Government and third party funding, it is not proposing any additional investment by SCC. Spend that falls under the Plan will be subject to individual business cases, and an updated financial strategy will be presented to Cabinet in Spring.

## Section 151 Officer Commentary:

20. Although significant progress has been made to improve the Council's financial position, the financial environment remains challenging. The UK is experiencing the highest levels of inflation for decades, putting significant pressure on the cost of delivering our services. Coupled with continued increasing demand and fixed Government funding this requires an increased focus on financial management to ensure we can continue to deliver services within available funding. In addition to these immediate challenges, the medium-term financial outlook beyond 2022/23 remains uncertain. With no clarity on central government funding in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term.
21. As already agreed by Cabinet on approval of the Climate Change Delivery Plan in October 2021, the Council has already made provision for investing in measures to support the delivery of our net zero targets as a Council and county. This investment sits alongside that of partners and organisations in other sectors across the County. While the expectation is that the Council's financial role will primarily be as a facilitator, it is also directly investing in measures (e.g. on its own estate) with the expectation of recovering those costs in the future, e.g. through reduced energy usage.
22. The Council's Medium Term Financial Strategy (MTFS) makes provision for this investment, with spend of £470m planned up to 2026/27 for schemes that contribute to reducing carbon emissions, tackle climate change and enable a greener future for residents. This covers a wide range of projects from Council retrofit and renewables projects, potential financial support for residents, the River Thames flood alleviation scheme and transport infrastructure. This will be refreshed as the next MTFS is developed. Individual schemes remain subject to the Council's approval processes including development of business cases to demonstrate affordability and value for money.

## Legal Implications – Monitoring Officer:

23. As the scope of the *Greener Futures Climate Change Delivery Plan 2021-2025* has remained largely unchanged, there are no new legal considerations, except for biodiversity.
24. In relation to biodiversity, the Environment Act 2021 ("EA") imposes at s102 a general duty to conserve and enhance biodiversity. It is expected that this section will be brought into force in 2023. The EA will amend the duty placed on public authorities under section 40 of the Natural Environment and Rural Communities Act 2006 by making more explicit the requirement for public authorities to assess how they can take action to conserve and enhance biodiversity and then take those actions when delivering their functions.

**Equalities and Diversity:**

25. The actions in The Plan meet the needs of as wide a range of the Surrey population as possible. The proposed amendments to the Plan set out in paragraph 13 include a change of emphasis to ensure that support and engagement is targeted towards those most in need, particularly to support those impacted by the rise in energy prices.

**Other Implications:**

26. 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.

<b>Area assessed:</b>	<b>Direct Implications:</b>
Corporate Parenting/Looked After Children	None
Safeguarding responsibilities for vulnerable children and adults	None
Environmental sustainability	No change since the agreement of the <i>Greener Futures Climate Change Delivery Plan 2021-2025</i>
Compliance against net zero emissions target and future climate compatibility/resilience	No change since the agreement of the <i>Greener Futures Climate Change Delivery Plan 2021-2025</i>
Public Health	No change since the agreement of the <i>Greener Futures Climate Change Delivery Plan 2021-2025</i>

**What Happens Next:**

- 27. The Progress Reports will be published on the SCC website.
- 28. A progress report for the Climate Change Delivery Plan will be completed on an annual basis.
- 29. The Greener Futures Finance Strategy will be developed by the end of the year and will be brought to the CEH Select Committee for review prior to Cabinet.

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**Report Author:** Cat Halter, Climate Change Strategic Lead, 07414526808

## Consulted:

Surrey County Council and Borough and District Officers, Greener Futures Board, Greener Futures Reference Group, Select Committee, Borough and District Chief Executives and Cabinet Members.

## Annexes:

**Annex 1**      *The Greener Futures Climate Change Delivery Plan Progress Report*

**Annex 2**      *Surrey County Council's Net Zero 2030 Progress Report*

## Sources/background papers:

[1]      *Surrey's Climate Change Strategy, 2020;*

[https://www.surreycc.gov.uk/\\_\\_data/assets/pdf\\_file/0003/225615/Surreys-Climate-Change-Strategy-2020.pdf](https://www.surreycc.gov.uk/__data/assets/pdf_file/0003/225615/Surreys-Climate-Change-Strategy-2020.pdf)

[2]      *Greener Futures Climate Change Delivery Plan 2021-2025, 2022*

<https://s3-eu-west-2.amazonaws.com/commonplace-customer-assets/surreysgreenerfuture/Final%20Climate%20Change%20Delivery%20Plan%20Full%20Document%202022.pdf>

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**Surrey's  
Greener  
Future**

**Greener Futures  
Climate Change  
Delivery Plan  
Progress Report**

November 2022



# FOREWORD

[FOREWORD TO BE ADDED]

**Tim Oliver, Leader of the Council**  
**Chair of Surrey Leaders**  
**Marisa Heath, Cabinet Member for Environment**

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# EXECUTIVE SUMMARY

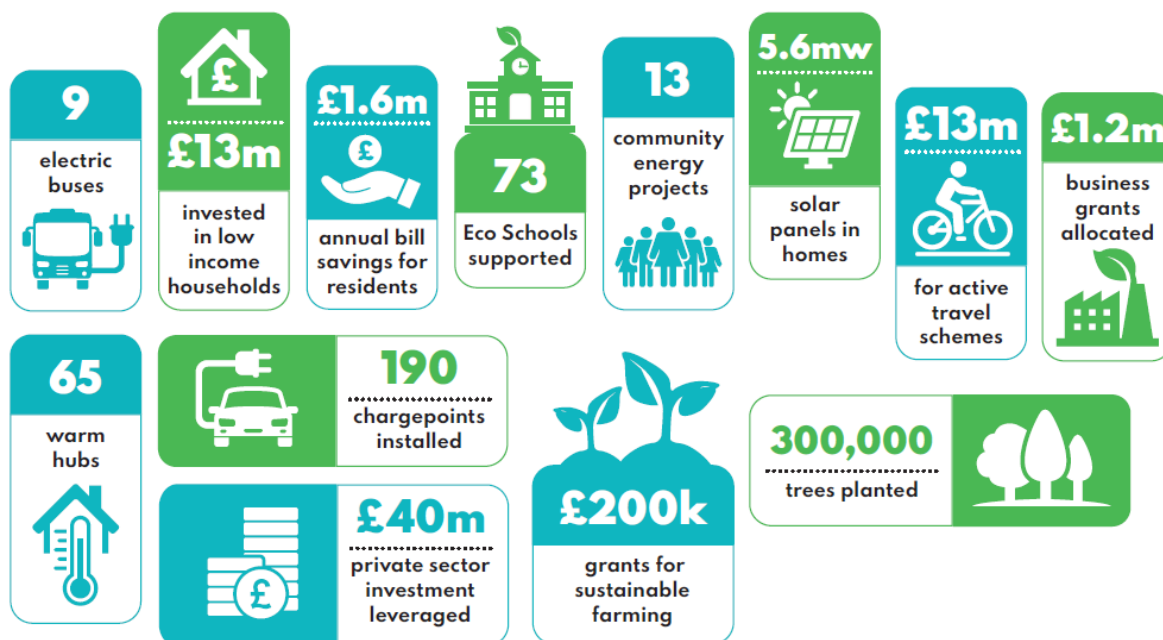
## ONE YEAR ON

In response to the climate emergency Surrey County Council, working with partners, produced a Climate Change Strategy in 2020. This included the commitment that Surrey would be a net-zero carbon emissions county by 2050 and that all local authorities in Surrey would become net-zero on a faster timeline by 2030. In 2021, the Greener Futures Climate Change Delivery Plan was published, setting out how the council and partners would deliver on these targets.

This report considers how our actions so far have impacted on our net-zero emissions targets, highlighting achievements, challenges and future action.

Since the target was set, emissions in Surrey have reduced by over 1 million tonnes (17%)<sup>1</sup>. This aligns with the carbon reduction pathway to 2050 set out in the Strategy and Delivery Plan. Progress is faster than expected but is being treated with caution, as much of the reduction is likely to be due to restrictions experienced as a result of the Covid-19 pandemic and does not guarantee future years will stay on track.

Figure 1: Climate Change Delivery Plan achievements



<sup>1</sup> Emissions compared to the base year of 2018, compared to the latest data set to December 2020.

Overall, there has been a step-change in action, engagement and collaboration across Surrey's local authorities to reduce emissions in line with the Delivery Plan, with a strong emphasis on supporting residents and businesses impacted by the rising cost of energy. Figure 1 highlights some of benefits which include a substantial amount of grant funding and private investment which has increased the scale of carbon reduction possible. Important progress has also been made in tackling fuel poverty and reduced energy bills for residents, supporting small businesses, decarbonising the electricity supply, encouraging active travel and planting many thousands of trees. Some of the success stories are set out in figures 2 to 7 below.

Surrey County Council and Surrey's district and borough councils have also reduced emissions within their organisations. Collectively, local authorities reduced their carbon emissions by 20% since 2019, when many councils declared a climate emergency. They are on track to meet a 40% emissions reduction by 2025, the end of the Delivery Plan period. Most local authorities are in the early stages of reducing emissions in key areas such as their estate, fleet and procurement. This includes securing grant funding of £7.8 million to decarbonise local authority buildings, putting sustainable travel policies in place and providing climate change training to 1,000 staff members. Borough and district councils have their own climate change action plans, with some examples of their work highlighted in figures 17 to 27.

## **SHAPING THE FUTURE CLIMATE CHANGE PROGRAMME**

Despite some notable successes and the leveraging of significant external funding, continuing current levels of activity and investment will not meet the challenges of decarbonising the county.

Changes that are vital for our transition towards a low carbon county include the deployment of renewable energy and low carbon heating, and an increase in cycling, walking, public transport and low carbon vehicles.

In all cases, the data consistently shows that these changes will need to be accelerated to meet net-zero targets. The data also shows that more people are now at risk of experiencing fuel poverty and that residents and businesses are increasingly exposed to soaring energy prices.

As this assessment shows, the scope and ambition of the Plan itself is still sound; however, the scale and pace of activity and investment needs to

increase substantially. This will be a challenge in the current economic climate and therefore there is a pressing need to come together to focus on the following areas:

**Significantly increasing meaningful collaboration** not only between Surrey local authorities, but also with the Government, communities, the not-for-profit sector and businesses to improve efficiency, and effectiveness of delivery and increase impact. There is already collaboration happening, but more is needed.

**Stronger and more focused collective engagement and lobbying.** Lobbying priorities will include recognising and supporting the key role of local government in tackling climate change, alongside funding to enable sustained, long-term action. Our engagement activity will ensure that communities and residents are central to, and embedded within, our approach.

**A greater focus on supporting all residents and businesses to save energy,** reduce energy costs and have easier access to affordable, low carbon energy. Recognising the criticality of the cost of living crisis for so many of our residents, we will work with partners to continue to support residents in fuel poverty as a priority, but look to also increase support to residents and businesses as a whole.

**Greater priority to be placed on accelerating local renewable energy generation for example new projects such as rent-a-roof photovoltaic schemes** on schools, community buildings and commercial property. These schemes reduce up-front energy costs – a key barrier to the uptake of these measures, but may also generate income, which the Council and partners can utilise to further finance carbon and energy saving schemes across the county and stimulate the local renewable energy sector and creating green jobs.

**More resource will be targeted at initiatives and mechanisms to develop a step change in investment.** An updated financial strategy that focuses on new funding mechanisms to lessen the huge funding gap that prevents local authorities from meeting their net-zero targets will be developed by the end of the year. It is proposed that this updated finance strategy will be brought back to Cabinet in Spring 2023.

## CASE STUDIES

**Figure 2: Tackling fuel poverty: Sustainable Warmth Programme**

Over the last two years, 724 low-income homes in the county have received free decarbonisation measures with an average cost of £10,000 through Surrey's Sustainable Warmth programme. The Council is currently working with partners to deliver a new tranche of £11.9 million Sustainable Warmth funding to enable a further 1,103 low-income households to reduce energy bills and save carbon.



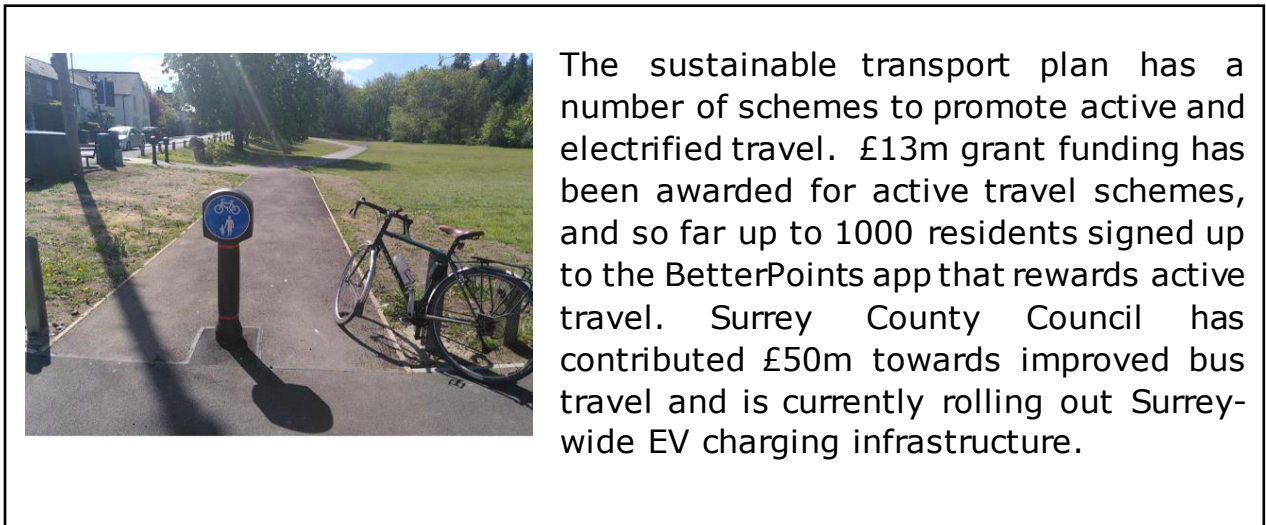
**“Regarding the Green Jump Surrey Funding Programme, we were lucky enough to hear about this and what it was offering, we would just like to say that we are very pleased with what we have had done, our feet are a lot warmer!”**

**Figure 3: Decarbonising electricity supply: Solar Together**



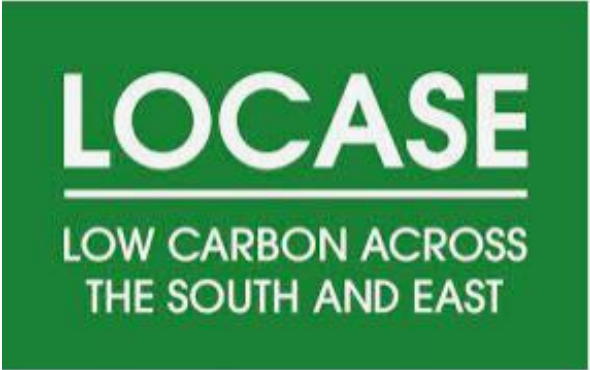
Surrey launched a Solar Together scheme in 2021, offering residents the opportunity to purchase subsidised solar PV and battery storage. The scheme resulted in the installation of 5.6 MW solar on domestic rooftops across the county in just over a year, mobilising around £8m in private investment. This equates to approximately 50% of Surrey's total domestic installed PV capacity.

**Figure 4: Sustainable and active travel**



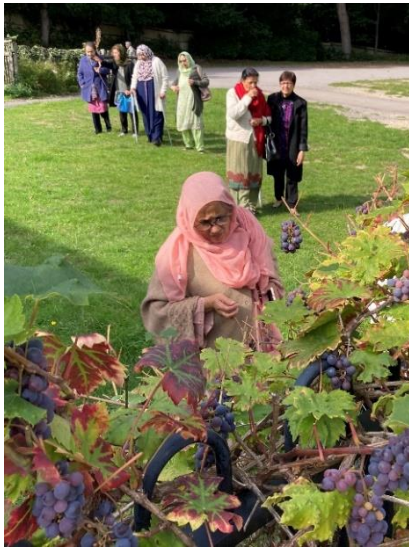
**Figure 5: Supporting small businesses with the Low Carbon Across the South and East (LoCASE) programme**

Low Carbon Across the South and East or LoCASE is an EU funded programme which offers grants of up to £20k to SME businesses for energy efficiency and decarbonisation measures. To date 55 businesses have been supported with grants resulting in emissions reductions of 321 tonnes of carbon per year, £1.4m investment in low carbon technologies and bill savings of £232k per year.





**Figure 6: Green Social Prescribing Programme**



Surrey Heartlands is one of 7 test and learn sites as part of the 2-year national Green Social Prescribing Programme. The programme is testing how to scale up and embed green social prescribing into communities in order to reduce health inequalities and reduce demand on health and social care. Through grant-funded programmes, residents are engaging in nature-based activities to improve their mental health. As well as improved wellbeing, nature connectedness is proven to increase pro-environmental behaviours.

**“Sometimes getting out of bed is a challenge, now all I have to do is think of how I felt in the river and let my doubts and worries wash over me”. Wild Swimming course participant, 2022**

**Figure 7: Effective lobbying at the Farnham Active Travel Roadshow**

The Farnham Active Travel Roadshow event, livestreamed for COP26, highlighted the challenges and potential solutions to decarbonise Surrey’s transport system. 40 partners came together including local eco-schools, the University for the Creative Arts, Farnham Town Council, Shifa South Asian Women’s Network Woking, Canyon e-bikes, Energy Saving Trust and Metrobus. Engagement on social media reached over 1 million people, and the event was featured on local radio stations and BBC London.



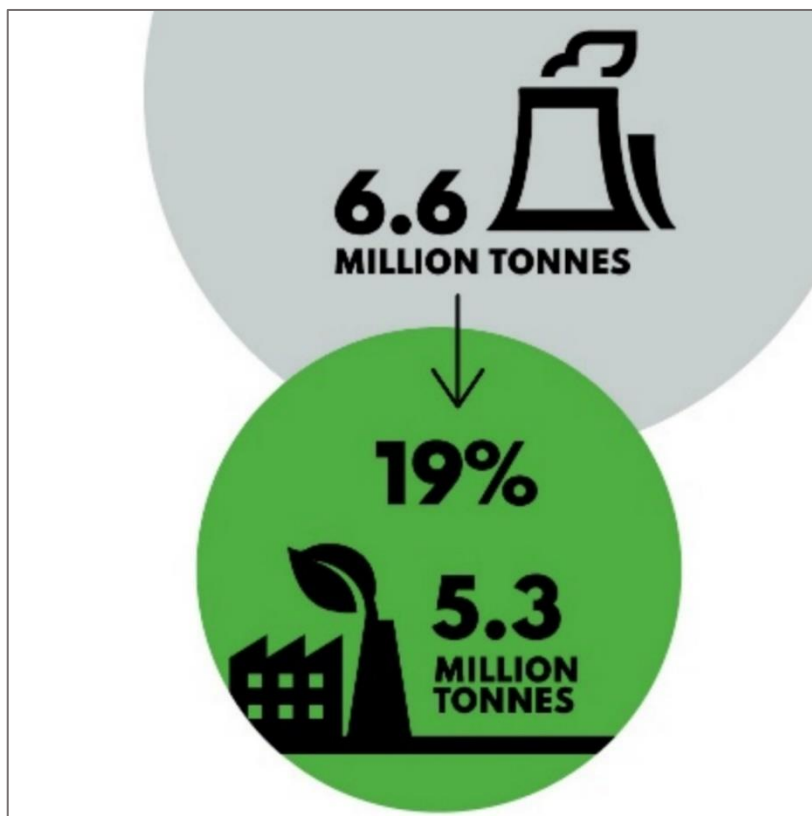


# 1. INTRODUCTION

## 1.1 BACKGROUND

In 2020, Surrey’s Climate Change Strategy<sup>i</sup> was published, which set out how Surrey can meet our 2050 net-zero carbon target<sup>2</sup>. In addition, Surrey’s local authorities set more stretching targets to reduce carbon emissions within their organisations.

These ambitions led to the development of the *Greener Futures Climate Change Delivery Plan 2021-2025*, launched in November 2021 as a co-ordinated effort across Surrey to accelerate action on climate change. By 2025, we need to reduce Surrey’s carbon emissions to 5.3 million tonnes, a 19%-reduction compared to our 2018 baseline of 6.6 million tonnes.



One year on, this is the first full assessment of our progress. It highlights action taken to tackle climate change and the impact it has had. It helps us to make choices about our future collective effort to achieve carbon reduction, harness the opportunities of a greener economy and create a greener future.

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<sup>2</sup> “Net zero” means cutting greenhouse gas emissions to as close to zero as possible, with any remaining emissions re-absorbed from the atmosphere.

## 1.2 ABOUT THIS DOCUMENT

This report is set out in the following sections:

**Sections 2 and 3** shows how our actions have contributed to the County’s path to becoming net-zero, which is made up of emissions<sup>3</sup> from the way residents and businesses heat and power their properties, their travel and their use of goods and services<sup>4</sup>.

**Section 4** considers the more ambitious goals of local authorities and other public sector bodies to reduce emissions within their organisations, where they have a greater level of control.

**Section 5** looks at how our approach to partnership, engagement and programme management have been used to extend the reach and effectiveness of our action, and reduce risks.

**Section 6** explains how we intend to shape future action and focus our efforts within and beyond the current Delivery Plan period.

## 1.3 ASSESSMENT APPROACH

This first full assessment of progress seeks to address the following questions:

**Are we on track to meet our net-zero targets?** A wide range of monitoring data has been used to check whether carbon emissions are reducing at the rate we expect to meet our net-zero targets. By 2025, we expect emissions from residents and businesses across Surrey to reduce by between 19 and 36% to stay on track<sup>5</sup>. By 2025, local authorities are aiming to reduce emissions by at least 40%<sup>6</sup> to meet more ambitious goals. Table 1 sets defines what is counted as on or off track for the net-zero targets.

**Table 1: Definition of progress against the net-zero targets**

On track	Carbon reduction is in line with expected progress to meet our net-zero targets
Off track	Emissions are not reducing in line with progress expected to meet net-zero targets.

<sup>3</sup> “Emissions” or “carbon emissions” means all gases that cause global warming (greenhouse gases) of which carbon dioxide has the greatest overall impact. For the purposes of this report emissions does not mean air pollution emissions that cause harm to the health.

<sup>4</sup> “Goods and services” are outputs of the economy that provide utility and satisfaction to consumers.

<sup>5</sup> Compared to 2018 level of 6.6 million tonnes of carbon emissions

<sup>6</sup> Compared to 2019/2020 baseline

**How are Surrey local authorities progressing actions to reduce carbon?** The Greener Futures Climate Change Delivery Plan set out what local authorities are intending to do between now and 2025 to create a step-change in reduction of emissions. Progress in the delivery of 36 priority projects - considered to be the most impactful - have been highlighted in this report. Where possible we have explained the extent to which our actions have helped towards meeting the net-zero target. Table 2 shows the traffic-light system used to signal the extent to which key projects are on track.

**Table 2: How progress has been measured**

Green	Progressing on schedule within the resources available.
Amber	Progressing off-schedule, but plans are in place to enable it to become on-schedule.
Red	Significantly off-schedule and recovery actions may not enable progress to get back on track.

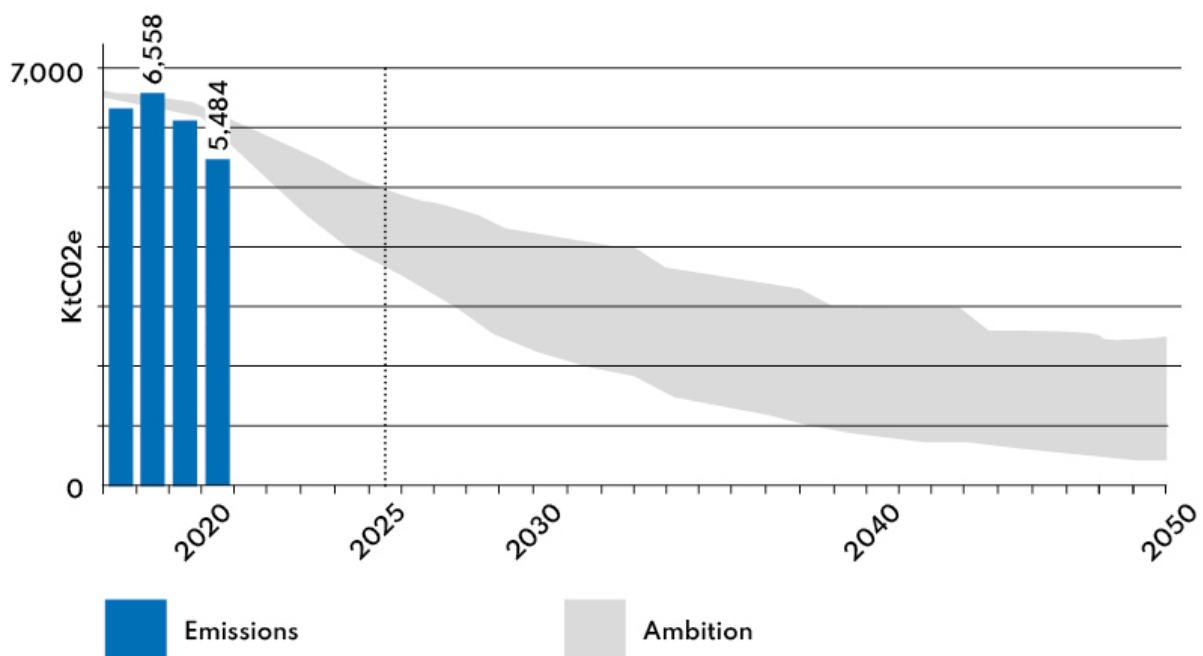
**How can we be more effective in future?** As well as looking at progress, we have considered how our risk management, engagement and approach to finance will deliver lasting change, and what changes we need to make to stay on track.

## 2. SURREY 2050 TARGET

### 2.1 SURREY'S CARBON EMISSIONS

**The overall change in emissions show that we are on track to meet net zero targets, but with a risk of diverging from that pathway over the next few years.** Emissions across Surrey reduced from 6.6M tonnes in 2018 to 5.5M tonnes in 2020. The 17% reduction is faster than expected. However, restrictions to travel, work and leisure patterns from the first Covid-19 lockdowns are likely to be a principal contributor to these reductions. Carbon emissions may increase again in the coming years unless progress against actions in the Delivery Plan is accelerated.

**Figure 8: Changes in Surrey's carbon emissions<sup>7</sup>**



**A time lag in the collection of data means it is too early to measure the impact of actions in the Greener Futures Climate Change Delivery Plan.** National datasets are the most accurate way to measure carbon emissions but they are two years out of date, so trends stretching further back have been used to gain important insights into progress. The latest data set available is from 2020; one year before the agreement of the Greener Futures Climate Change Delivery Plan.

<sup>7</sup> The grey area in the graph represents the level of range of ambition that was set out in the Greener Futures Climate Change Delivery Plan 2021-2025.

**Minor adjustments in ambition do not significantly affect the overall picture.** Predicted progress against net zero targets (shown in figure 8 as the level of ambition) has been used to judge whether enough action is being taken across Surrey. An updated assessment suggests that Surrey will need to reduce emissions slightly faster than our original data suggested. This would change our level of ambition in 2025 from 19-36% to 21%-41%. By 2050, we expect to achieve emission reductions of between 70-94%. Whilst the plan seeks to reduce as much carbon as possible, the evidence continues to suggest that offsetting will be needed for the county to become carbon neutral.

**Local authority action only forms part of the picture.** Local authorities directly control less than 1% of Surrey's carbon emissions, so the ability of Surrey to stay on track to meet our 2050 target is dependent on many wider factors. Influencing national government to align policies and funding with the scale of the challenge continues to be critical, along with partnership working to encourage action from Surrey's residents, businesses and public sector.

**There is a need to address emissions that fall outside the scope of the net zero target.** Indirect emissions occur outside of Surrey but are influenced by those who work, live and visit Surrey. It is not yet possible to measure indirect emissions in a way which allows us to track progress, so they are not included in the 2050 target. However, these emissions are around 2 to 3 times larger than emissions that fall within the scope of the target. Therefore, encouraging residents to use, and businesses to supply sustainable goods and services will continue to be an important part of the county's aspirations to mitigate future emissions.

# 3. TACKLING SURREY'S EMISSIONS

## 3.1 INTRODUCTION

Figure 9 shows that emissions from petrol and diesel vehicles continue to be the greatest cause of emissions in Surrey, followed by use of gas and electricity in residential and commercial buildings.

The following sections in this report show how priority projects are progressing within the scope and available resources of local authorities. Where possible, it shows the extent to which projects may be impacting on our net-zero targets, highlighting key opportunities and challenges.

**Figure 9: Surrey's carbon emissions by sector in 2020.**



## 3.2 HOUSEHOLD ENERGY USE

### FUEL POOR AND VULNERABLE RESIDENTS

**In addition to maximising the delivery of Sustainable Warmth grants to fuel poor households, resources have been prioritised to provide additional advice and support in response to the rise in energy bills.** Further government and external funding is needed to accelerate grant programmes and expand action to reach a wider group of at-risk households.

<b>Progress</b>	<b>Summary</b>	<b>Risks, issues and mitigation</b>
<b>Sustainable Warmth (Green)</b>	Local Authority delivery of Sustainable Warmth grant funding to decarbonise fuel poor homes continues to out-perform other regions by gaining the maximum grant funding and allocating over 90% of it.	Likely future price increases due to material and skills shortages may reduce the cost effectiveness of the scheme. A 5 year contract is being implemented which will include focus on growing green skills in county.
<b>Energy bill campaign and warm hubs (Green)</b>	An engagement energy-focused campaign launched in September, with an accompanying energy advice tool. Community buildings have been identified as warm hubs for those in need.	Ways to avoid low engagement or reach with the campaign is being mitigated through refined messaging based on social media feedback. A funding bid to VCMA, SGN and Cadent if successful, will protect warm hubs who need to pay high bills.
<b>Landlord engagement pilot (Amber)</b>	Elmbridge and Surrey County Council are leading a pilot to identify and engage with landlords whose homes are not compliant with minimum energy efficiency standards.	A decision will be made on whether to expand the pilot depending upon the extent to which landlords improve their properties following engagement.

**The ambition in the plan that 20% of fuel poor and vulnerable homes be decarbonised by 2025 is not possible to fully measure:**

The Greener Futures Climate Change Delivery Plan sets out the need for 32,713 fuel poor and homes to be decarbonised by 2025, saving 118 ktCO<sub>2e</sub> per year by 2025. This includes 20% of those who meet the definition of fuel poor, that local authorities are looking to support through Sustainable Warmth grant funding and improvements to local authority-owned social housing. It also includes 20% of vulnerable groups who are likely to need additional help to invest in low carbon technologies needed to reduce emissions and bills. Councils will support a proportion of these by linking them up with wider information and services through developing an energy advice tool. Whilst we can estimate emissions savings and the number of homes impacted by our actions, the data does not yet enable us to measure progress from the wider set of organisations that reduce emissions on behalf of the fuel poor and vulnerable, such as social and private landlords.

**Sustainable Warmth grant funding is not enough to reach 20% of fuel poor households by 2025, or the depth of decarbonisation per household.** Sustainable Warmth grant funding is a key route to treating fuel poor homes, alongside improvements taken forward by the social housing and private rented sector. To be in keeping with the pace and scale set out in the Delivery Plan, grant funding would need to upgrade 1,100 homes per year to 2025, with each home saving around 3.7 tonnes of carbon. So far, the grant funding has enabled 724 homes to be reached, with an average emission saving of 1.4 tonnes per household, so further funding is needed.

**For those who receive funding, the benefits are significant.** On average, Sustainable Warmth grants reduce energy bills by around £660 per year. For households which have so far received low carbon measures, the total lifetime savings are estimated to be around £11.5M<sup>8</sup>.

**Numbers of households at risk of fuel poverty are likely to rise sharply.** The number of fuel poor households has risen from 6.1- 6.9% between 2019 and 2020. Despite a refocusing of effort, there is significant opportunity to do more with landlords, social housing and the vulnerable.

## LOW CARBON RETROFIT OF HOMES

**The success of the Solar Together pilot has demonstrated that there is an appetite from residents to invest in low carbon**

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<sup>8</sup> This estimate was made prior to the significant increases in energy prices, so may currently be much higher,

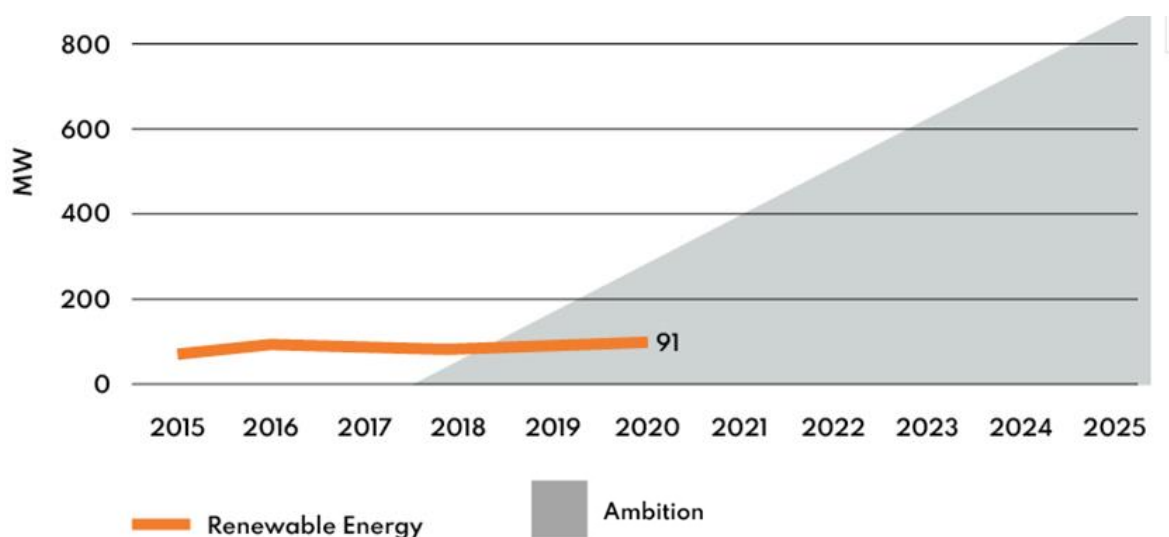


**technologies.** There is huge scope to leverage private sector investment in this area, and further capacity is being developed within the SCC Greener Futures team to bring forward new projects.

Progress	Risks, issues and mitigation	Progress
<b>Solar Together pilot (Amber)</b>	Take-up of the pilot collective buying scheme exceeded expectations, resulting in the installation of solar panels achieving 5.6 MW of renewable energy.	Officers are exploring options to deliver similar schemes through the Sustainable Warmth delivery partner.

**More action is needed to trigger investment in low carbon measures in 2- 13%<sup>9</sup> of homes envisaged by the Greener Futures Climate Change Delivery Plan** to achieve a carbon saving between 32-441 ktCO<sub>2</sub>e. Significant barriers to rapid household retrofit remain, the most significant being the cost and complexity of installing low carbon alternatives and a lack of skilled workforce. New schemes, similar to Solar Together, need to come from local authorities, national government and the low carbon business sector.

**Figure 10: Renewable energy deployment compared with ambition**



<sup>9</sup> Equivalent 9,000-64,000 households, which is the range needed to meet the level of ambition set out in Figure 9.

**Key low carbon technologies are not being deployed at the rate needed to meet net zero targets.** Installation of low carbon heating and renewable energy are essential to transition energy use away from fossil fuels. Although the opportunities for renewables are huge, deployment rates are hampered by high capital costs, uncertain return on investment, and barriers such as planning.

**Households without low carbon measures will be disproportionately exposed to high energy bills.** Despite a reduction in emissions, overall energy consumption has increased. Deployment of insulation and on-site renewable energy are a significant opportunity to shield residents and businesses from high energy prices.

**Local authority led solar schemes can have a significant impact.** In just over a year, the Solar Together scheme mobilised around £8m in private investment and deployed approximately 50% of Surrey's PV capacity installed since 2017.

**Lack of national progress highlights the importance of low carbon heating.** The carbon intensity of the electricity grid is falling. But emissions from gas have hardly changed, and gas use has increased. The roll out of low carbon heating is very low in Surrey; less than 1.5% of existing homes and 3% of new builds have low carbon heat pumps installed.

## 3.3 TRANSPORT

### ACTIVE AND SUSTAINABLE TRAVEL

**The development of strong active travel infrastructure plans, bus service improvements and encouraging residents to travel more sustainably have been prioritised by the Council and its partners.**

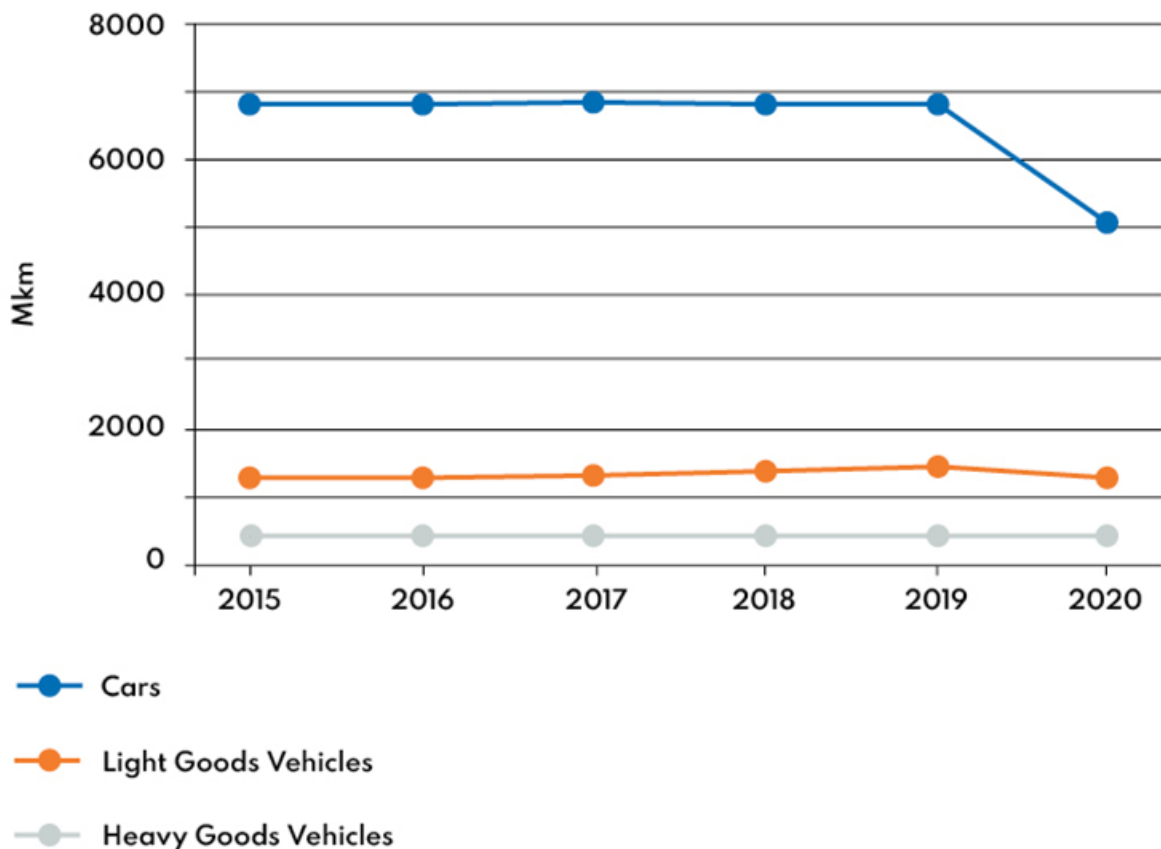
Reducing car use alongside successfully rolling-out key sustainable transport infrastructure will be essential to further reduce carbon emissions. Doing so will be even more important in the face of a challenging funding environment and an increasing reliance on car use across the county.

Progress	Summary	Risks, issues and mitigation
<b>Active travel infrastructure</b>  <b>(Green)</b>	On track for most Local Cycling and Walking Infrastructure Plans (LCWIPs) to be complete by March 2023, from which a prioritised pipeline of projects is being built. Work to roll out Liveable Neighbourhoods is in the early planning stage.	National funding is likely to fall far short of what is needed to fully reform active travel infrastructure. The project development of key cycle routes, active travel schemes and the use of all funding opportunities will maximise the impact of national funding.
<b>Bus Service Improvement Programme</b>  <b>(Amber)</b>	9 electric buses are in operation and 54 hydrogen fuel cell buses are expected to come into service from 2022. The Council's Bus Service Improvement Plan, drafted in partnership with bus operators, will be revised in 2023 following a consultation.	The £120m sought to decarbonise public transport remains unfunded by Government. However, the Council is investing c. £50m of its own funding in zero emission buses and mini buses, more bus priority measures and more real time passenger information. A lobbying strategy seeks to secure future funding.
<b>Active Travel Engagement Priority</b>  <b>(Green)</b>	Research on motivation and barriers to active travel has been completed and used to create a major social	There is a limit to which stand-alone active travel engagement will be effective without a complimentary change to infrastructure and

Progress	Summary	Risks, issues and mitigation
	media campaign that launched in September 2022. The BetterPoints app is on track to attract 2,000 users by March 2023.	other policies to make active or sustainable travel the most convenient choice. Officers are linking to LCWIPS and future funding opportunities.

**The rate of emissions reduction from private and commercial vehicles has been helped by Covid-19, and therefore is not likely to last.** The ambition stated in the Climate Change Delivery Plan is to reduce emissions from vehicles by 16- 31% by 2025. This is equivalent to taking around 376,000– 493,000 petrol and diesel vehicles off the road. Emissions from transport reduced by 19% in 2020 when Covid-19 lockdowns occurred. These are likely to be temporary changes in behaviour as opposed to the permanent replacement of fossil fuel vehicles and journeys with more sustainable options.

**Figure 11: Road use in Surrey by vehicle type**



**Trends in road transport show that the county has some way to go in achieving the step change reduction in its reliance on petrol and diesel motor-vehicle use.**

Figure 11 shows that car ownership was at its highest point in 2021 with an average of 1.3 cars per household. Covid-19 aside, figure 11 shows that total road use in Surrey has been largely static over the last 5 years with the exception of light commercial vehicles (vans) which continue to increase. These trends suggest that action is needed to encourage residents and businesses away from non-essential private vehicle use.

**Encouraging increased use of public transport remains a challenge.**

Bus use has been slowly declining and reduced sharply by 76% in 2020 due to Covid-19. More recent data has shown that bus services have not yet returned to normal and are 80 to 90% of pre-Covid passenger levels.

**Active travel has remained largely static.** Although the nature of travel by bike and walking shifted during Covid-19, overall levels have not significantly changed. For example, the proportion of those who cycle between 3 and 5 times a week have remained at between 3- 6% of Surrey residents.

**VEHICLE ELECTRIFICATION**

**Good progress has been made to roll out EV chargepoints in public places, but low carbon vehicles need to rapidly replace fossil fuel cars and vans to be in keeping with our net-zero target.**

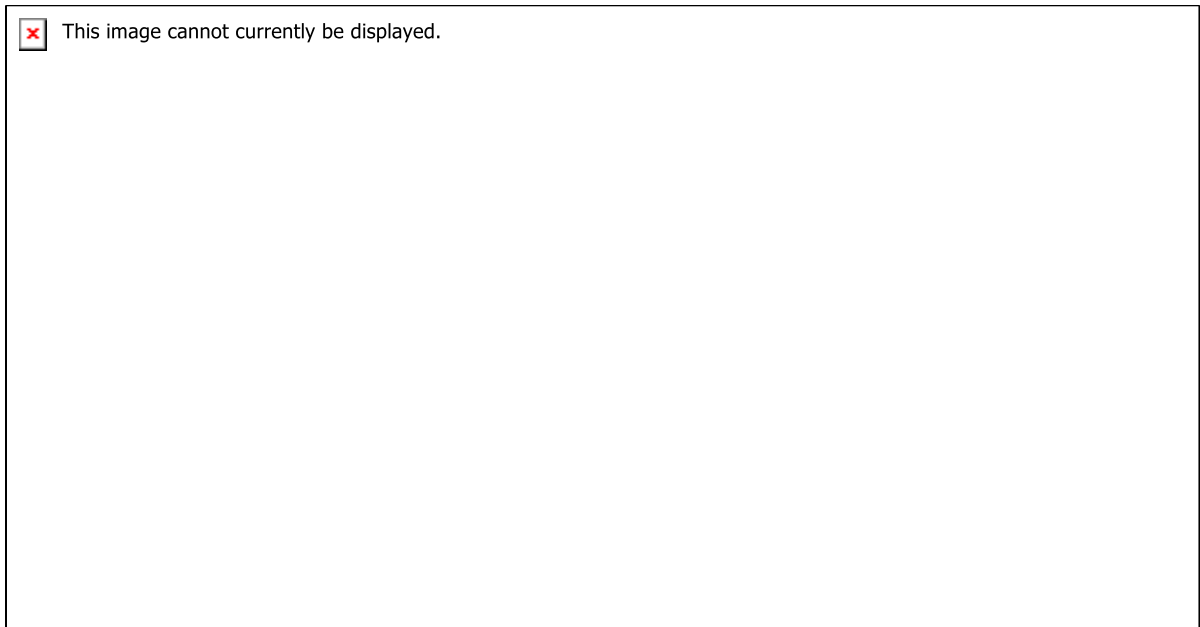
Progress	Summary	Risks, issues and mitigation
<p><b>Public EV charging infrastructure</b></p> <p><b>(Green)</b></p>	<p>Pilots to install 80 and 110 changepoints have paved the way to launch a long-term procurement for a scaled-up roll out of charging infrastructure. This will deliver a minimum of 300 charging points per year starting in 2023.</p>	<p>Identifying suitable sites and achieving geographical and social equity is the key challenge, which is being mitigated through contract arrangements, additional funding and active consultation with residents.</p>

**The shift to electric vehicles is happening, but not at the pace needed to meet carbon targets.** In 2021, the number of low emission vehicles owned by Surrey residents was at its highest rate at 2% of Surrey registered vehicles. But it is still too low when 48% of vehicles need to be electric by 2025 in order to be on track to meet net zero targets.

**The roll-out of EV chargepoints is likely to have a significant benefit.** The number of publicly available chargepoints in 2021 was estimated to be 357. From 2023, the new contract is expected to add at least 300 chargepoints per year, doubling available supply.

**The number of chargepoints that need to be deployed by the public sector to fill the gap remains uncertain.** It is expected that the private sector will continue to deploy chargepoints where there is a commercial case to do so, but that the public sector will need to intervene where there is not. Very high-level estimates suggest around 10,000 chargepoints will need to be deployed by the Council and its partners in Surrey by 2030. But this figure must be kept under regular review as it will depend on the roll out of EV charging by businesses, new technology and demand at the available locations.

**Figure 12: Number of publicly available chargepoints.**



### 3.4 BUSINESSES

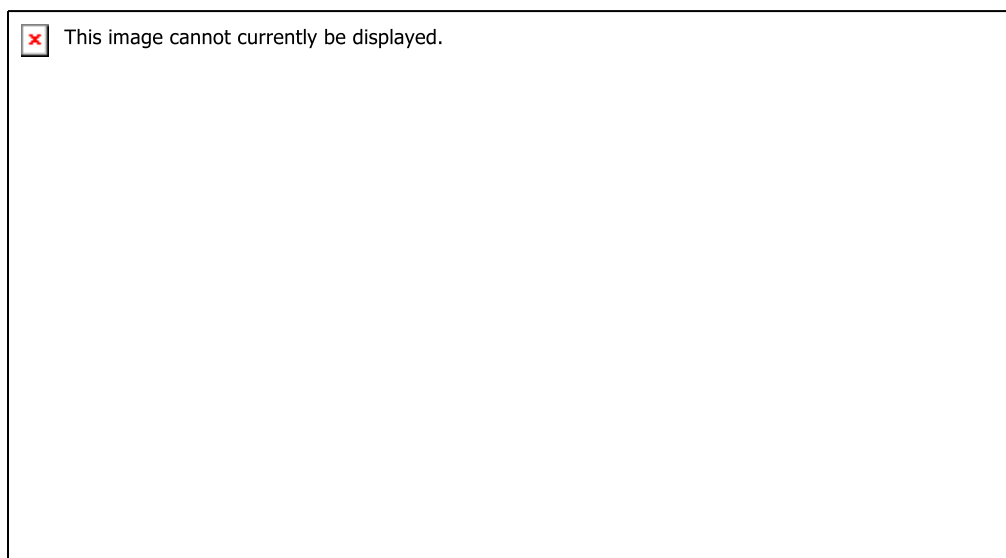
**Action has focused on support for small businesses, with a developing approach to influence larger businesses and close the green skills gap.** There is significant scope to further influence businesses and leverage private sector funding for low carbon projects.

<b>Project</b>	<b>Summary</b>	<b>Risks, issues and mitigation</b>
<b>LoCASE (Green)</b>	The programme is attracting the highest numbers of applications and funding compared to other regions who form part of the scheme. To date 55 businesses have been supported.	Following the end of the LoCASE programme in August 2023, the UK will not be eligible for further European funding. Surrey County Council is exploring a zero interest decarbonisation loan scheme for SMEs in partnership with Borough and District Councils.
<b>Business engagement (Amber)</b>	A number of local authority events, the CREST Green Business Awards and targeted engagement with the top 250 largest businesses in Surrey has taken place.	There is scope to form a more comprehensive engagement plan for businesses where the benefits of the engagement can be measured.
<b>Support for a sustainable business network (Amber)</b>	The Sustainable Business Network was launched in June 2022 by Zero Carbon Guildford and the University of Surrey, with the aim to grow to cover the whole county.	University of Surrey research suggests that there is a capability and capacity gap for small businesses to develop carbon management plans. Support can be provided through LoCASE and the Sustainable Business Network.
<b>Business innovation (Amber)</b>	The Developing Innovation fund is likely to have a significant focus on the development of	The focus and total funding allocation has not been established, so the impacts on growing the sustainability of businesses and provision of

Project	Summary	Risks, issues and mitigation
	sustainable and low carbon solutions.	goods and services is not yet clear.
<b>Green skills (Amber)</b>	Progress has been made in determining priority sectors with green skills gaps in Surrey and exploring potential interventions. A pilot project to train new heat pump installers is to be run in early 2023.	Green skills gaps may be best addressed as part of Surrey Skills Plan initiatives, rather than a standalone Green Skills Academy as initially envisaged. This ensures green skills are 'mainstreamed' with training providers and employers, and reduces the risk of duplication of activity.

**Significant reduction in business energy emissions is likely due to Covid-19 restrictions but also more energy saving measures.** The Greener Futures Climate Change Delivery Plan sets out the need for the county to support the decarbonisation of around 7,800- 25,000 businesses by 2025<sup>10</sup>. Electricity and gas consumption have shown a significant reduction in 2019 and 2020 compared to previous years. The proportion of non-domestic properties that have a “good” energy performance certificate (EPC) rating of between A-C has increased from 47% in 2018 to 62% in 2021.

**Figure 13: Electricity use in non-domestic properties in Surrey**



<sup>10</sup> Equivalent to 8-26% of businesses, which is the range needed to meet the level of ambition set out in Figure 8.



**Industrial processes in Surrey produce a significant proportion of emissions.** Greenhouse gases that arise from the manufacture of products make up around half of the carbon emissions produced by industry, and around 3% of Surrey's carbon emissions.

**Predictions in demand for low carbon jobs reveals a significant and growing gap in skills.** By 2030, around 11,650<sup>ii</sup> workers from Surrey will be needed in jobs that service the low carbon sectors such as green construction and installation of heat pumps and renewables.

**Less data is available for the commercial and industrial sectors, making it harder to draw useful insights.** Most of the data used for this part of the assessment was "non-domestic" which includes commercial, industrial, public sector and other community buildings. No data was found to consider trends in the change in goods and services towards a low carbon economy.

### 3.5 SUPPORTING COMMUNITY ACTION

**Community empowerment to reduce emissions has initially focused on community energy, schools and the cost of living crisis.**

Progress	Summary	Risks, issues and mitigation
<b>Community Energy Pathway (Green)</b>	Community Energy South is actively supporting the development of 13 carbon reduction projects led by community groups, including a large project working with the Woking Mosque.	Funding for the Community Energy Pathway pilot will end in March 2023 and officers are exploring options to bring its delivery in-house, linking to funding opportunities such as Your Fund Surrey and Community Infrastructure Levy.
<b>Schools Engagement Priority (Green)</b>	Support has helped to increase the number of schools with Green Flag status from 52 to 73. 61 schools joined the Teachers Environment Network and there were 110 participants at the Eco-Schools Summit.	There may be further scope to maximise carbon reduction through other schemes or through wider Schools engagement. However, an application fee may prevent some schools from joining the Eco-Schools scheme.
<b>Surrey Schools Programme (Green)</b>	An offer to help schools install low carbon measures to reduce their energy emissions is underway, alongside a pilot to install heat pumps in 5 schools utilising government funding.	The installation of low carbon heating can drive up energy costs, putting further pressure on already stretched school budgets. To offset any potential cost increases, officers are exploring opportunities to install Solar PV on school sites.
<b>Community engagement priority (Green)</b>	Increased connection with community groups has led to the formation of new projects such as a more co-ordinated effort	There is further scope to coordinate community engagement and amplify effort more widely across the local authorities. New

<b>Progress</b>	<b>Summary</b>	<b>Risks, issues and mitigation</b>
	to support people in fuel poverty.	opportunities include the Surrey Food Strategy.
<b>Volunteering (Green)</b>	To complement the roll out of Community Link Officers, the development of a strategy to improve and co-ordinate volunteering in Surrey is underway to be implemented in 2023. Volunteering opportunities linked to green skills, such as Domestic Energy Advisors, will create job opportunities.	Officers are exploring an approach which broadens the scope of volunteers and channels effort to achieve the greatest benefits, including trailing the Green Social Prescribing project with Surrey Heartlands.

### 3.6 PLANNING INFRASTRUCTURE AND PLACE-MAKING

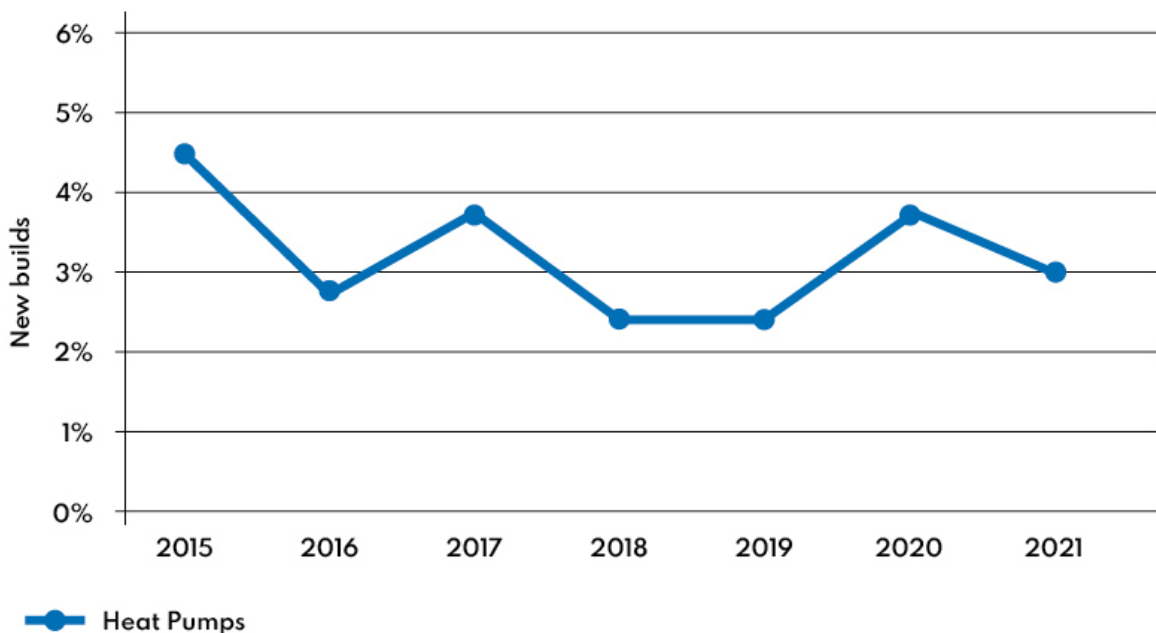
**Avoiding the additional cost and disruption of retrofitting buildings with low carbon or climate adaptation solutions, and managing weather extremes have been prioritised.**

Progress	Summary	Risks, issues and mitigation
<b>Infrastructure projects (Green)</b>	<p>Decarbonisation opportunities are being embedded into the Council's infrastructure programmes. This is being done through reforms to the decision-making progress on major projects, upskilling project developers and the development of a low carbon infrastructure tool.</p>	<p>There are many teams and programmes developing projects with an impact on climate change, resulting in additional complexity when developing a clear process. A decision on whether to develop a low carbon calculator to support this process is under consideration.</p>
<b>Climate Compatible Planning Policy (Amber)</b>	<p>Initial engagement with stakeholders and scope of work has been undertaken, but delays in the recruitment of a Climate Change Planning Officer has slowed down progress.</p>	<p>Planning reforms that offer consistently high standards across all Local Plans in Surrey will depend on a high level of co-ordination, political will and a strong evidence base. The Climate Change Planning Officer will be able to support alignment of Local Plans. National planning reforms may have an impact on our proposals and is being included in the Greener Futures Lobbying Strategy.</p>
<b>Climate Adaptation and Resilience Plan (Green)</b>	<p>Early consultation with stakeholders has helped to scope the plan and identify a range of key actions, with a</p>	<p>Following the publication of the Strategy and action plan, the main challenge will be the rapid scale up of action and the co-ordination required to adapt to and mitigate climate change</p>

Progress	Summary	Risks, issues and mitigation
	view to completing the plan by March 2023.	risks. Officers are considering how best to resource.

**There is a clear case to strengthen local planning policy.** Analysis<sup>iii</sup> shows that new developments can be future-proofed by installing low carbon measures during the build at much lower cost rather than adding them in later. Energy efficiency data shows that ending the installation of gas boilers in new-builds and increasing energy efficiency will avoid the release of significant carbon emissions and the cost of retrofitting the property in future, borne by Surrey residents and businesses. Even though there has been a slight increase in the proportion of new homes with heat pumps installed, it still only amounts to 3% of total new-build properties.

**Figure 14: Percentage of heat pumps installed in new-build properties**



### 3.7 MAXIMISING CARBON SEQUESTRATION THROUGH BETTER LAND MANAGEMENT AND NATURAL CAPITAL

In addition to high levels of tree planting and the delivery of grant funding for farmers, plans are being put in place to improve land management for carbon sequestration, biodiversity and wildlife protection.

Progress	Summary	Risks, issues and mitigation
<b>Land Management Framework (Green)</b>	Preparation has begun to develop the Local Nature Recovery Strategy (LNRS) and local priorities map.	The timescales to deliver the LNRS will be tight and government has not yet released the guidance. Officers are developing a steering group with key partners to influence decisions.
<b>Woodland management (Green)</b>	Two Countryside Stewardship schemes of 86ha are in place and work is ongoing to establish woodland management plans.	This work will need to be scaled up to cover all SCC owned woodland plans to achieve the maximum benefits.
<b>Tree planting (Amber)</b>	Work to facilitate meeting the 1.2m target of new trees and hedgerow plants is on track. To date over £600k funding has been raised and 333,749 trees have been planted.	Barriers to planting on local authority land remain significant and could put the 1.2m new trees target at risk. Officers are using GIS mapping to identify planting and achieve wider benefits such as flood mitigation.
<b>Natural Capital Investment Strategy (Amber)</b>	A specification is being developed to identify opportunities to restore and enhance biodiversity on Surrey County Council land	From Jan 2023, a business case will be developed to deliver the investment plan. A forecast of biodiversity credit requirements and opportunities for habitat restoration will be developed, in preparation for the Biodiversity Net Gain legislation.

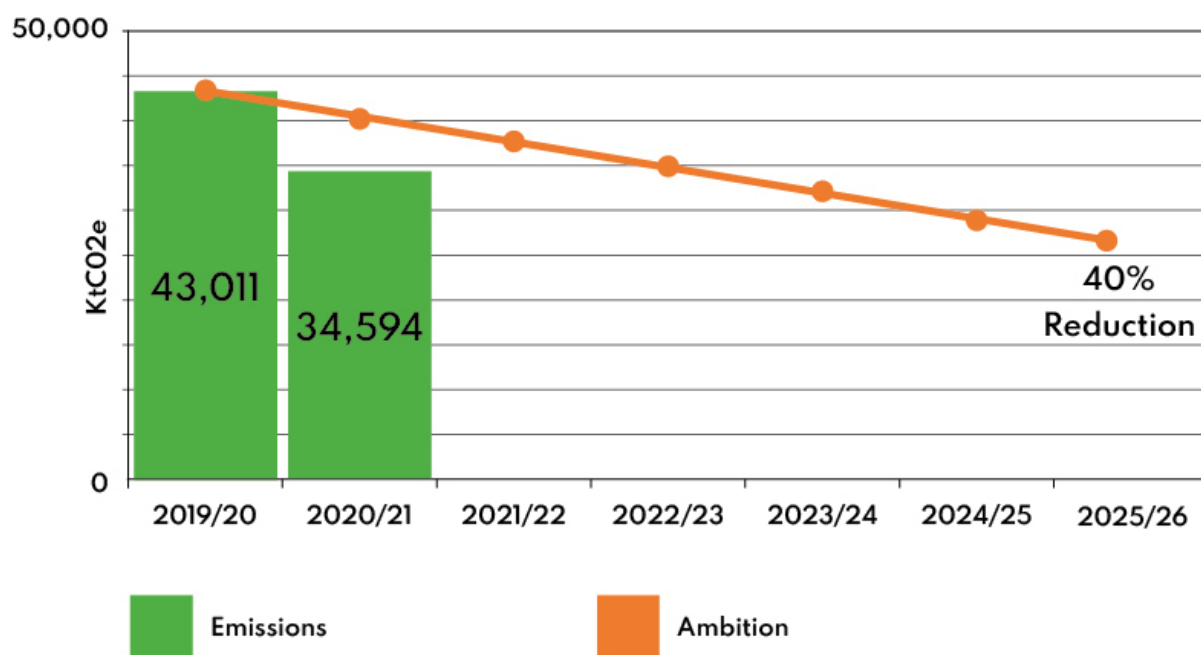
Progress	Summary	Risks, issues and mitigation
<b>Farming in Protected Landscapes (Green)</b>	£200k of grants were awarded through the Farming in Protected Landscape (FiPL) programme in 2021/22 with another £280k on track for delivery in 2022/23. The whole programme will have brought over £1m investment.	The funding runs until March 2024 when it is anticipated that Defra's ELM programme will have been launched. We will continue to work with farmers and landowners and feed into the Defra evaluation of FiPL with the expectation that elements of the programme will be integrated into future schemes.

## 4. LOCAL AUTHORITY AMBITIONS

### 4.1 LOCAL AUTHORITY CARBON EMISSIONS

Collectively, Surrey's local authorities<sup>11</sup> are broadly on track to achieve a 40% emissions reduction by 2025, but emissions vary significantly between the Borough and Districts Councils and may increase following Covid-19 restrictions. Emissions from local authorities have reduced by 20%, which is broadly in line with what is needed to become net zero by 2030. 7 out of 12 authorities have achieved emission reductions of between 13% and 37%. One authority has been unable to provide data. More detail on Surrey County Council's net zero programme is set out in a separate report<sup>iv</sup>.

Figure 15: Change in local authority carbon emissions



<sup>11</sup> Including 11 Borough and District Councils and Surrey County Council.



## 4.2 ESTATE AND FLEET DECARBONISATION

Many local authorities have started retrofit and fleet decarbonisation programmes and have a pipeline of potential projects, but it is too early to assess the impact of these programmes on the net zero target.

Progress	Summary	Risks, issues and mitigation
<b>Political commitment (Green)</b>	All local authorities have organisational emission targets and have published action plans. Most have dedicated resource to stimulate climate action.	Internal resource to progress action plans remains challenging. Steps to pool knowledge and collaborate is already occurring, but there is scope to further increase the effectiveness of that collaboration.
<b>Retrofit, fleet decarbonisation and renewables (Amber)</b>	7 local authorities have programmes to decarbonise buildings and fleet that they own and operate, collectively raising £7.8M in grant funding from the Public Sector Decarbonisation Fund. 14.5kW of Solar PV has been installed with a further 30.5MW of renewable energy generation being planned.	Available grant funding is not sufficient to achieve retrofit on the scale needed to decarbonise all local authority buildings. Training has been undertaken to improve the capacity of local authorities to build successful solar PV farm projects which would have a significant return on investment.

## 4.3 INDIRECT EMISSIONS

All local authorities are taking some action to reduce indirect (scope 3) emissions, and 10 out of 12 local authorities have started reporting these, but it is not yet possible to consistently monitor progress.

Progress	Summary	Risks, issues and mitigation
<b>Staff travel (Amber)</b>	Most local authorities have policies that encourage active travel, such as the Cycle to Work scheme.	Most staff travel plans require further development to achieve a significant step-change in reforming local authority business travel and staff commuting.
<b>Procurement (Amber)</b>	Some local authorities have sustainable procurement policies in place, and many are now looking to increase environmental considerations when purchasing goods, works and services.	A collaborative effort has resulted in the Environmentally Sustainable Procurement Policy that could also be adopted by other local authorities to take a consistent approach and deliver a high standard of sustainable procurement.
<b>Staff behaviour (Amber)</b>	Local authorities undertake a range of activities to encourage staff to be sustainable. Around 1000 staff have had some climate change training across 8 local authorities.	The impact of these actions is hard to measure and there is further scope to collaborate to roll out Carbon Literacy Training to all local authority staff and Members. Local authority staff are being trained to scale up Carbon Literacy Training efforts.

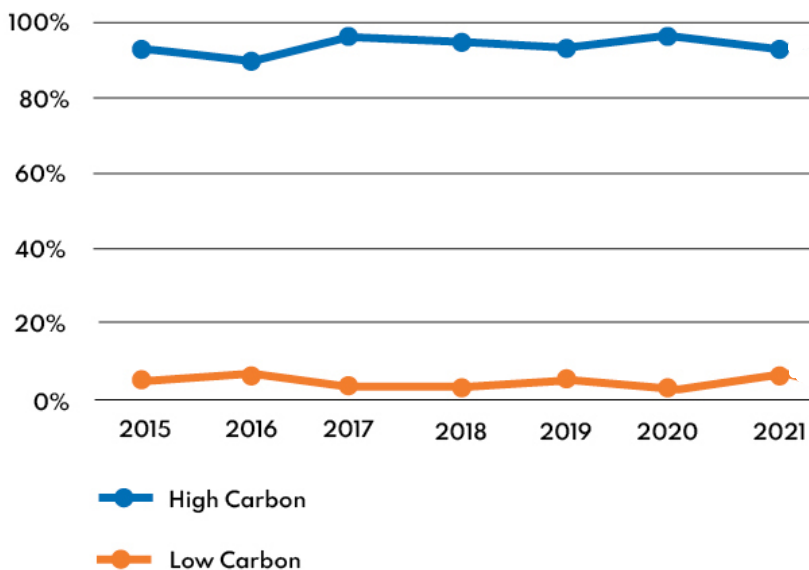
## 4.4 PUBLIC SECTOR

Some partnering and advice is being provided to other public sector bodies to help them achieve similar ambitions to quickly reduce their carbon emissions.

Progress	Summary	Risks, issues and mitigation
<b>Support other public sector organisations</b>  <b>(Green)</b>	Local authorities dedicate staff time and expertise to support the decarbonisation of other public sector bodies such as Surrey Police and the NHS.	Resources may prevent more in-depth support, however there are opportunities to work more innovatively with academia through work placements and contracts for engagement such as the Local Transport Plan 4 consultation with the University for the Creative Arts.

**Data gaps prevent a more in-depth understanding of emissions from the wider public sector.** Non-domestic buildings and transport data do not break down into commercial and public sector. So far, no appropriate data has been found to monitor emissions reductions from healthcare services, Police, and Academia.

**Figure 16: Heating in large public sector buildings**



**Low carbon heating has been identified as a key challenge for the public sector.** Figure 16 shows that energy efficiency data shows that almost all public sector buildings of a significant size have high carbon sources of heating such as gas or oil, making financial support for the decarbonisation of public sector buildings, such as schools, particularly important.

## 4.5 BOROUGH AND DISTRICT COUNCILS' CASE STUDIES

### Figure 17: Elmbridge Borough Council

Elmbridge Borough Council will be introducing the use of biofuels, which come from used oil from the food/restaurant industry, in the Autumn. The project is an interim measure to reduce the carbon emissions of the Community Support Services Transport Fleet while the Council moves through a phased transition to a decarbonised fleet by 2030.



### Figure 18: Epsom and Ewell Borough Council



Epsom and Ewell Borough Council has begun installing 18 electric vehicle charging points within their own car parks. Some will be Park and Charge points which enable people to pay for both charging and parking their electric vehicle at the same time. Two sites have been completed at Hook Road car park and the Ashley Centre. The new charge points will support drivers to make the switch to electric vehicles and forms part of the council's aspirations to provide more sustainable transport options in the borough.

### Figure 19: Guildford Borough Council



To meet nature recovery goals, Guildford Borough Council has identified that the areas most in need for tree planting are their housing land areas. These have historically not been replanted when lost or have always been grass verges with very little bio-diversity. Their aim is to restore these areas for nature recovery, using small 'habitat' islands of native tree and shrub species to encourage nature and wildlife back into these areas. As a partnership, the treescapes fund has enabled us to start to do this.

### Figure 20: Mole Valley District Council

In February 2021 Mole Valley District Council was one of a few authorities to secure £468K from the Public Sector Decarbonisation Scheme. The grant funded installation of LED lighting at Dorking Halls, and Air Source Heat Pumps at the Council’s Offices and Dorking Halls. The measures are expected to save a significant 160 tonnes of carbon emissions a year, which is equivalent to planting 640 trees. These measures are part of Mole Valley District Council’s commitment to becoming carbon neutral by 2030.



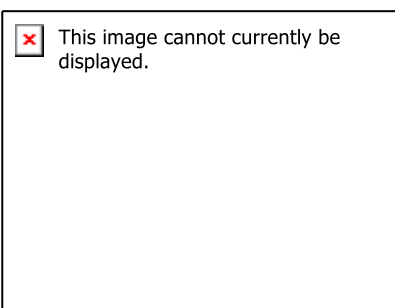
### Figure 21: Reigate and Banstead Borough Council



The parking team at Reigate and Banstead Borough Council use two electric cars and two electric vans to carry out their work, making their fleet two-thirds electric. This represents an important milestone in their journey to transition their fleet to low-carbon alternatives and become a net zero carbon council in relation to their own operations by 2030.

### Figure 22: Runnymede Borough Council

Runnymede are looking at changing their current and future fleet’s fuel use to Hydrotreated Vegetable Oil (HVO). This would form part of their upcoming fleet and fuel strategy, subject to agreement by Members. The depot improvement plan includes looking at a new fuel tank and fuel management system so they can store and use HVO.



## Figure 23: Spelthorne Borough Council

Construction has started on Spelthorne Borough Council's new Passivhaus leisure centre, which aims to be the first wet and dry sports Passivhaus leisure centre in the world. It will be extremely energy efficient and is expected to use 60 and 70% less energy than a typical modern leisure centre whilst providing state-of-the-art leisure facilities.



## Figure 24: Surrey Heath Borough Council

Over 1000 native trees have been planted by Surrey Heath Borough Council on one of their Suitable Alternative Natural Greenspace (SANG) sites, capturing carbon dioxide and restoring biodiversity to a former Golf Course, now a popular greenspace.



## Figure 25: Tandridge District Council



Following a £4.9 million investment, with grant funding from Coast to Capital, Tandridge District Council has improved insulation, upgraded windows, installed a heat pump heating and cooling system as part of their refurbishment of Quadrant House, a prominent mixed-use building in Caterham town centre. Further, a living wall has been installed to encourage biodiversity and improving air quality whilst also increasing the attractiveness of the local area.



### Figure 26: Waverley Borough Council



Waverley Borough Council played a key role in the development of a Local Cycle and Walking Infrastructure Plan (LCWIP). Recognising the rural nature of Waverley with its hills and dispersed village communities, Waverley coordinated a grassroots campaign of data gathering to define over 20 Core Walking Zones and a strategic network of cycle routes. This cemented local stakeholder input and engagement at the very start of the project.

### Figure 27: Woking Borough Council

In 2020, Woking Borough Council launched Planet Woking – a communications programme dedicated to climate change, sustainability and biodiversity. Its purpose is to share what is being done locally and get people involved. There are case studies designed to engage local people and activities to inspire young residents on the site’s Little Planet Woking. They have over 1,000 followers each on Instagram and Facebook and have seen a threefold increase in engagements, demonstrating the reach of digital advertising and social media messaging.





# 5. ENGAGEMENT, FINANCE AND PROGRAMME MANAGEMENT

## 5.1 MANAGING RISKS AND ISSUES

**The top 4 programme-level risks and issues that were identified at the formation of the Greener Futures Climate Change Delivery Plan have remained largely the same.** The main risks are summarised here alongside their mitigating actions, which are covered in more detail in the next sections.

- (1) Over 95% of the emissions in the target are reliant on residents, businesses and other public sector bodies to reduce emissions. Increasing the reach of the Delivery Plan is being addressed through the formation of the Greener Futures Board and supporting stakeholder engagement.
- (2) Funding and legislative barriers at National Government level continue to hold back progress. Effective lobbying is being developed to argue for greater action and funding at national level.
- (3) The speed and complexity of delivering a wide range of impactful projects continues to be challenging. To mitigate this risk, SCC's own Greener Futures Team and those within partner organisations are managed in a dynamic way, ensuring that capacity is applied where it is needed the most in response to a constantly changing agenda. In addition, greater co-ordination and improved programme management arrangements are being put in place.
- (4) Updated climate science forecasting may predict that climate change is happening faster than originally predicted. The plan will continue to be responsive to changes in evidence<sup>v</sup>.

## 5.2 GOVERNANCE AND PROGRAMME MANAGEMENT

**Decisions are managed by a range of stakeholders through boards that have been set up.** There is need to further develop and strengthen partnership working, simplify decision-making and build programme management.

Since the Greener Futures Climate Change Delivery Plan was approved in 2021, stronger governance and partnerships have been put in place, including the operation of the Greener Futures Board. The board has focused on connecting the plan with external stakeholders, and on new ways to leverage private sector finance to enable more carbon reduction

projects. Key partners, local authority Members and senior staff have the opportunity to shape programmes at an early stage and co-ordinate activity.

### 5.3 ENGAGEMENT, PARTNERSHIPS AND LOBBYING

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**The plan requires delivering engagement that fosters buy-in and a movement of change.** Transformational objectives that inherently involve a big ask from stakeholders are only possible through building high trust and high influence relationships. To foster change-ready communities that are onboard to act on big asks, a Communications and Engagement Strategy is being developed with and District and Borough Councils. The strategy will be based on the following key approaches:

- **Resident Personas** – We are currently commissioning research to better understand Surrey residents and deliver engagement activities that resonate with a diverse range of values, beliefs, and everyday concerns.
- **Strategic Flexibility** - There is no single path to a carbon neutral Surrey. Understanding the local context, challenges and needs will allow us to support residents to work towards our targets in a way that aligns with their values and lifestyles.
- **Relationship Building** - We will increase our impact by building trust and influence with stakeholders through a six-stage relationship building model, which is woven into every point of contact.
- **Change Adoption Networks** – Local change agents and partners are leveraged to help build relationships at scale, utilise their local knowledge and influence, join up efforts, and provide a meaningful channel for delivery, listening and feedback.
- **Building Influence at Scale** – Removing barriers and risks to taking action by changing hearts and minds through a proven influence-based approach founded in social approval to create impactful engagement & communications.

**Engagement efforts will focus on key parts of the Greener Futures Climate Change Delivery Plan where engagement is most critical.**

They will target fuel poor homes, off gas homes, private landlords, residents for active travel and liveable neighbourhoods, schools, businesses, community groups, local authority staff and National Government. In response to the cost of living crisis, engagement to support fuel poor households has expanded significantly. It now targets a wider range of residents seeking information and support to reduce bills and emissions. A major campaign will be launched this autumn alongside an energy advice tool. Strong plans will continue to form around engagement priorities which will be reviewed every 6 months.

**A growing number of partnerships are being formed to increase the reach and effectiveness of the Greener Futures Climate Change Delivery Plan.** We already work with a wide range of partners and the Greener Futures Steering Board. In addition, we are working towards forming firmer partnerships with a wider range of groups who share our goal of emissions reduction and a greener future. This is being undertaken through a wider range of collaborative projects, joint branding and the development of a climate change web hub to make it easier for the public to access information on emissions reduction. We are seeking to develop stronger partnerships to help mobilise community action, increase partnerships with business and academia; needed to develop more ambitious projects to tackle climate change.

**Engagement includes strong lobbying, where a range of activities are being undertaken to ensure that National Government and other UK bodies are aware of the barriers to Surrey becoming carbon neutral and build support for fundamental change.** These have included events such as;

- The COP26 Regional Roadshow, which Surrey County Council successfully bid to host in Farnham with a focus on sustainable travel, which reached 1.2m people.
- The launch of the Greener Futures Climate Change Delivery Plan at the Surrey Hills AONB Climate and Biodiversity Symposium
- Meetings with key influences in Central Government
- Amplifying key messages through wider influencing bodies such as the Association of Directors of Environment, Economy, Planning and Transport (ADEPT) and the UK 100. Our Lobbying Strategy continues to grow and respond to new challenges.

## 5.4 MAXIMISING BENEFITS

**Actions that local authorities take to tackle climate change are undertaken over and above statutory responsibilities.** Through the best use of available resources and effective project delivery, it is important that all projects deliver the greatest possible reduction in carbon emissions for the lowest cost. Where possible projects will deliver other council priorities to the benefit of residents.

**Pilots are being used to build more robust and effective projects.** 18 projects have incorporated approaches that are new to Surrey local authorities. The lessons learned will be used in the business cases of future projects. Examples of pilot projects include collaborations with the

University of Surrey to support targeted engagement with residents on active travel, increase access of fuel poor homes to grant funding and working with Elmbridge Borough Council to trial a low cost way to encourage private landlords to improve the energy efficiency of their properties

**Building in more effective monitoring will increasingly enable us to judge the impact of our projects.** To date, key projects have delivered significant benefits, but to help measure these we will be ensuring a set of consistent climate change, and wider, metrics form part of our project management approach. The benefits of three flagship projects: Sustainable Warmth, Solar Together and LoCASE are set out below.

	<b>Sustainable warmth</b>	<b>Solar Together</b>	<b>LoCASE</b>	<b>Total</b>
<b>Carbon savings per year</b>	1029		288	<b>1,317 tonnes</b>
<b>Homes and businesses reached</b>	724	1186	70	<b>1,980 homes</b>
<b>Funding leveraged*</b>	£30M	£8M	£1.2M	<b>£39.2M</b>
<b>Annual bill savings for residents</b>	£478k	£1,139k	£25k	<b>£1.6M</b>

\* includes grant funding and private sector investment

**Consideration of a wide range of benefits.** Projects are generating with a wide range of benefits, which have not been measured but include reduced air pollution and health benefits from encouraging active travel, social inclusion benefits from community, volunteering and green social prescribing projects and improved biodiversity and resilience through tree planting.

## 6. FUTURE CLIMATE CHANGE ACTION

15 **The scope and ambition of the plan itself is still sound**, however, the scale and pace of activity and investment needs to increase substantially. There is a need for further investment from government and other sources to sustain this scale of activity – something that was identified in the original plan itself. But this will require intensifying lobbying efforts in the remainder of the plan period.

**To improve efficiency and effectiveness of delivery and increase impact. We will seek to increasing collaboration with Surrey local authorities, and also with the Government, communities, the not for profit sector and businesses.** This will be done by sharing expertise and resource, collaborating on communications and engagement, and joining up investment and funding across environment, economy, health and community outcomes where greater impact can be achieved.

**Stronger and more focused collective engagement and lobbying.** Lobbying priorities will include recognising and supporting the key role local government plays in tackling climate change alongside funding which enables sustained, long-term action. We will also lobby for planning reforms including the prevention of further fossil fuel exploration in Surrey, and lobby against the scrapping of “green taxes” on energy bills. Our engagement activity will ensure that communities and residents are central to, and embedded within, our approach.

**We need an increased focus, working with partners, on supporting all residents and businesses to save energy, reduce energy costs and support greater access to affordable, low carbon energy.** The cost of living crisis has meant that many more households and businesses are struggling to afford the energy required to heat and power their homes or businesses. We will continue to support residents in fuel poverty as a priority, but look to also increase support to residents and businesses as a whole.

**Greater priority to be placed on accelerating local renewable energy generation for example new projects such as rent-a-roof photovoltaic schemes** on schools, community buildings and commercial property. These schemes reduce up-front energy costs – a key barrier to the uptake of these measures. The increase in energy prices is resulting in energy efficiency measures and renewable energy generation becoming a more attractive investment, which is an opportunity to further decouple the energy system from fossil fuels. Income generated from commercial rent-a-roof schemes will be used to fund further decarbonisation measures in the county.

**Further work is needed to fully align infrastructure and spatial plans** and make it possible to design in solutions to lower carbon emissions and mitigate flooding, overheating, biodiversity loss and water use, avoiding expensive retrofit later.

**Activity and resource will be more focused on supporting schemes that demonstrate the greatest impacts**, including Sustainable Warmth, LoCASE and Solar Together.

**Successful pilot projects, will be scaled up to support delivery**, including the roll out of EV charging points and private landlord engagement to reduce emissions and bills for tenants.

**More resource will be targeted at initiatives and mechanisms to develop a step-change in investment.** An updated financial strategy and new funding mechanisms are being developed to lessen the huge funding gap that prevents local authority projects from fully aligning with what needs to happen to meet net-zero targets. This includes new ways to leverage private sector and community investment and projects that generate revenue that can be reinvested in climate projects, starting with our solar PV offer for schools. Temporary resource to create a step-change in climate action will need to be more fully embedded into business-as-usual for all local authority staff members to support the delivery of all actions.

## END

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<sup>i</sup> Surrey's Climate Change Strategy, 2020; [Surrey's climate change strategy \(surreycc.gov.uk\)](https://surreycc.gov.uk)

<sup>ii</sup> Local Green Jobs- Accelerating a Sustainable Economic Recovery, [Local green jobs - accelerating a sustainable economic recovery | Local Government Association](#)

<sup>iii</sup> The Costs and Benefits of Tighter Standards for New Builds, Local Government Association, 2019: [Local-green-jobs-accelerating-a-sustainable-economic-recovery\\_final-1.pdf \(gemserv.com\)https://www.theccc.org.uk/publication/the-costs-and-benefits-of-tighter-standards-for-new-buildings-currie-brown-and-aecom/](#)

<sup>iv</sup> Surrey County Council's Net Zero 2030 Carbon Programme Assessment, Surrey County Council, 2022: not yet published.

<sup>v</sup> IPCC 6<sup>th</sup> assessment report, 2022; [Climate Change 2022: Impacts, Adaptation and Vulnerability | Climate Change 2022: Impacts, Adaptation and Vulnerability \(ipcc.ch\)](#)

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Surrey's  
Greener  
Future

15

# SURREY COUNTY COUNCIL'S NET ZERO 2030 PROGRESS REPORT

November 2022

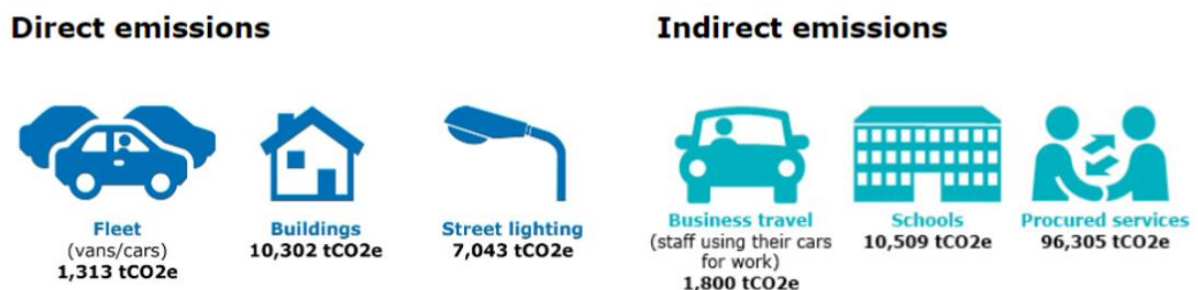


# SURREY COUNTY COUNCIL'S 2030 NET-ZERO CARBON PROGRAMME

Surrey County Council (SCC) has committed to becoming a net-zero carbon organisation by 2030. Although the council's emissions<sup>1</sup> represent less than 1% of Surrey's emissions, Surrey County Council and other local authorities, have a vital leadership role to play. Therefore the net-zero 2030 programme is a key action within the Greener Futures Climate Change Delivery Plan 2021-2025. This report sets out our progress since the net-zero 2030 programme was agreed in October 2021<sup>i</sup>. **Our aim is to achieve a 40-69% reduction in Surrey County Council's emissions by 2025<sup>2</sup>**; as a steppingstone to becoming net-zero by 2030.

The net-zero 2030 target mostly consists of energy used in buildings, streetlighting and vehicles owned and operated by the Council. The rules that govern greenhouse gas accounting<sup>ii</sup> mean that buildings no-longer in the Council's ownership are removed from the target which is then re-baselined. **The closure of County Hall and purchase of Woodhatch Place has reduced Surrey County Council's baseline and net-zero target emissions by 600 tonnes<sup>3</sup> a year.**

**Figure 1: Council emissions in 2019/2020**



As well as emissions that we can directly control we are also focusing on emissions that are generated indirectly such as by schools; procurement of goods and services; and actions carried out on behalf of the Council by their staff, such as business travel and staff commuting. **Progress against these indirect emissions cannot yet be accurately measured, but plans to improve our measurements will be put in place next year.**

<sup>1</sup> "Emissions" or "carbon" refers to greenhouse gas emissions that cause global warming.

<sup>2</sup> The lower end of the range represents a 40% emissions reduction by 2025 in line with the target set out in the Greener Futures Climate Change Delivery Plan 2021-2025. The upper end of the range shows the fastest potential progress, based on the most optimistic scenario to deploy for renewables, retrofit and fleet decarbonisation on Surrey County Council's estate.

<sup>3</sup> Our net-zero target has reduced from 18,833 to 18,232 tonnes of emissions

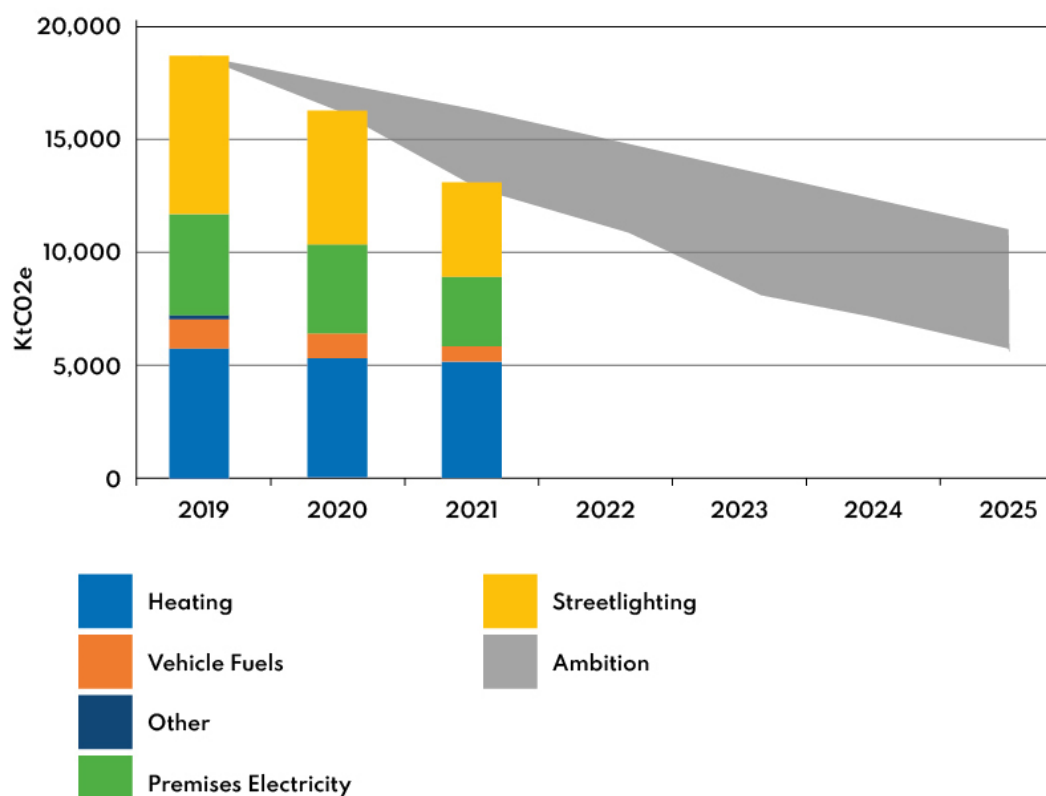
# PROGRESS AGAINST SURREY COUNTY COUNCIL'S 2030 NET-ZERO TARGET

## OVERALL PROGRESS

The SCC target for April 2022 was an emissions reduction of between 20% and 33% compared to emissions produced in 2019/2020. **By April 2022 Surrey County Council had achieved a 27% reduction, which places us on track to meet the 2030 net-zero target.**

However, there is a risk that emissions reductions may not be sustained over the next few years due to much of the reduction being the result of a change in behaviour patterns of staff due to Covid-19 restrictions. It is too early to measure the impact of key estate and fleet decarbonisation programmes which are expected to deliver a more sustainable mitigation. That said, it may be necessary to increase renewable energy generation on SCC sites if there is a slow-down of the transition of the UK electricity grid away from fossil fuels to renewable energy to meet our 2030 net-zero target.

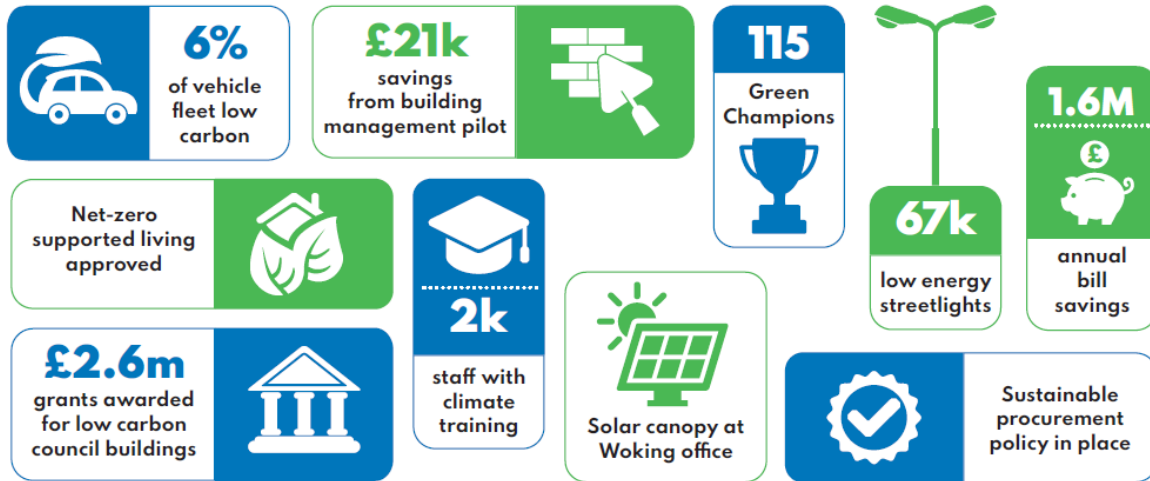
**Figure 2: Net-zero emission reduction from 2019/2020**



# PROGRESS OF KEY INITIATIVES

This section sets out the main actions that have been taken forward to date.

Figure 3: Summary of achievements



## PROGRESS AGAINST ACTIONS TO TACKLE DIRECT EMISSIONS

### STREETLIGHT LED REPLACEMENT

The streetlight LED replacement programme has achieved a 40% reduction in emissions and has replaced 76% of the 89,000 streetlights with lower impact lighting. The £20M investment is now delivering an estimated annual fuel bill saving of £1.3M<sup>4</sup>. Following the end of the programme in 2023, options to further reduce emissions from streetlighting are being considered.

Programme	Progress summary	Risks, issues and mitigation
Streetlight LED replacement (Green)	LED programme is on track to complete by 2023 and is currently saving 4.4 tonnes of carbon in 2021/2022, a 40% reduction compared to 2019/2020.	Close working with the suppliers of key components is reducing the risk to the supply of essential electronic components due to Covid-19 and increased costs.

<sup>4</sup> All estimated fuel bill savings were undertaken before the increase in energy bills, and are therefore likely to be underestimates.

## BUILDINGS AND RENEWABLES

**Emissions from electricity and gas have reduced by 15% and 35% respectively**, mainly because the carbon intensity of electricity<sup>5</sup> is reducing and impacts of Covid-19 mean that less energy was consumed. The retrofit and renewables programmes are still at an early stage; delivering emission savings estimated to be around 2% so far. However, completed projects are not yet reflected and are likely to deliver significant benefits. A strong pipeline of projects is being developed, including large-scale solar projects, which is broadly in line with our most ambitious net-zero trajectory.

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Programme	Progress summary	Risks, issues and mitigation
<b>SCC estate retrofit programme</b>  <b>(Amber)</b>	To date 21 buildings have had investment grade proposal surveys (IGPs) to determine the business case for decarbonisation, with funding allocated to survey a further 30 buildings. 6 buildings have had heat pumps, insulation and solar PV installed (fully funded). A further £2.6M grant funding has been awarded for 15 buildings and an additional bid for £6M of grant funding for 26 buildings has been submitted. In addition to grant funded measures, officers are developing business cases for roof mounted solar schemes and will start to develop other quick-win energy saving schemes. A pilot of Gridedge (building management system utilising Artificial Intelligence) at Consort House saved £21k	Grant funding is time restricted. Officers are ensuring the FM outsourcing contract can reduce future timescales by removing the need to procure managing agents and installers. The cost of materials are currently increasing rapidly due to international pressures, however this is offset by the increase in energy unit costs which will increase the financial savings from installing the proposed measures.

<sup>5</sup> The “carbon intensity of electricity” refers the average amount of carbon that is released to produce a unit of electricity in the grid. The carbon intensity has reduced due to the increase in low carbon electricity production such as wind, solar and biomass.

	<p>over the first six months, and this system will be rolled out in 4 other high energy consuming buildings, which should save a further £155k p/a, this will be delivered alongside the Energy Management Task Force.</p>	
<p><b>Renewables (Green)</b></p>	<p>11 sites have been shortlisted from the original 77 sites with potential for a ground mounted solar PV farm array. Officers are currently engaging with the Distribution Network Operator to determine suitability of connection to the grid. Once this is completed the design and business case stage will begin. It is envisaged that construction will start in the next financial year. A turnkey solar installer is currently being procured to install solar on SCC rooftops and school roofs.</p>	<p>Once sites are selected, development may be stalled by the planning process, the grid connection of the electricity supply or increased costs of essential materials or skills. Initial feasibility work is being conducted to reduce risks.</p>
<p><b>New build design standards (Green)</b></p>	<p>New build policy is being developed with a view to finalise and fully implement the policy in the next financial year. The independent living net-zero pilot has been approved by Cabinet, which is likely to massively reduce the bills of vulnerable occupants.</p>	<p>The additional up-front cost of sustainability requirements combined with increased cost of materials may have a knock-on impact on the number of projects that can be taken forward.</p>

## FLEET DECARBONISATION

**Reductions in emissions from SCC vehicles were 48% in 2021/2022 compared to 2019/20, due to the Covid-19 lockdowns restricting all but essential business travel.** Increases in emissions in subsequent years are expected until the fleet can be replaced with low carbon alternatives. It is too early to measure the impact of the fleet decarbonisation programme aided by the installation of new fleet-management software.

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Progress	Summary	Risks, issues and mitigation
<b>Fleet replacement (Amber)</b>	To date, 3 sites (Woodhatch Place, Meroo Depot and Quadrant Court) have EV charging points and 6% of the vehicle fleet are low emission. A green fleet policy is being developed and a fleet management system has been procured to support decisions on fleet decarbonisation.	Some vehicles such as fire engines are unlikely to be decarbonised by 2030, due to their age and lack of suitable low carbon alternatives on the market; however, hydrogen options are being explored.

## PROGRESS AGAINST ACTIONS TO TACKLE INDIRECT EMISSIONS

### DECARBONISATION OF COMMUNITY SCHOOLS

**An offer to help schools install low carbon measures to reduce their energy emissions is in development.** Measures will include a focus on Solar PV to maximise bill savings for the school and protect against higher costs of electricity. A pilot with 5 schools is underway to test the approach, and additional funding has been secured to improve the offer to include heat pump and insulation measures in tandem. If successful we will seek the roll out the scheme to all schools.

Progress	KPI by 2025	Risks, issues and mitigation
<b>Decarbonisation of community schools (Green)</b>	Carbon reduction programmes in place	The installation of low carbon heat can drive up energy costs, putting further pressure on already stretched school budgets. To offset energy increases officers are exploring opportunities to install solar PV and insulation on school sites.

## SUSTAINABLE PROCUREMENT

**The Environmentally Sustainable Procurement Policy has been developed and approved at Cabinet in September this year.** The policy framework was developed with a wide range of partners and will be implemented in Surrey County Council, Brighton and Hove City Council and East Sussex County Council. Support will be given to Borough and District Councils who also want to implement it. Next steps will be to proactively work with suppliers and, identify sector specific low carbon requirements and build the monitoring and reporting of emissions needed to measure progress.

Progress	KPI by 2025	Risks, issues and mitigation
<b>Procurement (Green)</b>	Environmentally Sustainable Procurement Policy in place. Decarbonisation commitments embedded into all new and re-procured contracts.	In some cases, procurements which have higher environmental standards may result in increased costs. Officers are working with consultants to develop mitigation strategies for potential price increases.

## AGILE WORKING

**A Staff Travel Strategy has been developed, but whilst some initiatives such as bicycle and EV salary sacrifice schemes are in place, many staff travel policies have not yet been implemented or effectively socialised.** This is mainly because the staff travel strategy was developed pre-Covid-19, but it is now being reviewed to reflect the change in office working patterns.

Since the launch in April 2022, the Green Champions Network has been attended by 120 SCC staff and 5 trained officers are rolling out a full

Carbon Literacy Training programme, starting with the Corporate Leadership Team. The next step is to increase the recruitment of Green Champions across SCC to facilitate the take up of low-carbon behaviours amongst staff and their communities.

<b>Progress</b>	<b>KPI by 2025</b>	<b>Risks, issues and mitigation</b>
<b>Staff travel (Amber)</b>	Carbon reduction targets for business travel and staff commuting are approved, sustainable travel policy in place	The Staff Travel Strategy was developed pre covid. The strategy needs to be revisited to reflect post covid office use patterns.
<b>Green Champions Network (Green)</b>	No KPI set.	Despite a significant groundswell, the ability of staff to reduce carbon emissions may be impacted by competing work priorities or a lack of time to take actions. Senior support for the scheme will help to ensure longevity.



## CASE STUDIES

**Figure 4: Phase 1 of the Council's retrofit programme**

In 2020/21 a £1.65M bid from Government's Public Sector Decarbonisation (PSDS phase 1) scheme kick started the Council's retrofit programme, in which 6 buildings had heat pumps, insulation and solar PV installed. The measures are set to save £129k per year on energy savings (based on projected 2023 energy costs) and 254 tonnes of carbon per year. The scheme included roof mounted solar on 5 buildings as well as a modular solar car port at Quadrant Court, producing 276KW installed capacity.

The Council is currently delivering phase 3a of the PSDS programme, for which £2.6M funding has been awarded for 15 buildings and has recently submitted a bid for the PSDS3b phase requesting grant funding of £6M to decarbonise 26 buildings.



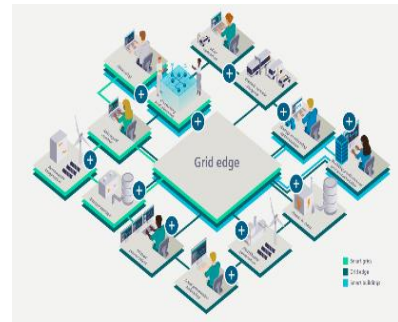
**Figure 5: Net zero Independent Living project**



Independent Living is a major programme seeking to provide homes for vulnerable adults people who need support. Designed to be a net-zero building, the newly approved plan will enable residents to have very low or now energy bills, protecting them from fuel poverty.

**Figure 6: Building Management Pilot**

Consort House was used to pilot the Grid Edge technology that employs artificial intelligence to understand how buildings are used and optimise their energy performance as a result. The results exceeded expectations, achieving £21k energy revenue savings within 6 months. The pilot will be rolled out to the 4 largest energy use buildings and is expected to achieve additional savings of around £155k per year.



**Figure 7: Surrey County Council Green Champions**



Launched in April 2022, the Green Champions Network, is seeking to drive forward sustainability within the organisation, with partners, and the wider community. To date the network has over 115 members of staff and Councillors, holds monthly 'lunch & learn' sessions to share knowledge on climate change topics, organised a successful ragwort clearing conservation volunteering day, and meets monthly to discuss and learn how to embed sustainability across the organisation.

Figure 8: Sustainable procurement

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Environmentally sustainable commitments are now being included as part of selected appropriate contracts. In our Highways Maintenance Service contract, the successful bidder set out an electric vehicle strategy and commitment to plant 100 trees per year. The Highways Professional Services tender enabled a commitment to reduce embodied carbon by 60% reduction whilst increasing biodiversity by 10%. Updated Social Value webpages have been added to the SCC website which directs suppliers to achieve additional value in the provision of their services. Two of SCC's social value focus areas are 'tackle root causes of climate change' and 'invest in Surrey's greener future' which each address carbon reduction and biodiversity gain. Methods of using social value to further support environmental initiatives are being explored.

**END**

<sup>i</sup> Cabinet report October 2021, Item 9 Annex 3: [\(Public Pack\)Agenda Document for Cabinet, 26/10/2021 14:00 \(surreycc.gov.uk\)](#)

<sup>ii</sup> The Greenhouse Gas Protocol; [Greenhouse Gas Protocol | \(ghgprotocol.org\)](#)

**SURREY COUNTY COUNCIL****CABINET****DATE: 29 NOVEMBER 2022****REPORT OF CABINET MEMBER: MARISA HEATH, CABINET MEMBER FOR ENVIRONMENT****LEAD OFFICER: KATIE STEWART, EXECUTIVE DIRECTOR ENVIRONMENT, TRANSPORT AND INFRASTRUCTURE****SUBJECT: TRAFFIC REGULATION ORDER POLICY****ORGANISATION STRATEGY PRIORITY AREA: ENABLING A GREENER FUTURE/EMPOWERING COMMUNITIES**

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**Purpose of the Report:**

The purpose of the report is to secure agreement from Cabinet to remove Surrey County Councils Traffic Regulation Order (TRO) Policy for Byways Open to All Traffic ("BOATs") on Public Rights of Way and to seek approval for a new BOATs policy which sets out how the Council will manage BOATs in the future including the use of TROs.

**Recommendations:**

It is recommended that Cabinet:

1. Agree to remove the SCC Traffic Regulation Order (TRO) Policy for byways open to all traffic (BOATs) on Public Rights of Way.
2. Agree the new policy which sets out how the Council will manage BOATs in the future including the use of TROs.

**Reason for Recommendations:**

Surrey County Councils current Traffic Regulation Order (TRO) Policy for Byways Open to All Traffic ("BOATs") on Public Rights of Way is under review. The current policy does not make reference to all the grounds on which a TRO can be made. Therefore, the current policy is being removed and a new policy has been drafted for agreement by Cabinet.

**Executive Summary:****Background**

1. Surrey County Council is responsible for maintaining over 3,500km of rights of way in Surrey. These include footpaths, bridleways, Byways Open to All Traffic (BOATs) and restricted byways.
2. A BOAT is a highway over which the public have a right of way for vehicular and all other kinds of traffic, but which is used by the public mainly for the purpose for which footpaths and bridleways are so used. Some are also D roads. There are 118 BOATs

in Surrey, making up 3.73% of the total rights of way network in the County and totalling 125km in length.

3. The County Council does not encourage the use of BOATs by Mechanically Propelled Vehicles (MPVs), but it recognises that it has a statutory duty under S. 130 Highways Act to assert and protect the rights of all public users of rights of way including MPVs.
4. A TRO may be made by the Council as the traffic authority where it appears to it to be expedient to make it on one or more of the grounds set out in section 1 of the Road Traffic Regulation Act 1984 ("RTRA 1984"). These are outlined in Appendix 1.
5. Section 22 and 22A of the RTRA 1984 also provide additional grounds, that in the case of Areas of Outstanding Natural Beauty (AONB) and certain other environmental designations as set out, the Council should also 'consider the purpose of conserving or enhancing the natural beauty of the area, or of affording better opportunities for the public to enjoy the amenities of the area, or recreation, or the study of nature in the area'. For other roads, a TRO may be made for the purpose of conserving or enhancing the natural beauty of the area, which includes conserving its flora, fauna and geological and physiographical features.
6. Moreover, in making a TRO, the Council must comply with its duty contained in s122 of the RTRA 1984. A balancing act must be undertaken in order to properly balance competing matters which specifically includes the need, when making a TRO, to secure the expeditious, convenient and safe movement of vehicular and other traffic (including pedestrians) so far as that is practicable having regard to the matters to which the Council must have regard as set out in s122(2) of the RTRA 1984 (See appendix 1).
7. TROs generally restrict users by type or designated time periods and reflect local needs in the type of restrictions in place and can be applied to all public rights of way. Enforcement is carried out by the Police. A TRO usually invites considerable interest from all parties and a decision to make a TRO can be subject to challenge by way of judicial review.
8. Surrey County Council's current policy does not make reference to all the grounds on which a TRO may be made as outlined in Appendix 1. Therefore, the policy is being removed and a new policy has been drafted for agreement by Cabinet in November 2022. (Appendix 2)

#### **Revised Byways Open to All Traffic (BOATs) Management Policy including the use of Traffic Regulation Orders (TROs)**

9. The Council's Rights of Way database currently contains 32,790 records of issues across the rights of way network in Surrey. Since 2016, 1,023 have been registered as issues relating to BOATs. Of these 3% of reports were for intimidating behaviour by users, the remainder (97%) reflecting the condition of the BOAT with issues such as trees and vegetation, the surface and terrain.

10. Of the 118 BOATs in Surrey, 39 have TROs which have been put in place over the last 20 to 30 years to address safety, for example, where blind bends and sunken lanes create dangerous blind spots where cars would be unable to see walkers, or to protect Scheduled Ancient Monuments or geological features where BOATs are not safely passable to certain classes of MPVs.
11. Under the current legislation, which has been confirmed by external legal advice, each TRO must be considered on its own individual merits, and will be different for and reflect the characteristics of each BOAT and the local area which it is in.
12. One proposal for how SCC might improve upon our current approach which has been put forward by some stakeholders is whether it is possible to use a blanket or grouped approach to TROs in Surrey. Officers have sought Counsel's advice on whether this approach is possible. Whilst multiple route TROs can be grouped in the same order, Counsel's advice makes it clear that each BOAT must be considered independently on its facts and merits, so it is not one TRO, but a collection of individual TROs.
13. Moreover, Counsel highlighted significant risk associated with multiple-route TROs being considered at one time if the facts of each route are not separately considered and distinct. If in the case one BOAT fails, then the entire order and all routes included in it would be put at risk. There are also many situations where the grounds for making a TRO on BOATs in Surrey will not be met, which would limit the applicability for a blanket prohibition of off-road vehicles on BOATs across Surrey.
14. DEFRA advice is that a TRO is made as a last resort after all other interventions such as surface repairs, and partnership working with landowners and users have been implemented. Advice on the measures a local authority should take before consideration of a TRO is set out in DEFRA's publications, 'Making the Best of Byways,' and 'Regulating the Use of Motor Vehicles on Public Rights of Way and Off Road' and any further guidance set out by DEFRA on the issue of TROs.
15. As stated earlier in this report, the Council's current policy does not make reference to all the grounds on which a TRO may be made as outlined in Appendix 1.
16. The proposed new policy is set out in Appendix 2. It incorporates DEFRA's advice on the actions to take before considering a TRO and the grounds set out in legislation to have regard to, amongst other factors, in considering whether to make a TRO. In addition, we must perform a general balancing duty between all factors. It also sets out the measures the Countryside Access Team will continue to put into place in partnership with the Police, landowners, statutory bodies and other partners prior to implementing a TRO.

<b>Consultation:</b>
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17. The Council's Communities, Environment, and Highways Select Committee was consulted on 6<sup>th</sup> October 2022.



18. Since this change to policy is non-statutory, reflects current legislation and advice from DEFRA, was not previously subject to consultation and will lead to a wider and more equitable decision making, no additional consultation has been required.

#### **Risk Management and Implications:**

19. Whilst the impact of this change to requests for TROs is not yet known, officers are familiar with the three TROs currently being investigated and given the changes reflect current legislation, an influx of requests is not anticipated. No significant impact of resourcing requirements is expected, but this will be monitored.

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

20. There may be an increase in the number of TROs being proposed and the impact upon budgets will be monitored by officers. Only three TROs are currently being considered, and this risk is therefore deemed to be low at the current time. Recent TRO proposals have garnered very large numbers of responses. It is estimated that internal staff, administrative and legal costs are now around £5,000 per application. Advertising costs are a further £1,000. If a public inquiry is required to decide the matter, this would be around £10-15,000, including the cost of an external inspector. Where gates are required to enforce the Order this would cost around £6,000. Cost implications will be monitored on an ongoing basis.

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

21. Although significant progress has been made to improve the Council's financial position, the financial environment remains challenging. The UK is experiencing the highest levels of inflation for decades, putting significant pressure on the cost of delivering our services. Coupled with continued increasing demand and fixed Government funding this requires an increased focus on financial management to ensure we can continue to deliver services within available funding. In addition to these immediate challenges, the medium-term financial outlook beyond 2022/23 remains uncertain. With no clarity on central government funding in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term.
22. The new policy may result in an increase number of TROs however volumes are currently low, and the associated costs are expected to be managed within the approved Environment, Transport & Infrastructure budget envelope. As such the Section 151 Officer supports the recommended approach.

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

23. The powers and duties of Surrey County Council as traffic authority under the RTRA 1984 to consider and make TROs are set out in the Background above. The proposed replacement Policy sets out how the County Council intends to manage its BOATs including the use of the TRO process as appropriate where the impact of vehicular use falls within the specific grounds contained in the RTRA 1984.

**Equalities and Diversity:**

24. The request for a TRO remains open to all residents. Amending SCC’s policy to refer to the grounds on which a TRO may be made enables the full range of grounds set out in legislation to be considered.

**Other Implications:**

25. 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.

<b>Area assessed:</b>	<b>Direct Implications:</b>
Corporate Parenting/Looked After Children	No direct impacts.
Safeguarding responsibilities for vulnerable children and adults	No direct impacts.
Environmental sustainability	<i>Could prevent damage to sensitive areas due to improper use.</i>
Compliance against net-zero emissions target and future climate compatibility/resilience	No direct impacts.
Public Health	No direct impacts.

**What Happens Next:**

26. Next Steps will be:
- a. Removal of the current policy from the Council’s website.
  - b. Notification of change in policy to all key partners
  - c. Publication of the new policy on the Council’s website.
  - d. Annual monitoring of costs associated with TRO applications.

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**Appendices:**

Appendix 1: Grounds for a Traffic Regulation Order

Appendix 2: Policy for Managing Byways Open to All Traffic (BOATs) and MPVs in Surrey



## Appendix 1 – Grounds for a Traffic Regulation Order

The County Council, as a Highway Authority, has the power (not a duty) to make a TRO on BOATs subject to Parts I and II of Schedule 9 of the RTRA 1984 (powers reserved to the Secretary of State) under certain circumstances. TROs generally restrict users by type or designated time periods and reflect local needs in the type of restrictions in place and can be applied to all public rights of way. Enforcement is carried out by the Police.

Seven grounds are set out in S. 1 of the RTRA 1984 for making a TRO, which are set out below.

- (a) For avoiding danger to persons or other traffic using the road or any other road or for preventing the likelihood of any such danger arising, or
- (b) For preventing damage to the road or to any building on or near the road, or
- (c) For facilitating the passage on the road or any other road of any class of traffic (including pedestrians), or
- (d) For preventing the use of the road by vehicular traffic of a kind which, or its use by vehicular traffic in a manner which, is unsuitable having regard to the existing character of the road or adjoining property, or
- (e) without prejudice to the generality of paragraph (d) above) for preserving the character of the road in a case where it is specially suitable for use by persons on horseback or on foot, or
- (f) for preserving or improving the amenities of the area through which the road runs, [or
- (g) for any of the purposes specified in paragraphs (a) to (c) of subsection (1) of section 87 of the Environment Act 1995 (air quality).]

Section 22 and 22A of the 1984 Act also provide additional grounds, that in the case of Areas of Outstanding Natural Beauty (AONB) and certain other environmental designations, the Council should, in addition to (a) to (g), consider the purpose of conserving or enhancing the natural beauty of the area, or of affording better opportunities for the public to enjoy the amenities of the area, or recreation or the study of nature in the area. For other roads, a TRO may be made for the purpose of conserving or enhancing the natural beauty of the area, which includes conserving its flora, fauna and geological and physiographical features.

In making a TRO, the Council must comply with its duty contained in s122 of the RTRA 1984. A balancing act must be undertaken in order to properly balance competing matters which specifically includes the need, when making a TRO, to secure the expeditious, convenient and safe movement of vehicular and other traffic (including pedestrians) so far as that is practicable having regard to the matters to which the Council must have regard as set out in s122(2) of the RTRA 1984.

- a. The desirability of securing and maintaining reasonable access to premises;
- b. The effect on the amenities of any locality affected;
- c. The national air quality strategy;
- d. The importance of facilitating the passage of public service vehicles and of securing the safety and convenience of persons using or desiring to use such vehicles; and
- e. Any other matters appearing to the Council to be relevant.

## **Appendix 2**

# **Policy for Managing Byways Open to All Traffic (BOATs) and MPVs in Surrey**

The aim of this policy is to set out how the Countryside Access Team will manage BOATS for the benefit of all users, in line with the legislation and to reduce conflict and damage. This policy is not looking to promote or encourage the use of Surrey's BOATS by motorised users but recognises that we have a duty under S. 130 Highways Act to assert and protect the rights of all users.

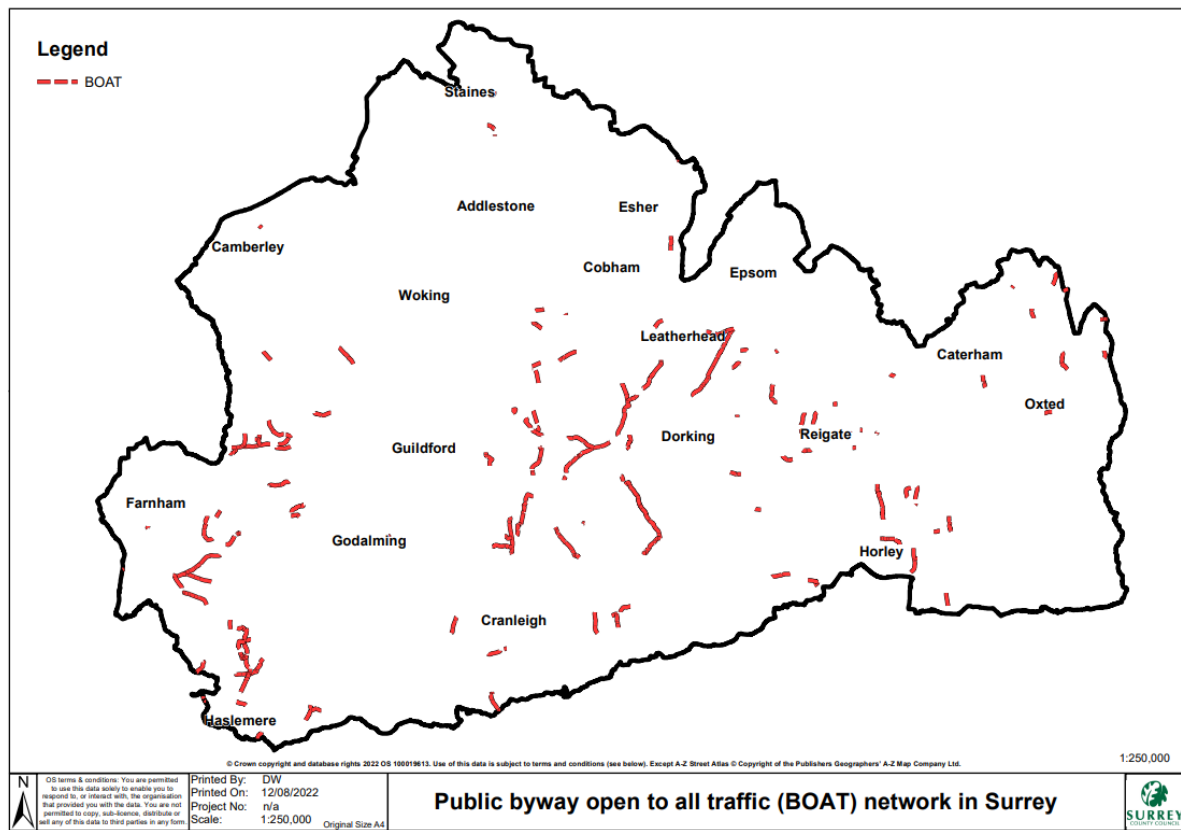
### **Background**

A BOAT is a way over which the public have a right of passage with mechanically propelled vehicles (MPVs) and all other traffic including walkers, cyclists, horse riders, horse drawn carriages and mobility vehicles. Although MPVs have a right there is no requirement on the County Council to maintain the highway to a standard suitable for all of the ordinary traffic using them.

There are over 3500km of public rights of way in Surrey, 125.8 kms are BOATs made up of 118 paths and is 3% of the network. 39 paths have a historical Traffic Regulation Order which make them unavailable either to motor vehicles >1500mm or are unavailable to all motorised users.

Overall, throughout the country they account for 2% of the public right of way network. In 2006 the Natural Environment and Rural Communities Act (NERCA) removed the vehicular rights to 50% of the available national network by changing the category of RUPP (Roads Used as a Public Path) into Restricted Byways. This had differing levels of impact on Local Authorities. As Surrey did not have any RUPPs the BOAT network remained unaltered during these changes.

Surrey's BOATS are not evenly spread throughout the county with fewer in the East. Existing TROs have also impacted the connectivity of the network.



## The Need for a Policy

Surrey's public rights of way network is well used by its 1.2m residents as well as tourists and visitors from neighbouring counties who use the network to access and enjoy Surrey's picturesque countryside. In certain locations this can put pressure on routes and adjacent areas, creating conflict between users and residents or affect the character and amenity of an area.

The County Council recognises the rights that MPV users have along BOATs. S. 54(7) of the Wildlife and Countryside Act 1981 however states that nothing obliges us to provide a BOAT with metalled carriageway or a surface suitable for the passage of vehicles. Surrey is not looking to encourage or promote use by motor vehicle users.

In DEFRA's Making the Best of Byways ([Making the Best of Byways](#)) section 2.1 states that 'in general, there is minimal direct conflict between byway users'. This is reflected in the incidents reported to Surrey Countryside Access Team. However, many non-motorised users and residents believe that motor vehicles should not be on the rights of way network. Where conflict does exist the main areas of concern are:

- a) Damage to the surface or inappropriate use and damage of boundary banks, or lack of maintenance.
- b) Perceived risks to the safety of all users.
- c) The impact of noise on a surrounding community or residence.
- d) Damage and disturbance to the environment, ecologically or landscape protected areas.

In Making the Best of Byways DEFRA recommends “that a clear policy is developed by Highways Authorities to manage BOATs and to minimise conflict”. This policy will set out how Surrey will manage the BOAT network, what action it will take, in what order, and where they will work in partnership to provide the best possible conditions for users, within the relevant legal, budgetary, and environmental constraints.

BOATs by their nature have an individual character and topography and run over differing geological conditions ranging from sandstone, chalk to Wealden Clay. They can be sunken with steep banks, run through open areas, such as Heathland or through woodland. They can also run through protected areas like SSSIs. Therefore, each BOAT must be considered on its own merits, issues, and considerations, creating an individual, tailored solution.

Although BOATS are available for walkers, cyclists, and horses, we recognise that the network provides access to people in vehicles who would otherwise be unable to reach the wider countryside such as the elderly or people with disabilities, and that many enjoy the historic right of accessing the countryside by driving or riding motorbikes. Most users remain within the width of the BOAT and act in a lawful and responsible manner. However, some BOATs suffer from anti-social behaviour and extreme damage by those users looking for a challenging or technical experience.

It is these routes which can become the focus for request for the rights of motorised users to be removed as they are often seen as the cause of damage to the surface. However, it may be the fact that the BOAT requires maintenance or repair which is the responsibility of the Highway Authority.

Each local Authority is required to have a Rights of Way Improvement Plan. The statutory guidance issued by DEFRA states: “wherever possible, proposals for improving rights of way should not unduly benefit one class of user at the expense of another. Improvements that are intended to benefit cyclists, harness-horse drivers, horse riders, horse riders or walkers should not unduly restrict lawful motorised use of public vehicular rights of way.”

Private access should not be affected by any actions necessary to manage a BOAT. It may be necessary to give combinations or keys to those who have a private right or need to access land adjacent to an affected BOAT.

### **Management of BOATs and Motorised Vehicle Use**

The Countryside Access Team will manage the inspection, assessment, and maintenance of BOATs in line with their priority statement focussing on issues where there is a concern regarding safety of users. (Statement available on request). They will consider local issues and requirements on a case-by-case basis and to the benefit of walkers, cyclists, and horse riders.

The Countryside Access Team will look to reduce the potential for conflict, environmental and ecological pressures and misuse of BOATs, including anti-social behaviour, when within our powers, and will work with landowners and land managers as well as the Police to help resolve such issues.

It may be necessary to continue to monitor the BOAT, its condition and reported activity. Associated reports will be recorded to provide a full picture.

Following application for a TRO, the Countryside Access Team will inspect the BOAT in line with the Council's priority statement, and depending on funding, take any action necessary on safety grounds or to enforce an existing TRO.

Any repair works that may be needed to avoid a TRO will be prioritised in line with the SCC Public Rights of Way Maintenance and Enforcement Priority Statement and identified as part of the capital programme is followed alongside the policy. All options available will be fully explored and all partners engaged to try and resolve the issue.

Before considering any requests for a TRO we will consult with the Surrey Countryside Access Forum (SCAF). The SCAF are a statutory independent forum created under the Countryside and Rights of Way Act 2000 and made up of representatives of user groups, landowners, and other interest groups such as health and conservation. They are there to advise decision making regarding public access in Surrey.

Section 1 of the Road Traffic Regulation Act 1984 sets out the grounds and describes the criteria that can be considered in the making of a TRO.

It provides that a TRO may be made where it appears to the authority making the order that it is expedient to make it –

- a. *For avoiding danger to persons or other traffic using the road or any other road or for preventing the likelihood of any such danger arising, or*
- b. *For preventing damage to the road or to any building on or near the road, or*
- c. *For facilitating the passage on the road or any other road of any class of traffic (including pedestrians), or*
- d. *For preventing the use of the road by vehicular traffic of a kind which, or its use by vehicular traffic in a manner which, is unsuitable having regard to the existing character of the road or adjoining property, or*
- e. *without prejudice to the generality of paragraph (d) above) for preserving the character of the road in a case where it is specially suitable for use by persons on horseback or on foot, or*
- f. *for preserving or improving the amenities of the area through which the road runs, [or*
- g. *for any of the purposes specified in paragraphs (a) to (c) of subsection (1) of section 87 of the Environment Act 1995 (air quality).]*

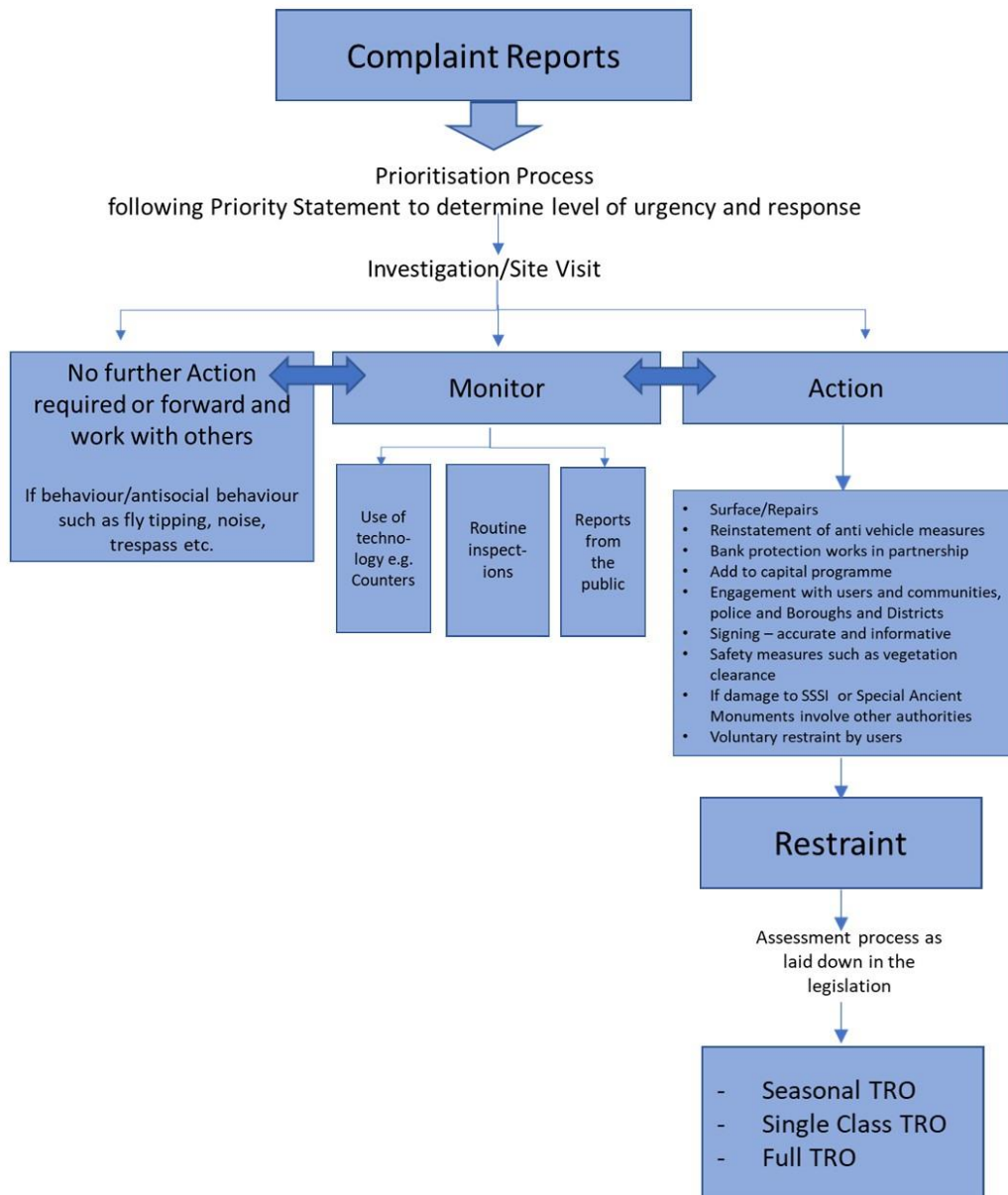
Section 22 and 22A of the 1984 Act then provides, in addition to the above, that in the case of Areas of Outstanding Natural Beauty (AONB) and certain other environmental designations, the Council should, in addition to (a) to (g), consider the purpose of conserving or enhancing the natural beauty of the area, or of affording better opportunities for the public to enjoy the amenities of the area, or recreation or the study of nature in the area. For other roads, a TRO may be made for the purpose of conserving or enhancing the natural beauty of the area, which includes conserving its flora, fauna and geological and physiographical features.

In making a TRO, the Council must comply with its duty contained in s122 of the RTRA 1984. A balancing act must be undertaken in order to properly balance competing matters which specifically includes the need, when making a TRO, to secure the expeditious, convenient and safe movement of vehicular and other traffic (including pedestrians) so far as that is practicable having regard to the matters to which the Council must have regard as set out in s122(2) of the RTRA 1984.

Making a TRO should be considered as a last resort option. The Countryside Access Team will consult with stakeholders including user groups, communities and users before committing to processing a permanent TRO. The preferred option would always be to maintain the rights of as many categories of users as the BOAT will support.

## How it Works in Practice

Figure 1. Process for the Management of Byways and Mechanically Propelled Vehicle Use



**SURREY COUNTY COUNCIL****CABINET****DATE: 29 NOVEMBER 2022****REPORT OF: MATT FURNISS, CABINET MEMBER FOR TRANSPORT, INFRASTRUCTURE & GROWTH****LEAD OFFICER: KATIE STEWART – EXECUTIVE DIRECTOR FOR ENVIRONMENT, TRANSPORT AND INFRASTRUCTURE****SUBJECT: SURREY INFRASTRUCTURE PLAN – PHASE 3 SCHEMES**

**ORGANISATION STRATEGY** GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT,  
**PRIORITY AREA:** ENABLING A GREENER FUTURE, EMPOWERING COMMUNITIES AND TACKLING HEALTH INEQUALITY

17

**SUMMARY OF ISSUE:**

Investment in infrastructure is essential for sustainable economic growth and to cater for the needs of Surrey's businesses and communities. The Surrey Infrastructure Plan Prioritisation Framework was approved by Cabinet in February 2021. This adopted a new approach to developing and prioritising infrastructure projects across the county. The plan allows for a more flexible approach whereby all projects are assessed on how they meet a range of outcomes and align to new and emerging funding opportunities as they arise. The plan introduces a continuous cycle of schemes as they move from concept to implementation stages.

This report recommends the approval of a further phase of schemes to be implemented, identifies additional schemes requiring further development and provides a brief update on the status in the earlier phases which were approved by Cabinet in October 2021 and May 2022.

In addition, this report is seeking approval for the Cabinet Member for Transport, Infrastructure & Growth to determine the prioritisation of SCC bids to District and Borough Council's Community Infrastructure Levy and any successor levies to support the delivery of strategic infrastructure across the County.

**RECOMMENDATIONS:**

It is recommended that Cabinet:

1. Agree the implementation of the Surrey Infrastructure Plan Phase 3 projects identified in this report and set out in Appendix 1, within the approved budget envelope, subject to the final business case for each scheme being approved by the Capital Programme Panel.
2. Agree to delegate the development and delivery of the schemes to the Executive Director of Environment, Transport & Infrastructure, in consultation with the Cabinet Member for Transport, Infrastructure & Growth.



3. Agree that the Cabinet Member for Transport, Infrastructure & Growth will determine the prioritisation of SCC bids to District and Borough Councils for the Community Infrastructure Levy and any successor levies.

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

The recommendations will enable the continued development and delivery of infrastructure schemes that meet a wide range of outcomes and demonstrate deliverability and affordability. They enable the implementation of the third phase of schemes and the development of a continuous pipeline of projects that require further feasibility work. The process is intended to remain dynamic with new schemes added to the long list as they are identified. A continuous programme of schemes will be developed taking them from concept through to delivery identifying suitable funding opportunities as they progress.

The recommendation for the Cabinet Member for Transport, Infrastructure & Growth to lead on corporate and strategic prioritisation of SCC bids to the Community Infrastructure (CIL) Levy will ensure a co-ordinated response to the County Council's CIL bidding process.

#### **DETAILS:**

##### **Background**

1. Cabinet approved the adoption of a prioritisation framework to assess infrastructure projects at its meeting on 23 February 2021. The framework includes a process by which the objectives used for the assessment process are linked to the SCC priority objectives as contained in its Organisational Strategy 2021-2026. The SIP provides a framework to identify opportunities for linking requirements and funding to enable the Council to maximise the value of investment by ensuring multiple outcomes are achieved wherever possible. Governance and oversight of the delivery of these multiple infrastructure projects will be through the SIP Programme Board established in October 2021.
2. Following Cabinet, the partners involved in the development of the Surrey Place Ambition 2050 were consulted and the assessment of projects shared. This included all 11 Districts and Boroughs (D&Bs), both Local Economic Partnerships and the Surrey Wildlife Trust. Other parties including Network Rail, Homes England and National Highways were informed along with neighbouring authorities where there were schemes crossing the boundary.
3. The engagement with partners led to the conclusion that this exercise and the wider development and delivery of infrastructure should be an ongoing, dynamic process rather than a one-off exercise, which is historically how local government has operated in this space. The evolving societal impacts as a result of the Covid pandemic are leading to new travel patterns and behaviours, most notably a trend towards working from home and a greater focus on local places which means that the infrastructure requirements of our communities are changing. In addition, the Local Plan process means the D&Bs are at different stages as are their CIL rounds and therefore ongoing dialogue and engagement is key to ensuring that the County Council can work in partnership to provide

the right level of investment in and balance of infrastructure across the county. This engagement continues on a regular and ongoing basis as the SIP continues to evolve including a focus on securing CIL as part of the funding package.

4. The development of the Surrey Transport Plan, the creation of the Economic Growth Strategy – Plan for Growth and the work on the Greener Futures net zero carbon delivery plans (for the Council and county), mean that it is critical for the Council to continue to keep its infrastructure priorities under review and to ensure these new and emerging policy agendas are reflected in the delivery of infrastructure into the future. This was demonstrated most recently through the Council's proposals concerning the Digital Connectivity Infrastructure Accelerator (5G) project recently approved at Cabinet in September 2022.
5. In addition to the projects identified in this report, work is underway to identify other areas in which investment in infrastructure is needed. SCC teams across several disciplines have been working on place-based approaches to identify further towns to be prioritised in 2023/24 through consideration of concentration of greatest need, health, socio-economic, regeneration, environment and community priorities.

#### **Surrey Infrastructure Plan – Project selection**

6. Through the development of the SIP, a list of over 120 infrastructure projects have been identified between SCC and its partners. All schemes were assessed using the prioritisation framework agreed by Cabinet in February 2021 and the list of schemes within each District or Borough boundary was shared with the relevant officers at each authority. The projects in this third phase, noted in Appendix 1, have been recommended for implementation based on the availability of funding, support from the relevant District or Borough, are considered feasible and have been assessed using the SIP prioritisation framework as having positive outcomes, including particularly those linked to greener futures and economic growth priorities.
7. The estimated cost of the Category 1 projects in this report is approximately £31.77m, made up of £8.64m from SCC capital which in turn leverages in approximately £23.13m from external partners or from Section 106 planning gain / CIL. Wherever possible, officers will continue to pursue external funding for these projects, and where such external funding can be secured, this will reduce the Council's contribution. Bids for CIL funding totalling approximately £1.5m are being put to the relevant districts and boroughs this year.
8. Consideration of a project's impact to the county's carbon emissions will be made, with the level of assessment and therefore the accuracy of such carbon impact assessment improving as the project matures from feasibility through to detailed design. The detail of each assessment will increase as the project matures and will include construction emissions, embedded carbon, and operational emissions. An outline assessment will be undertaken at the initial outline business case stage; this will help inform the solution for the next design stage. In this case, this could lead to a scheme's design evolving to include

further measures to mitigate carbon emissions – measures that maximise facilities for active travel modes, for example. The carbon assessment following the detailed design will demonstrate how, throughout the design process, carbon impacts have been mitigated in line with our net zero target.

9. An update on the status of the previously approved Category 1 projects is included in Appendix 2.
10. A further list of projects is also noted in Appendix 3. These category 2 projects require feasibility and development work before an assessment can be made as to whether they can move to implementation (Category 1). These Projects will be developed using feasibility funding already approved by Cabinet, along with other funding from partners where available. Those schemes that are considered suitable for implementation will then be recommended to Cabinet later this year as part of the ongoing cycle of scheme development and implementation. This list is flexible and subject to change as priorities are put forward by partners and the feasibility work is progressed. A map of all the Category 1 and 2 projects is included.

### **Surrey Infrastructure Plan – Phase 3 Projects**

11. The projects considered as part of this third phase are summarised below:  
**Electric Bikes (E-Bikes) Scheme, Guildford - £1,500,000**
12. In 2019 a feasibility study was produced to investigate a bike share scheme in Guildford, based on others in similar areas. This concluded that there was a sound business case and that the scheme would be deliverable as a partnership of SCC, Guildford Borough Council and the University of Surrey (who are currently operating a bike share initiative). The project would be town wide and offer an alternative to car trips within the borough, be incorporated into the current park and ride scheme, and offer concessionary rides to the university and campus businesses. This would help contribute to a reduction in carbon emissions, sustainable and concessionary travel and air quality.
13. Whilst progress on the project was halted by the pandemic, SCC has now updated the 2019 feasibility study to focus on an E-bike scheme and to produce a revised business case and costings for the overall project. The next stage will be progressing to selecting an operator via the tendering process.
14. Implementation of the project is planned to commence in 2023/24 and once initiated the bike share scheme will cover future operational and administration costs. The initial outlay to introduce the necessary infrastructure to support the project is approximately £1.5 million. This will be part funded between SCC (£1 million), Guildford Borough Council (£250,000) and Surrey University (£250,000) though the final amounts are to be agreed.
15. SCC contribution includes the provision of complementary measures to the existing highway to support the scheme (£450,000). A package of additional infrastructure interventions has been identified within the feasibility study which are being progressed via other existing programmes and budgets, such as the

Local Cycling and Walking Infrastructure Plans (LCWIP) programme and the development of the Guildford Master Plan, should interventions be identified that can be co-ordinated with the roll out of the E-Bike project, these will also be progressed as part of the project.

### **Ewell Village Improvements - £2,500,000**

16. Ewell Village currently suffers from significant levels of traffic passing through the village, with an imbalance between traffic and pedestrians, both in terms of space consumed and dominance exerted. Pedestrian movement in the village is notable, particularly that of children travelling to/from school, but resident feelings about road safety are poor given the high volumes of traffic.
17. This project will deliver improvements to the High Street that will support revitalisation of the village through restricting vehicular access to some degree along the High Street, bringing about more pedestrian-friendly spaces that are safer and more attractive. It will bring improvements to local environmental sustainability via new street greening in addition to reducing vehicle emissions, will enhance the economic resilience of existing and new retail outlets through the creation of more attractive spaces that encourage longer dwell times, and will enrich social cohesion by bringing about more opportunities for people to connect with one another.
18. Epsom & Ewell Borough Council (EEBC) is committed to continued engagement with SCC to develop plans for the village and welcomes further collaboration with the community and community representatives to help shape the scheme.
19. The total scheme cost is approximately £2.5 million. SCC will be seeking a contribution of 50% from third party funding. Funding from EEBC will be determined once a preferred option is agreed.

### **Horley Town Centre Improvements - £3,000,000**

20. The Horley Town Centre project will comprise a package of works that are part of the Delivering Change in Horley Town Centre programme, an initiative that is being brought forward by Reigate & Banstead Borough Council (RBBC) and SCC with support from Coast to Capital Local Enterprise Partnership and Horley Town Council.
21. The programme will deliver a targeted set of interrelated projects to regenerate the town centre and deliver the aspirations of the Council as set out in *Reigate and Banstead 2025: five-year plan* – “to invest in our town centres, drive economic prosperity, deliver affordable homes and work with partners to create strong, safe and welcoming communities.” The projects being considered include:
  - **High Street Improvement - Public Realm Improvements** will seek to build upon the recent public realm improvements in the pedestrian precinct, extending the High Street ambiance with improved public realm works and traffic management changes to parking and street layout, ensuring integration with the subway and the surrounding streets.

- **Subway Enhancements** - The project aims to make the subway easier to use for pedestrians, cyclists and people with disabilities by creating a safe, well-lit and more welcoming space, improve the condition of the structure and address drainage and flooding issues.
- **Wayfinding Signage** - The projects aims to improve directional signage into and around the town centre for residents, businesses and visitors whether travelling by foot, bicycle, public transport or car.

22. The total scheme cost is approximately £3.0 million. A total of £711,000 has been secured by RBBC which includes Coast to Capital funding. A further £600,000 in S106 has been secured by SCC. SCC would look to contribute £1.69m towards the project although a further strategic CIL bid of approximately £1.5 million has been submitted to RBBC. Subject to the outcome of this, SCC's contribution may then be reduced.

**Woking Sustainable Transport Corridor Improvements - £12,000,000**

23. SCC has bid for £12 million as part of the Levelling Up 2 bid to deliver the East Woking Sustainable Transport Corridor providing improvements for walking, cycling and bus infrastructure in the east of Woking, improving connections across the Woking town centre, Sheerwater and West Byfleet corridor.
24. The improvements will be centred on Sheerwater, the second most deprived LSOA in Surrey and within the 20% most deprived LSOAs nationally. The area is characterised by low incomes, high unemployment, and poor health outcomes. As such, the Surrey Health and Well-Being Strategy identifies the area as a 'Key Neighbourhood' where there is a need to reduce health inequalities, so no-one is left behind. The improvements proposed in this project will address transport access, safety and severance issues in an area where the proportion of residents with no access to a car is over double the county average.
25. The project will improve transport connectivity, accessibility, safety and user experience across low-carbon, low-cost and healthier forms of travel. This will lead to more trips being made safely by walking, cycling and bus, contributing to decarbonisation targets, improving health and wellbeing, increasing transport inclusion, and resulting in place making benefits.
26. As part of the £12m bid, it is proposed SCC will contribute £1.2 million. Delivery of the project will be dependent on the outcome of the bidding process which is expected in December 2022.

**Caterham Town Improvement Package - £8,570,000**

27. In addition to the Woking Levelling Up 2 bid Tandridge District Council also submitted a bid seeking £8.57m to support town centre regeneration of Caterham through a combination of flood mitigation works, connectivity measures and public realm improvements in Caterham Valley and Caterham on the Hill. Whilst the outcome of the funding bid has not yet been determined, the bid set out an expectation that SCC could lead the delivery of public realm

improvements and flood mitigation works on behalf of, and in close partnership, with Tandridge District Council.

**A320 HIF Scheme North of Woking - £1,000,000**

28. SCC in conjunction with Runnymede Borough Council (RBC) submitted a bid to the Government's Housing Infrastructure Fund (HIF) in March 2019 to deliver the project to support the development of over 3,000 additional homes allocated within the Runnymede Local Plan. The Ministry of Housing, Communities & Local Government confirmed in March 2020 that the Council were to be awarded £41.8 million. In addition to this funding, a further £5.0 million was to be made available from developer S106 monies.
29. Since 2020 the project has been progressing with construction programmed to commence in Spring 2023. As part of the design development phase, further project costs have been identified and will support works at two locations along the A320 corridor, as described below.
  - **St Peters Hospital Roundabout upgrade (£500,000)**

These works were to be delivered by the NHS through a Section 278 Agreement, an agreement under the Highways Act 1980 to allow developers to work on the public highway to secure improvements. The original 2020 obligation was for SCC to part fund this works, up to a value of £500,000 in lieu of awaiting downstream S106 monies. Due to ongoing developer delays, these S106 contributions will not be forthcoming for several years. Rather than part-fund the NHS Section 278 works, SCC will instead receive NHS monies and with an additional £500,000 contribution from SCC, the County Council will incorporate these works into their overall construction programme. This process will provide SCC better control of works in terms of works programming, phasing and construction management.
  - **Mitigation works at White Lodge Centre (£500,000)**

The White Lodge Centre have objected, through the CPO process, to the proposed measures through the HIF scheme at the Holloway Hill / Green Lane junction. They consider access/egress to their property will be adversely affected by the changes in highway layout. SCC has considered this objection and have subsequently made changes to the design with a view to address the concerns raised. It is anticipated these alterations will cost £500,000 to deliver.
30. Whilst the majority of the project will be funded by third party contributions, this report is seeking approval from Cabinet for SCC to contribute £1.0m to support the works at St Peters Hospital Roundabout and Holloway Hill/ Green Lane junction.



## **Flooding Alleviation Programme 2023/24 - £3,200,000**

31. Also covered by this third tranche of SIP projects are the latest schemes to come forward under the Council's Flood Alleviation Scheme – as set out in the Cabinet report on SIP from May of this year.
32. In October 2019, Cabinet approved investing £33m over 10 years for delivering the objectives of the Surrey Local Flood Risk Management Strategy. This investment, supplemented by grants from the Environment Agency forms the Surrey Flood Alleviation Programme. For 2023/24 the planned programme expenditure is £3.2m made up of £2.5m of SCC funding and £0.7m Environment Agency grants. The detailed breakdown of the schemes on the programme is shown in appendix 4.
33. The programme has a mix of schemes and interventions at various stages of development and delivery. It also includes contributions to schemes being delivered by external partners and other internal programmes. For example:
- SCC will continue to deliver the Caterham on the Hill Property Flood Resilience Scheme, with 130 properties having flood resilience measures installed by Autumn 2023
  - Contributing to other SIP schemes to ensure flood risk reduction is at the heart of infrastructure schemes such as Woking Sustainable Corridor Improvements, Caterham Levelling Up Bid and the Tadworth placemaking scheme
  - Contributing to schemes being delivered by external partners and unlocking national funding. The Sanway-Byfleet Flood Alleviation Scheme is managed by the EA and aims to be complete in 2026 with better protection for 236 properties. SCC will contribute £3m over the next 3 years to enable this £20m investment in the county.
  - As outlined in the May Cabinet report on the SIP, projects will continue to be developed using grant funding from the EA such as Smallfield, Reigate, Burgh Heath, South Merstham, South Earlswood, Worcester Park and Farnham. The feasibility works and subsequent business cases are essential to the development of a viable pipeline for future delivery.
34. The projects will continue to be regularly reviewed and monitored at the Surrey Infrastructure Plan (SIP) Board chaired by the Cabinet Member for Transport, Infrastructure & Growth that was established following the Cabinet recommendation of October 2021. The flood projects will also be overseen by the Surrey Flood Risk Partnership Board which agrees the action plans of the Surrey Local Flood Risk Management Strategy. The project budgets noted in this report are estimates at this stage. As designs progress, this may require adjustments to the budget allocated to each project which is proposed to be covered by the SIP Board in conjunction with the Capital Programme Panel. Schemes funded through grant and on the Surrey Flood Alleviation Programme will be regularly reviewed and monitored in consultation with the Cabinet Member for Community Protection.

## **RISK MANAGEMENT AND IMPLICATIONS:**

35. Risks will be monitored and managed by project. The business cases that will be submitted to the Capital Programme Panel (CPP) will therefore include details on any project risk and mitigation.

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

36. The development of the SIP has been met from the Council's Feasibility Fund. The Council's capital pipeline makes provision for scheme costs and this report outlines the estimated costs for the seven projects/programmes noted in the third phase. The full business cases that will be prepared for each project and considered by the CPP will set out in more detail the spend profile, the value for money and any external or third party funding identified.
37. All costs are estimated at this stage, and in some cases external funding contributions are subject to further approval. Projects will only be agreed within the budget envelope approved by Cabinet with variations to cost estimates for each scheme between this report and Full Business Case to be managed by the SIP Board in conjunction with CPP. Further feasibility work will be required for those schemes noted in Category 2 for which funding will be sought from the Feasibility Fund and any external contributions from partners where available.

## **SECTION 151 OFFICER COMMENTARY**

38. Although significant progress has been made to improve the Council's financial position, the financial environment remains challenging. The UK is experiencing the highest levels of inflation for decades, putting significant pressure on the cost of delivering our services. Coupled with continued increasing demand and fixed Government funding this requires an increased focus on financial management to ensure we can continue to deliver services within available funding. In addition to these immediate challenges, the medium term financial outlook beyond 2022/23 remains uncertain. With no clarity on central government funding in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term.
39. The Surrey Infrastructure Plan is included in the approved capital programme 2022-27. Individual schemes will be considered in detail by the Council's Capital Programme Panel, within the overall Surrey Infrastructure Plan and Flood Alleviation budget envelopes approved by Cabinet. As such, the Section 151 Officer supports the proposed approach.

## **LEGAL IMPLICATIONS – MONITORING OFFICER**

40. There are no significant legal implications raised in the report at this stage. There will be contractual agreements to be entered into as part of the projects. Some of these projects may also require traffic regulation orders as well as



potential land acquisition, both of which are subject to their own statutory processes.

**EQUALITIES AND DIVERSITY**

41. The Public Sector Equality Duty is a duty imposed on all UK public bodies by section 149 of the Equality Act 2010, to take equalities considerations into account when exercising any of their functions and taking decisions. Equalities impacts of the SIP will be monitored and managed according to each project. Equality Impact Assessments (EIAs) will be undertaken for each project to ensure that any negative consequences for people protected under the Equality Act 2010, (and other vulnerable groups as recognised by Surrey County Council), caused by changes to services, policies and functions, are minimised and opportunities for promoting fairness and respect are maximised.

**OTHER IMPLICATIONS:**

42. 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.

<b>Area assessed:</b>	<b>Direct Implications:</b>
Corporate Parenting/Looked After Children	No significant implications arising from this report
Safeguarding responsibilities for vulnerable children and adults	No significant implications arising from this report
Compliance against net-zero emissions target and future climate compatibility/resilience	The proposed projects will contribute to reducing emissions through improving infrastructure needed to promote active travel, use of public transport, uptake of electric vehicles and waste recycling contributing to Surrey climate change delivery plan targets. The Construction phase will involve generation of carbon emissions which will be prioritised through procurement of Contractors that will assess the emissions and climate impact risks at design stage and put in place measures to reduce operational and embodied emissions during Construction and ensure the proofing of infrastructure to projected and current climate impacts like flooding and increased temperatures.

## ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS

43. An Environmental Sustainability Assessment (ESA) will be undertaken as required as part of the individual business case development for each scheme.

## PUBLIC HEALTH IMPLICATIONS

44. Public Health implications will be dealt with within the individual Business Cases.

## WHAT HAPPENS NEXT:

45. Where appropriate all schemes identified in Appendix 1 will now have a full business case developed and reported to the Capital Programme Panel before they formally commence. They will then be progressed with stakeholders and the community engaged as part of the scheme development before moving to implementation. In addition, schemes identified in Appendix 2 will be further developed using Feasibility Funds with a view they are reported to this Cabinet as part of the next phase of schemes to be implemented. Engagement with all partners including the Districts and Boroughs will recommence to review priorities and agree how schemes are progressed in partnership.

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### Consulted:

Communities, Environment and Highways Select Committee – 18 January 2021

### Appendices:

Appendix 1: Category 1, Phase 3 Projects

Appendix 2: Category 1 projects previously approved by Cabinet update

Appendix 3: Category 2 Projects

Appendix 4: Flood Alleviation Projects 2023/24

### Sources/background papers:

Surrey Infrastructure Prioritisation Framework – Technical Note, January 2021

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## Appendix 1: Category 1, Phase 3 Projects

### Estimated Capital Cost, SCC proposed Contribution and Third-Party contributions

Project	Estimated Project Capital Cost	SCC Contribution requested	Third Party Contributions
E-Bike Scheme and Infrastructure <sup>1</sup>	£1.5m	£1.0m	£0.25m - Guildford BC £0.25m - Surrey University
Ewell Village Improvements <sup>1</sup>	£2.5m	£1.25m	£1.25m - Funding source TBC
Horley Town Centre revitalisation programme <sup>1</sup>	£3.0m	£1.69m <sup>2</sup>	£0.71m Reigate & Banstead BC £0.6m S106 £1.5m CIL bid pending <sup>2</sup>
Woking Sustainable Transport Corridor Improvements <sup>1</sup>	£12.0m	£1.2m	£10.8m - LUF2 bid pending
Caterham Town Improvement Package <sup>1</sup>	£8.57m	zero	£8.57m - LUF2 bid pending Tandridge DC
A320 HIF Scheme North of Woking [inc. M25 Junction 11] Additional funding requested from SCC	£1.0m <sup>3</sup>	£1.0m	
Flooding Alleviation 2023/24 Programme <sup>1</sup>	£3.2m	£2.5m	£0.7m Environment Agency
<b>Total</b>	<b>£31.77</b>	<b>£8.64m</b>	

Notes:

1. Subject to business case approval.
2. Contribution likely to be reduced subject to outcome of CIL bid
3. £46.8m for the A320 scheme has previously been approved funded from Homes England and S106.

## Appendix 2: Category 1 projects previously approved by Cabinet update

Project	Update
A308 Corridor Programme	Project at detailed design stage. Construction to be phased over four packages, with the first package programmed to commence Q4 2022/23.
Weybridge town centre package	CPP business case approved in September, and the CIL application submitted. Decision on CIL funding expected in November. Detailed design has commenced.
Three Arch Junction Modernisation	CPP business case approved in September 2022, and the CIL application was submitted. Decision on CIL funding expected in December 2022. Detailed design has commenced. Land negotiations ongoing.
Woodhatch Junction Improvements	
Staines Iron Bridge (short term improvements)	Works programmed to commence Q4 2022/23 and will comprise of artwork to the bridge and footway widening.
Boxgrove Roundabout: To link 3 cycling routes	Option development underway. Construction phase programmed from Q3 2023/24.
A3100 London Road, Guildford	Concept design and traffic modelling exercise underway. Construction phase programmed from Q1 2023/24.
Redhill to East Surrey Hospital, Earlsbrook Rd	Option development underway. Construction phase programmed from Q1 2023/24.
Ashford Park Estate LTN	Public engagement complete, continued engagement with key stakeholders to agree option(s) to progress. Construction phase programmed from Q1 2023/24.
Tongham Village and Ash Improvements	Consultation complete. Detailed design in progress. Construction phase programmed from Q2 2023/24.
Croydon Road Regeneration, Caterham	Detailed design in progress. Construction phase programmed from Q2 2023/24.
Cranleigh Public Realm Enhancements	Public engagement planned for November. Construction phase programmed from Q3 2023/24.
Shelvers Hill, Tadworth Flood Reduction	Detailed design in progress. Construction phase programmed from Q2 2023/24.
Ash Vale rail station access	Access for All bid made and awaiting DfT feedback. Design completed and necessary planning permission secured. SCC/NR working on funding agreement.

## Appendix 3: Category 2 Projects

### New Category 2 Projects

Project	Project Details
Pedestrianising The Square, Shere	Project to improve the environment for pedestrians by enhancing public realm and considering traffic restrictions.
The Street, Compton - Road safety and Public Realm Enhancements	Project to address road safety as well as enhancing the public realm.
Guildford East Rail Station (Marrow Park)	Study to consider the viability of a new rail station in Marrow Park. Project will be linked to future development of Gosden Hill Farm.
Smarter Corridor Study	Study to consider opportunities to introduce innovative technology on the County's strategic corridors.

### Existing Category 2 Project (as previously reported)

#### National Highways (NH) Designated Fund schemes

Cycling schemes that provide complementary sustainable transport improvements to the Strategic Road Network. These schemes will link to the LCWIPs.

Project	Update
Godalming to Guildford	Successfully received funding from National Highways to progress the detailed design in support of the business case. Funding Agreement being finalised between National Highways and SCC.
Camberley to Frimley	Successfully received funding from National Highways to progress the detailed design in support of the business case. Funding Agreement being finalised between National Highways and SCC.
Redhill to Hooley	SCC are finalising proposals on the Local Road Network. Progress on proposals on Strategic Road Network subject to input from National Highways.

## Town and Village Improvements

Projects aim to reduce congestion, improve air quality, provide improvements for pedestrians, vulnerable users, and cyclists as well as public realm enhancements to improve the economy and social infrastructure.

Project	Update
Addlestone Town Improvements	Feasibility design in progress. Site surveys to support study complete.
Farnham Town Centre Improvements	Public consultation exercise complete. Feedback being reviewed to determine options to proceed with.
Epsom town centre east and the Quadrant	Work pending EEBC review of existing Town Centre Masterplan.
Church Road Ashford – town centre improvements	SCC commencing discussions with internal stakeholders to outline potential improvements to the town centre to develop an action plan.
Guildford Town Centre Improvements	Stage 2 Masterplan led by Guildford Borough Council has now been completed. Requirements to be confirmed for SCC to support the delivery of the SGF strategy.

## Active Travel Schemes

Project	Update
Lower Sunbury Crossing	Feasibility study complete. Further engagement required with key stakeholders to agree next steps and explore potential funding sources.
Waverley - Bullers Rd and Hale Reeds School Streets	Awaiting legal power from central government to enforce point closures using camera to be granted towards the end of the financial year.

## Local Cycling and Walking Implementation Plans (LCWIPs)

Projects that have been developed in partnership with local Boroughs and Districts to identify new or improved walking and cycling facilities. Further schemes to be added to this list pending review.

Project	Update
Reigate and Banstead	Capital funding opportunities from NH Designated funds for active travel: construction funding for A23 to Merstaham route, and additional feasibility schemes. Submit scheme bid for R&B strategic CIL funding.
Woking LCWIP	LCWIP priority areas / Liveable Neighbourhoods project planning; refinement of process and engagement activity prior to selection of trial sites.
Spelthorne	SBC/Exec endorsement of plan, and progress to gateway sign off by SCC Cabinet Member for stage 2 feasibility work to commence. Capital funding opportunities from NH Designated funds feasibility schemes, and DfT ATF tranche 4. Engagement with Heathrow Airport surface access, for active travel scheme coordination.
Elmbridge	Next step gateway sign off by SCC Cabinet Member for stage 2 feasibility work to commence. Prioritised ph1 cycle corridor schemes and core walking zones. Capital funding opportunities from NH Designated funds feasibility schemes, and DfT ATF tranche 4.
Runnymede	Next step gateway sign off by SCC Cabinet Member for stage 2 feasibility work to commence. Prioritised ph1 cycle corridor schemes and core walking zones. Capital funding opportunities from NH Designated funds feasibility schemes, and DfT ATF tranche 4.
Guildford	Draft project proposal being agreed with GBC/SCC. Funding shares to be agreed for LCWIP plan stage 1. Programmed to commence in late 22/23.
Surrey Heath	Draft project proposal being agreed with GBC/SCC. Funding shares to be agreed for LCWIP plan stage 1. Programmed to commence in late 22/23.
Mole Valley	Short listing routes site audits completed. Stakeholder and Member engagement workshops to refine scheme proposals. Draft final report in progress.
Epsom Ewell	Discussions with EEBC/SCC to agree contribution funding share to take work forward. In programme for Q3 22/23 start.
Waverley	Stakeholder and Member engagement workshops feedback to address and refine scheme proposals. Draft final report in progress. Feasibility (LCWIP stage 2) funding to be secured.
Tandridge	Discussions with TDC/SCC to agree contribution funding share to take work forward. In programme for Q3 22/23 start.
Wider Woking	Not commenced. To follow after remaining LCWIP programme areas are completed. Wider Woking LCWIP to build on works completed for Woking Town centre routes, including delivery of Woking STP and DfT Active Travel schemes.

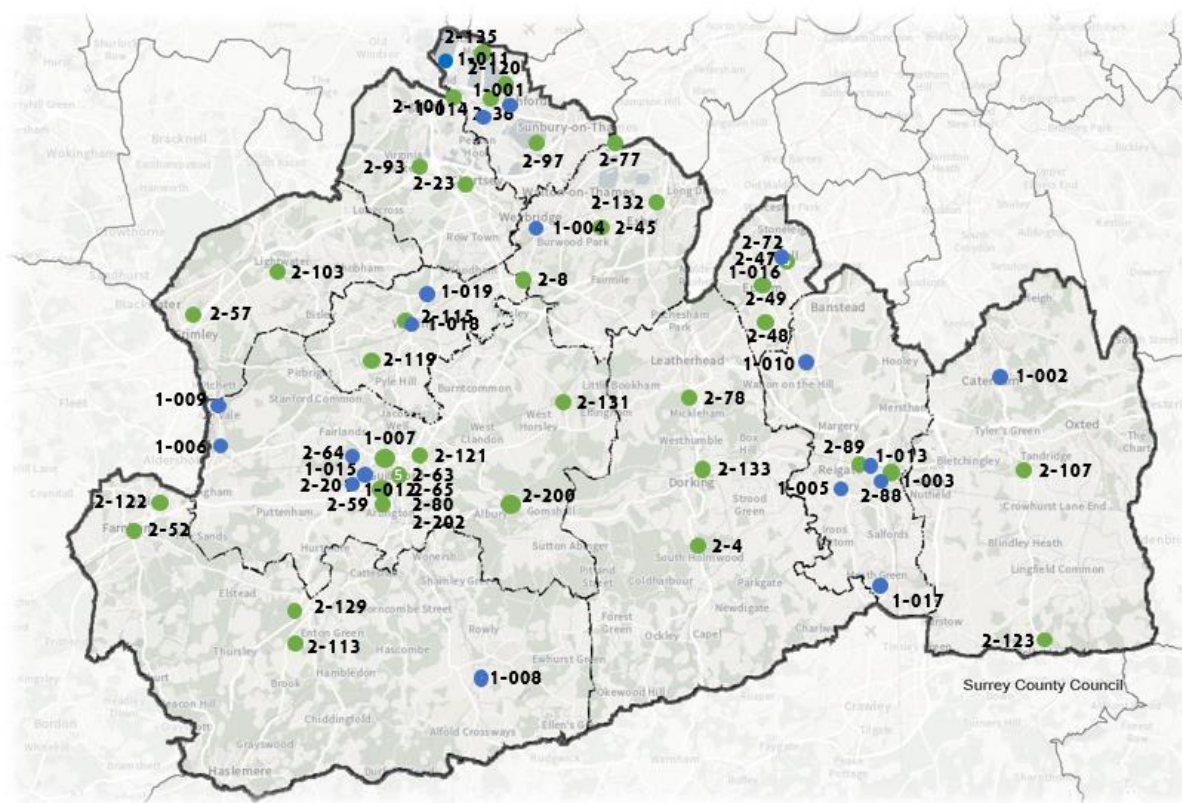
## Transport Improvement Schemes

Project	Update
<p><b>A24 Dorking to Horsham Improvements</b> Study to explore potential interventions along the A24 to improve safety and reduce congestion. Joint funded with WSCC.</p>	Feasibility study in progress. Obtaining feedback from Stakeholders following engagement exercise.
<p><b>A245 Smarter Highway - West Byfleet to Painshill</b> Study to consider corridor improvements along the A245 between A3 Painshill and Brooklands to include new cycle infrastructure and the potential use of technology to address safety and congestion issues.</p>	Project yet to commence. Potential National Highways designated Funds bid.
<p><b>Milford Transport Study</b> To identify possible schemes to mitigate the impact of traffic growth including that from developments in the Milford area. Outcome of the study will help future S106/CIL priorities.</p>	Feasibility study complete.
<p><b>Guildford Sustainable Movement Corridor Programme - SMC1-6</b> Six corridor improvement projects in and around Guildford. To include: (1) West (Research Park &amp; Blackwell Farm) (2) Yorkie's Bridge (3) Town Centre Phase 1 (4) Town Centre Phase 2 (5) North to Slyfield (6) North to Gosden Hill Farm.</p>	<p>The proposal is to work with Guildford Borough Council and review the approach to the delivering these packages of schemes.</p> <p>Corridor one: Phase 1 and 2 have been completed. Phase 3 is on hold due to third party land availability. Phase 4 is at design delivery stage.</p> <p>Design on the remaining five corridors has yet to commence.</p>
<p><b>Guildford West Rail Station (Park Barn)</b> New rail station development.</p>	SCC working with Network Rail to develop design options. GBC have been involved with this process.
<p><b>Network Rail/DfT Access for All</b> Improve access at and to rail stations to include hub amenities e.g. shelter, cycle parking, security measures. Stations include Horsley, Esher and Dorking Deepdene.</p>	Access for All bid made and awaiting DfT feedback.
<p><b>Felbridge A22/A246 Junction Capacity</b> Review of existing junction to improve capacity and enhance existing cycling and pedestrian facilities.</p>	Felbridge junctions project subsumed into overarching A22 corridor study. SCC working with WSCC to develop project scope.
<p><b>Staines Town Centre Traffic Improvements</b> Various junction improvements in Staines town centre to provide capacity for through traffic and improve sustainable transport.</p>	Any potential proposals are yet to be developed as we are still awaiting the conclusion of the Staines Development Framework, which is currently under refinement by SBC.
<p><b>Kiln Lane Link</b> The provision of a new crossing of the railway line between the Longmead and Nonsuch</p>	Scheme would need to be part of a longer-term Masterplan for the area to support its economic case.



Project	Update
business areas which are centrally located between Epsom Town Centre and Ewell Village. This will support Epsom & Ewell Borough Council's Masterplan	

## Location Plan of Category 1 and 2 Projects



### Existing Category 1 Projects

- 1-001 A308 Modernisation
- 1-002 Croydon Road Regeneration, Caterham
- 1-003 Three Arch Road/ A23 Junction Place Improvements
- 1-004 Weybridge Town Centre Improvement
- 1-005 Woodhatch Junction Improvements
- 1-006 Tongham Village and Ash Improvements
- 1-007 Boxgrove Roundabout: To link 3 cycling routes
- 1-008 Cranleigh Public Realm Enhancements
- 1-009 Ash Vale rail station access
- 1-010 Shelveys Hill, Tadworth Flood Reduction
- 1-011 Staines Iron Bridge (short term improvements)
- 1-012 A3100 London Road, Guildford
- 1-013 Redhill to East Surrey Hospital, Earlsbrook Rd
- 1-014 Ashford Park Estate LTN

### New Category 1 Projects

- 1-015 E-Bike Infrastructure, Guildford
- 1-016 Ewell Village Improvements
- 1-017 Horley Town Centre
- 1-018 Woking STC
- 1-019 A320 HIF Scheme

### New Category 2 Projects

- 2-200 Pedestrianising The Square, Shere
- 2-201 The Street, Compton - Road safety and Public Realm Enhancements
- 2-202 Guildford East Rail Station (Marrow Park)
- 2-204 Smarter Corridor Study (County wide)

### Existing Category 2 Projects

- 2-4 A24 Horsham to Dorking
- 2-8 A245 Smarter Highway
- 2-23 Addlestone Town Improvements
- 2-36 Church Road, Ashford
- 2-45 Elmbridge LCWIP
- 2-48 Epsom Ewell LCWIP
- 2-49 Epsom Town Centre
- 2-57 Camberley to Frimley NH Designated Funds
- 2-59 Godalming to Guildford NH Designated Funds
- 2-63 Guildford Town Centre
- 2-72 Kiln Lane Link
- 2-77 Lower Sunbury Crossing
- 2-78 Mole Valley LCWIP
- 2-88 Redhill to Hooley NH Designated Funds
- 2-89 Reigate and Banstead LCWIPs
- 2-93 Runnymede LCWIP
- 2-97 Spelthorne LCWIP
- 2-101 Staines Town Centre Improvements
- 2-103 Surrey Heath LCWIP
- 2-107 Tandridge LCWIP
- 2-113 Waverley LCWIP
- 2-115 Woking LCWIP: Town centre
- 2-119 Wider Woking LCWIP
- 2-122 Waverley - Bullers Rd and Hale Reeds School streets
- 2-65 Guildford SMC Programme 1-6
- 2-80 Guildford West Rail Station (Park Barn)
- 2-123 A22/A264 Junction, Felbridge
- 2-129 Milford Transport Study
- 2-131 Horsely Station (Access for all funding)
- 2-132 Esher Station (Access for all funding)
- 2-133 Dorking Deepdene Station (Access for all funding)

## Appendix 4: Flood Alleviation Projects 2023/24

Area	Type	Project Name	SCC Funded	Grant Funded
Waverley	Construction	Alfold (Non-GiA interventions)	£100,000	
Waverley	Construction	Alfold GiA PFR		£80,000
Mole Valley	Construction	Brockham and Strood Green, FAS	£30,000	
Tandridge	Construction	Caterham Bourne Viaduct	£100,000	
Tandridge	Construction	Caterham Levelling Up Bid Items	£80,000	
Tandridge	Construction	Caterham OTH PFR	£14,000	£330,000
Reigate & Banstead	Construction	South Merstham Malmstone Avenue	£300,000	
Reigate & Banstead	Construction	Raven Housing Waterbutts	£50,000	
Surrey Heath	Contribution	Addlestone FAS contribution (EA)	£100,000	
Tandridge	Contribution	Caterham OTH SuDS & Raingardens (incl Queens Park) (TDC)	£100,000	
Woking	Contribution	Sanway Byfleet FAS (EA)	£300,000	
Reigate & Banstead	Contribution	South Merstham Recreation Ground (R&BBC)	£200,000	
Woking	Contribution	Woking Raingarden Retrofits (WBC)	£240,000	
Countywide	Resource	Critical Drainage Support (Borough & Districts)	£100,000	
Reigate & Banstead	Scheme Development	Burgh Heath FAS		£50,000
Countywide	Scheme Development	Countywide PFR (Build Back Better)	£25,000	
Waverley	Scheme Development	Farnham FAS		£60,000
Spelthorne	Scheme Development	Lower Thames Corridor Surface Water Study		£50,000
Reigate & Banstead	Scheme Development	Reigate FAS		£20,000
Tandridge	Scheme Development	Smallfield - GiA Scheme		£100,000
Reigate & Banstead	Scheme Development	South Earlswood FAS (West)		£25,000
Reigate & Banstead	Scheme Development	South Merstham FAS		£50,000
Spelthorne	Scheme Development	Sweeps Ditch feasibility and surveys	£50,000	
Reigate & Banstead	Scheme Development	Whitebushes FAS (S Earlswood East)		£10,000
Epsom & Ewell	Scheme Development	Worcester Park FAS		£10,000
Reigate & Banstead	Scheme Development	South Merstham Moat Feasibility	£30,000	
Woking	SIP Contribution	Broad Ditch Wisley Lane Culvert	£100,000	
Reigate & Banstead	SIP Contribution	Great Tattenhams Soakaways	£30,000	
Reigate & Banstead	SIP Contribution	Tadworth Placemaking Contribution	£250,000	
Tandridge	SIP Contribution	Wheelers Lane Raingarden	£100,000	
Woking	SIP Contribution	Woking Active Travel Permeable Paving	£90,000	
Reigate & Banstead	SIP Contribution	A217 Highway Improvements	£100,000	
<b>Total</b>			<b>£2.50m</b>	<b>£0.70m</b>

**SURREY COUNTY COUNCIL****CABINET****DATE:** 29 NOVEMBER 2022**REPORT OF:** MATT FURNISS – CABINET MEMBER FOR TRANSPORT, INFRASTRUCTURE & GROWTH**LEAD OFFICER:** KATIE STEWART – EXECUTIVE DIRECTOR FOR ENVIRONMENT, TRANSPORT AND INFRASTRUCTURE**SUBJECT:** SURREY PUBLIC ELECTRIC VEHICLE CHARGEPOINT ROLL OUT PLAN

**ORGANISATION STRATEGY PRIORITY AREA:** GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT / TACKLING HEALTH INEQUALITY/ENABLING A GREENER FUTURE / EMPOWERING COMMUNITIES

**SUMMARY OF ISSUE:**

In January 2022, Cabinet agreed that Surrey County Council (SCC) undertake a procurement exercise with the aim of appointing a single supplier to work in partnership with the Council and its delivery partners to deliver public Electric Vehicle (EV) chargepoints at a large scale across the county of Surrey. Cabinet also agreed to receive a further report to ask for a decision to proceed once the outcome of the procurement exercise was known. This report details the background and progress of that procurement and puts forward a recommendation to contract with the supplier most advantageous to SCC.

**RECOMMENDATIONS:**

It is recommended that Cabinet:

1. Agree the appointment of the preferred supplier following a competitive tender process as named in Part 2 of this report.
2. Agree to approve the allocation of £2m from the capital pipeline to develop and establish ongoing service provision of public EV chargepoints for financial years 23/24 and 24/25, subject to approval of a detailed business case by the Capital Programme Panel.
3. Agree to delegate the approval of the initial Network Location Plan for chargepoint installations to the Executive Director of Environment, Transport & Infrastructure in consultation with the Cabinet Member for Transport, Infrastructure & Growth and feedback from the Member Reference Group.

**REASONS FOR RECOMMENDATIONS**

Following the report to Cabinet in January 2022, a Communities, Environment and Highways Select Committee EV Reference Group was formed to note and review progress on the options for procurement of public chargepoint infrastructure in Surrey. Following a review by the EV Reference Group of the essential contract principles, the Group endorsed the proposed model of a single supplier.

A procurement process was then conducted via a mini-competition under the Crown Commercial Services (CCS) Framework RM6213, 'Vehicle Charging Infrastructure Dynamic Purchasing System Agreement' (the DPS) for the Supply, Installation Operating and Maintenance of the EV Charging Points.

The outcome of the evaluation process has identified a successful single supplier who is recommended for award.

The Contract has been written in a way that obligates the successful supplier to put up the capital investment; however, to support the achievement of geographic and social equity in the provision of this infrastructure across Surrey, and also to initiate and accelerate this programme, £2m is requested from the capital pipeline, to support project set up and subsidise selected chargepoint installations. Officers will seek to reduce the sum required from the Council through external funding by continuing to apply for Government and other funding opportunities.

Finally, the development of a network plan for identifying and prioritising installations will be a key first objective of the new contract which will require a formal decision, hence the recommended delegation of authority for agreeing this plan.

#### **DETAILS:**

1. Given the Government's Green Plan announcement to accelerate the ban of sales of petrol and diesel-powered cars and vans from 2030 and hybrids by 2035, along with the associated demand for EVs now increasing, the demand for EV chargepoints by extension is also increasing significantly. Whilst many car owners with off-street parking can make arrangements to charge EV vehicles, many residents do not have this option, which can be a major barrier to their decision to switch to EV. The private sector are installing EV chargepoints for public use; however, there remains a real gap in the market between the demand for EV vehicles and the availability of chargepoints.
2. SCC as the highway authority is in a unique position to facilitate on-street EV chargepoints. Partner authorities are also positioned to facilitate chargepoints in public car parks for example Surrey District and Borough Councils (D&Bs).
3. Surrey's Local Transport Plan 4 has identified as one of its top priorities to improve emissions intensity and the energy efficiency of vehicles, specifically to promote zero emission and smaller vehicles.
4. Research commissioned by the Council in 2020 highlighted a number of potential business models for delivery of public EV chargepoints by local authorities. Since that time, the Council has been building experience in delivery of public EV chargepoints through two pilot schemes, which in total will deliver 190 public chargepoints in Surrey.
5. The main finding of these pilot projects is that if we maintain or even increase this current rate of installation in coming years, based on this more ad hoc model, it will not achieve the scale of increase in public chargepoints required. A more ambitious approach is therefore needed.
6. Following soft market testing with a wide range of chargepoint operators and a strategic options appraisal to advise on the most appropriate route to market, agreement was given in principle by Cabinet and subsequent support from the Communities, Environment and Highways Select Committee EV Reference Group to commence with a mini competition which was published in July 2022.
7. The recommendation to approve the use of £2m capital pipeline funding will be based on a detailed business case that demonstrates a satisfactory return on investment, which if Cabinet agree, will be subject to that business case being approved by the Council's Capital Programme Panel. The business case will be based on the development of a

prioritised installation plan and will include any offset of investment due to the availability of funding through sources such as the Local Electric Vehicle Infrastructure (LEVI) Fund.

### Procurement Process, Contract Specification and Characteristics

8. The *CCS Framework RM6213: Vehicle Charging Infrastructure Solutions (VCIS)* was selected as the most suitable route to market to deliver the provision of Electric Vehicle Chargepoint Infrastructure. There were multiple benefits to using the CCS Framework, such as a quicker process; as well as the fact that providers on the framework are signed up to the CCS Terms & Conditions and are already pre-qualified, which will help to increase competition.
9. From the Framework, 47 companies were identified and invited to participate in the mini competition, of which 5 companies submitted bid responses. Due diligence checks identified that 4 of the 5 companies were compliant with the requirements set out in the Tender Documents and were therefore taken forward to further evaluation.
10. The Tenders were evaluated using the award criteria published in the Tender Documents which comprised 55% Technical/Quality score, 40% Commercial score and 5% Social Value score.
11. The contract will allow the supplier to operate chargepoints for a 15-year term from the date of each installation to allow a private sector return on investment. Installations will take place for an initial period of 5 years. After this time the Council can decide to cease new installations under the contract or, if it decides, it may extend the period of new installations for two further periods of 5 years. A minimum of 300 chargepoints fully funded by the successful supplier are required in the first year of the contract. Off-street chargepoints will be taken forward subject to separate agreements with each District and Borough and other public sector organisations. An exit strategy to manage the process at the end of the contract and enable a new supplier to operate will be developed with the operator within the first 6 months of the contract.
12. The Council will receive a percentage of all charging revenue for on-street chargepoints as detailed in Part 2 of this report. D&Bs will receive a proportion of revenue from installations on D&B managed land.
13. The contract will allow access to all public sector and other organisations with charitable status both within Surrey and in adjacent areas. This would include Parish Councils, NHS and some community organisations as described in the Crown Commercial Service terms and conditions.
14. Following an extensive outreach to the general public and prospective delivery partners such as the D&B, during the summer of 2022, some 1600 location suggestions were received and a first assessment of suitability of the resulting long list of locations is being conducted. This asset list will be shared with the successful supplier and respondents notified where locations are to be taken forward. The first 6 months of the contract will focus on developing and agreeing a prioritised installation plan through partnership working between the Council, all delivery partners and the successful contractor.
15. The first step is to set up the management boards of the new contract. This will involve the Council and participating delivery partners forming an Operational Board as well as a



Strategic Management Board. The Operational Board, chaired by the Contract Manager from the Council, will be responsible for day-to-day decision making, overseeing installations, and managing revenues and other routine project management. A Strategic Management and Project Assurance Board, chaired by the Director of Infrastructure, Planning & Major Projects for the Council will be the senior management body with representatives from the Council, delivery partners and the supplier. It will be responsible for more strategic decisions such as approving the network plan and considering changes to tariffs. It will, in turn, report into the Surrey Infrastructure Programme Board, as established by Cabinet in October 2021 (related to which, there is another report at this Cabinet on the latest phase of the Surrey Infrastructure Plan).

16. Whilst the contract requires fully private sector funding for chargepoint installations, initial contract development and project management costs will need to be funded by the Council. The Council will also aspire to extend the reach of chargepoint access to locations where expense of installation or the commercial case does not justify private sector investment. It is possible that the Council may decide to subsidise some locations where applications for other support have not been successful using a capital budget of £2m per annum for the next two financial years from the capital programme pipeline.
17. It is intended that an application to the Government's Local Electric Vehicle Infrastructure (LEVI) fund will be made, possibly in the first quarter of 2023, subject to the full scheme launch by Government. This funding would also be intended to increase the speed and reach of the chargepoint rollout, and if the Council is successful in its bid, this money would reduce the required capital investment from the Council.
18. The supplier will typically fully fund, operate and maintain 7KWH or 22KWH and a more limited number of 50+KWH chargepoints across Surrey, both on-street and in car parks. Flexibility will be included to enable the provision of alternative chargepoint equipment where suitable.
19. Alongside this public sector capital, there will be a specific requirement in the contract for the supplier to propose a blended approach of chargepoint sites covering less commercially attractive locations to achieve a comprehensive and socially equitable network.
20. The user tariffs (the cost of using the chargepoints) have been subject to competition. Tariff changes during the lifetime of the contract will have to be proposed by the winning bidder to, and reviewed by, the Strategic Management Board.
21. Decommissioning at the end of the contract will be the responsibility of the supplier, removing all equipment if requested and returning each site to its original state.
22. There will be an option to transfer ownership and management of the existing Surrey chargepoints to the management of the new supplier should it be decided this was in Surrey best interests.

#### **CONSULTATION:**

23. The detail of the specification was scrutinised by the Communities Environment and Highways Select Committee EV Reference Group that was formed specifically for that purpose. The Reference Group considered and ultimately endorsed the model of a single supplier as the most suitable procurement route. The Districts and Boroughs of Surrey were also invited to review and comment on the proposed specification as it is intended to

allow those authorities to use the contract, should they choose to do so, for chargepoint installations on their car parks and land.

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

24. This approach offers a lower level of risk than other business models as the great majority of the capital investment and all operational liabilities lie with the supplier. However, the potential contract length of a maximum of 15 years of installations, each with a 15 year operational term, does present some risk. The circumstances of demand, technology and EV charging habits will likely change over the period of the contract, given the pace of change in EV technology and related infrastructure. This risk is mitigated in the following ways:
- The initial contract for new installations ends after 5 years. It would be possible to change suppliers to achieve further new installations at this time.
  - The proposed supplier has a commercial interest in adapting to the developing situation and, careful management by the Strategic Management Board, will enable them to react to such changes in demand or trends in new technology.
  - The Council will manage adoption of new technology and futureproofing both through the Strategic Management Board review and endorsement of supplier plans and could withhold installation permissions should available technology advances not be adopted.
  - Where the supplier declines to install in any given location the contract allows the Council to then engage other service providers. The long-term nature of the partnership proposed is intended to offer the scale of installations that would support a blended approach of sites of differing commercial values.
  - All proposed locations will require the specific authorisation of the Council or partners before installation.
  - The risks of operating costs, user demand, maintenance and technology advances will all sit with the supplier
  - If the business case for the capital pipeline funding is not supported and further public subsidy is not identified, then the contract could continue at a lower level of installations supported by the revenue received from the contract.
  - There is a termination clause in the contract which allows us to terminate for default.
  - Any agreement entered into by partner organisations will be direct with the successful supplier and will not hold the Council liable for any contractual or financial liability.
25. There is also a risk that a supplier could cease to trade, the mitigation for which would be a contingency plan developed with the supplier for termination for default.

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

26. The value of the contract will be measured primarily by the investment of the successful supplier, together with any capital contributions made by the Council or others in consideration for the works and services which are the object of the supply of services contract, estimated to be in the region of £60m.
27. For the majority of public chargepoint installations delivered through the proposed model, the arrangement will require no capital funding from the Council or its partners. Where a commercial case is difficult to demonstrate, grant funding, for example, through the Government's LEVI fund would be applied for and further applications would be made to any alternative or successor scheme offered by the Offices for Zero Emission Vehicles (OZEV).



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28. Where such grant funding is not possible and particularly in the first two years of the contract, the Council will have the option of investing its own capital funds in order to achieve chargepoints in otherwise uneconomic locations to improve equitable access across the County. Capital funding is allocated for that purpose in the Council's capital pipeline which currently stands at £2m across the period 2023-25. This capital funding has been put onto the pipeline on a self-financing basis, and therefore a business case will need to demonstrate that revenue generated by the contract will be able to fund this expenditure.
  29. The Council and its delivery partners will receive a proportion of gross revenue from the operation of the chargepoints. An estimate of this revenue is found in Part 2 of this report. It is expected that the revenue received would cover the administration of the contract and should provide additional funds to enable repayment of capital investment. The Council may choose to reinvest further surplus in the chargepoint network, or otherwise, as it wishes. As the EV transition gathers pace, revenue will increase as chargepoint numbers and utilisation of each chargepoint grows. A target of two years has been proposed as reasonable to make the programme revenue-neutral and then revenue-positive thereafter.
  30. Current policy is that parking fees would continue to be collected in EV bays on top of any tariff for charging. The changes in demand for EV and non-EV bays may have some impact on the Council's and other partners' parking revenues; however, this is difficult to predict. The Strategic Management Board will be responsible for monitoring of overall revenue impacts and will propose any necessary changes to policy to safeguard existing revenue streams.

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

31. Although significant progress has been made to improve the Council's financial position, the financial environment remains challenging. The UK is experiencing the highest levels of inflation for decades, putting significant pressure on the cost of delivering our services. Coupled with continued increasing demand and fixed Government funding this requires an increased focus on financial management to ensure we can continue to deliver services within available funding. In addition to these immediate challenges, the medium term financial outlook beyond 2022/23 remains uncertain. With no clarity on central government funding in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term.
32. The Section 151 Officer supports the recommendation to proceed to contract award for a delivery partner for public EV charge points, which secures significant commercial investment in EV infrastructure in Surrey without exposing the council to the risks associated with programme delivery. The proposed contract ensures that appropriate risks such as technology and demand are managed by the successful supplier and provides the authority with the ability to scale the delivery of any additional EV infrastructure accordingly.

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

33. The Council has conducted a compliant Mini-Competition under the CCS Framework RM6213, 'Vehicle Charging Infrastructure Dynamic Purchasing System Agreement' (the DPS) for the Supply, Installation Operating and Maintenance of the EV Charging Points.

34. Legal Services will arrange to have the Contract with the successful bidder sealed by the Council.

**EQUALITIES AND DIVERSITY**

35. An Equality Impact Assessment (EIA) will be undertaken as part of the contract assessing the likely (or actual) effects of the contract on people in respect of protected equality characteristics including age, disability, race and sexual orientation. This will include a focus on delivery social and geographic equity to chargepoint locations across the county.

**OTHER IMPLICATIONS:**

36. 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.

<b>Area assessed:</b>	<b>Direct Implications:</b>
Corporate Parenting/Looked After Children	No significant implications arising from this report
Safeguarding responsibilities for vulnerable children and adults	No significant implications arising from this report
Compliance against net-zero emissions target and future climate compatibility/resilience	This roll out of EV chargepoints will make a considerable contribution to the net zero emission target as it will facilitate increased ownership of electric vehicles including the release of suppressed demand where drivers in Surrey are currently deterred from EV ownership due to lack of access to convenient charging facilities. The Transport sector in Surrey contributes 41% of the 6.5 million Kt of carbon emissions in Surrey, the climate change delivery plan has set targets to reduce emissions by 16%-31% from private vehicles, and 16-31% commercial goods vehicles will need to be achieved by 2025. Using electric vehicles for transport reduces about 78% of travel emissions compared to using petrol or diesel vehicles. Installation of EV charging stations in Surrey will support the needed emissions reductions for the transport sector. Installing the charging points will lead to embodied carbon and operation carbon which will be reduced through working with the contractor to ensure the construction phase minimises emissions and explores greener sources of energy to supply the charging points. At design, positioning and implementation stage the charge points will be future proofed to make sure they are not impacted by expected climate change impacts like flooding that would affect the functioning of the charge points.

## ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS

37. An Environmental Sustainability Assessment (ESA) will be undertaken for this contract.

## PUBLIC HEALTH IMPLICATIONS

38. The recommendations put forward in this report will support and facilitate the transition for residents from petrol and diesel vehicles to EVs, which will make a major contribution to improving air quality and reducing harmful pollutants.

## WHAT HAPPENS NEXT:

39. ETI and Procurement will finalise the contractual arrangements with the winning bidder and the Council will enter into a Contract for the provision of the services.
40. The early programme priorities will be to initiate the management arrangements proposed and to immediately progress the development of the network plan of chargepoint locations including year 1 priority locations.
41. The proposed Delegated Authority above will be used for the approval of the initial Network Location Plan for Chargepoint installations.
42. The timetable for implementation is as follows:

Action	Date
Cabinet decision to award (including the end of 'call in' period)	29 November 2022 (5 December 2022)
'Alcatel' 10 day Standstill Period ends	16 December 2022
Contract Signature	17 December to 6 January 2023
Mobilisation Period/Inception Meetings	9 January to 31 March 2023

### Report contact:

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### Consulted:

Major Project Board – 9<sup>th</sup> November 2021 and 20<sup>th</sup> October 2022

Districts & Borough Councils Surrey EV Forum – July 2021 to date

Communities Environment and Highways Select Committee EV Reference Group - March 2022

## **Annexes**

Part 2 Annex

### **Sources/background papers:**

Local Transport Plan 4 – 2022

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
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