

## Notice of Meeting

# Cabinet



### Date and Time

Tuesday, 28  
November 2023  
2.00 pm

### Place

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

### Contact

Huma Younis or Sarah  
Quinn  
huma.younis@surreycc.gov.uk  
or  
sarah.quinn@surreycc.gov.uk

### Web:

[Council and  
democracy  
Surreycc.gov.uk](#)



@SCCdemocracy

### **Committee Members:**

Natalie Bramhall, Clare Curran, Kevin Deanus, Matt Furniss, Marisa Heath, David Lewis, Sinead Mooney, Mark Nuti, Tim Oliver and Denise Turner-Stewart, Maureen Attewell, Jordan Beech, Paul Deach, Steve Bax

If you would like a copy of this agenda or the attached papers in another format, e.g. large print or braille, or another language, please email Huma Younis or Sarah Quinn on [huma.younis@surreycc.gov.uk](mailto:huma.younis@surreycc.gov.uk) or [sarah.quinn@surreycc.gov.uk](mailto:sarah.quinn@surreycc.gov.uk).

This meeting will be held in public at the venue mentioned above and may be webcast live. Generally the public seating areas are not filmed. However, by entering the meeting room and using the public seating area or attending online, you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes. If webcast, a recording will be available on the Council's website post-meeting. The live webcast and recording can be accessed via the Council's website:

<https://surreycc.public-i.tv/core/portal/home>

If you would like to attend and you have any special requirements, please email Huma Younis or Sarah Quinn on [huma.younis@surreycc.gov.uk](mailto:huma.younis@surreycc.gov.uk) or [sarah.quinn@surreycc.gov.uk](mailto:sarah.quinn@surreycc.gov.uk). Please note that public seating is limited and will be allocated on a first come first served basis.

## AGENDA

### **1 APOLOGIES FOR ABSENCE**

To note any apologies for absence.

### **2 MINUTES OF PREVIOUS MEETING: 31 OCTOBER 2023**

(Pages  
1 - 8)

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 (22 November 2023).

#### **b PUBLIC QUESTIONS**

The deadline for public questions is seven days before the meeting (21 November 2023).

**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 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 9 - 14)

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 15 - 20)

To receive an update from Clare Curran, Cabinet Member for Children and Families, Lifelong learning.

**8 2024/25 DRAFT BUDGET AND MEDIUM-TERM FINANCIAL STRATEGY TO 2028/29** (Pages 21 - 98)

The Council has a statutory duty to set a balanced budget in advance of each financial year. The Final Budget for 2024/25 will be presented to Cabinet in January 2024 and Full Council in February 2024. This report and the attached 2024/25 Draft Budget and Medium-Term Financial Strategy to 2028/29 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 SURREY SCHOOLS FUNDING 2024-25** (Pages 99 - 138)
- 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 2024/25.
- (The decisions on this item can be called-in by the Children, Families, Lifelong Learning & Culture Select Committee)*
- 10 COORDINATED ADMISSIONS SCHEME FOR SEPTEMBER 2025** (Pages 139 - 164)
- Cabinet is asked to endorse the coordinated admissions scheme that will apply to all applicants and schools for 2025 and refer onto Council for approval.
- (The decisions on this item can be called in by the Children, Families, Lifelong Learning & Culture Select Committee)*
- 11 CLIMATE CHANGE PROGRESS ASSESSMENT 2022/23** (Pages 165 - 272)
- This is the second progress assessment to be carried out since Surrey County Council declared a Climate Emergency in 2019 and the Greener Futures Climate Change Delivery Plan 2021-2025 was published in 2021. It sets out the achievements we have made in supporting residents and businesses to reduce their carbon emissions in line with the net zero 2050 target, as well as the progress made to date on the Council's net zero 2030 target, up to the end of March 2023. It also recommends areas of focus in the coming year to ensure that the plan has the greatest impact.
- (The decisions on this item can be called-in by the Children, Families, Lifelong Learning & Culture Select Committee)*
- 12 APPROVAL TO PROCURE: SKILLS BOOTCAMPS** (Pages 273 - 294)
- Cabinet is asked to give approval for the commissioning of Skills Bootcamps in Surrey up to the value of £2.325m for financial year 2024-25.
- (The decisions on this item can be called in by the Communities, Environment and Highways Select Committee)*

**13 2023/24 MONTH 6 (SEPTEMBER) FINANCIAL REPORT**

(Pages  
295 -  
306)

This report provides details of the County Council's 2023/24 financial position, for revenue and capital budgets, as of 30th September 2023 (M6) 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)*

**14 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**

**15 PUBLICITY FOR PART 2 ITEMS**

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

**Joanna Killian  
Chief Executive**

Published: Monday, 20 November 2023

## **MOBILE TECHNOLOGY AND FILMING – ACCEPTABLE USE**

Members of the public and the press may use social media or mobile devices in silent mode during meetings. Public Wi-Fi is available; please ask the committee manager for details.

Anyone is permitted to film, record or take photographs at Council meetings. Please liaise with the committee manager prior to the start of the meeting so that the meeting can be made aware of any filming taking place.

The use of mobile devices, including for the purpose of recording or filming a meeting, is subject to no interruptions, distractions or interference being caused to any Council equipment or any general disturbance to proceedings. The Chairman may ask for mobile devices to be switched off in these circumstances.

Thank you for your co-operation.

## **QUESTIONS AND PETITIONS**

Cabinet and most committees will consider questions by elected Surrey County Council Members and questions and petitions from members of the public who are electors in the Surrey County Council area.

### **Please note the following regarding questions from the public:**

1. Members of the public can submit one written question to a meeting by the deadline stated in the agenda. Questions should relate to general policy and not to detail. Questions are asked and answered in public and 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 an 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.

**MINUTES OF THE MEETING OF THE CABINET  
HELD ON 31 OCTOBER 2023 AT 2.00 PM  
COUNCIL CHAMBER, 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  
\*David Lewis  
\*Mark Nuti  
\*Denise Turner-Stewart  
\*Sinead Mooney  
\*Marisa Heath  
\*Kevin Deanus

Deputy Cabinet Members:

\*Maureen Attewell  
Paul Deach (joined the meeting virtually)  
\*Jordan Beech

Members in attendance:

Catherine Baart, Member for Earlswood and Reigate South  
Steve Bax, Member for East Molesey and Esher

**PART ONE  
IN PUBLIC**

**152/23 APOLOGIES FOR ABSENCE [Item 1]**

Apologies were received from Natalie Bramhall.

Paul Deach joined the meeting virtually.

**153/23 MINUTES OF PREVIOUS MEETING: 26 SEPTEMBER 2023 [Item 2]**

These were agreed as a correct record of the meeting.

**154/23 DECLARATIONS OF INTEREST [Item 3]**

There were none.

**155/23 PROCEDURAL MATTERS [Item 4]**

**155/231 MEMBERS' QUESTIONS [Item 4a]**

There were none.

**156/23 PUBLIC QUESTIONS [Item 4b]**

There were two public questions. The questions and responses were published in a supplement to the agenda.

Anna Sutherland asked a supplementary which was if the council was excluding opinions of family and the child in the legally binding sections of an EHCP as a means to force parents to accept a substandard EHCP or to take the council to tribunal. The Cabinet Member for Children and Families, Lifelong Learning explained that all EHCPs were quality assured by an independent team and the council was of the view that plans being produced were generally of a good standard. If parents are not happy with the contents of a plan then they had a right to appeal to the independent tribunal service.

**157/23 PETITIONS [Item 4c]**

There were none.

**158/23 REPRESENTATIONS RECEIVED ON REPORTS TO BE CONSIDERED IN PRIVATE [Item 4d]**

There were none.

**159/23 REPORTS FROM SELECT COMMITTEES , TASK GROUPS, LOCAL COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL [Item 5]**

There were none.

**160/23 LEADER / DEPUTY LEADER / CABINET MEMBER/ STRATEGIC INVESTMENT BOARD DECISIONS TAKEN SINCE THE LAST CABINET MEETING [Item 6]**

There was one decision for noting.

**RESOLVED:**

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

**161/23 CABINET MEMBER OF THE MONTH [Item 7]**

The Cabinet Member for Environment provided the Cabinet with an update on the work she and the services she supports had been undertaking. The following key points were raised:



- Surrey had been recognised as the highest performing county in England for Eco Schools. There were 88 Schools in Surrey that had Green Flag status – the highest accreditation in the scheme. The pupil-led scheme is the largest education programme in the world which helps sustainability become an integral part of school life.
- LoCASE funding: this was an EU grant which had been a success in Surrey with 229 organisations receiving funding of just under £2m in grants.
- Crest Awards: guests at these awards had commented that Surrey businesses were leading the way when it came to being innovative and doing things around sustainability which enhances economic standing and supports us with the climate change agenda.
- Funding was currently available via the Rural England Prosperity Fund and the A3 EV Grant. The council was undertaking work to support rural businesses and farming as they tie in to the net zero agenda. In September a session was held with farmers to talk about the environmental grants available to them and to try and support them in their work.
- The work being undertaken was ensuring ‘nobody is left behind’ whether it is decarbonising homes, working to reduce fuel bills, creating ‘warm hubs’ or tackling flooding and extreme heat. The work being undertaken around the environment was welcomed by the Cabinet.
- The Leader stated that a leaflet sign posting essential services provided by the council would be posted out to residents in the coming weeks.

### **RESOLVED:**

That the Cabinet Member of the Month update be noted.

### **162/23 SURREY CLIMATE CHANGE ADAPTATION AND RESILIENCE STRATEGY [Item 8]**

The report was introduced by the Cabinet Member for Environment who explained that the Surrey Climate Change Adaptation and Resilience Strategy had been developed with partners, and helps Surrey County Council and partners to manage climate impacts and risks in a more efficient and coordinated manner. The proposed strategy set out a vision and 9 priority programmes that will support the council’s ability to manage the climate risks that we are already facing. The strategy also includes a set of underlying principles guiding how Surrey will approach adaptation and resilience in a changing climate alongside partners. It was noted that the Strategy proposes a goal of adapting to a world 2°C warmer and preparing for scenarios up to +4°C by 2050. This is in spite of 1.5°C being the focus in the main climate change strategy which still remains a target.

Catherine Baart spoke on the item and asked if an interim goal of 1.5°C could be set ahead of 2050. The Cabinet Member for Environment stated that a footnote would be added to the Strategy explaining that the 1.5°C target remained and that a 2°C had been included to ensure work could be developed around a more realistic target.

**RESOLVED:**

1. That Cabinet approve the Surrey Climate Change Adaptation and Resilience Strategy.

**Reasons for Decisions:**

The impacts of climate change are already being felt across Surrey and will worsen in the coming years. The Surrey Climate Change Adaptation and Resilience Strategy “Surrey Adapt” sets out Surrey’s collective approach to avoiding, reducing and adapting to these increasing risks. This includes planning for and adapting to: floods; droughts and water insecurity; heatwaves and prolonged changes in temperature extremes; wildfires; and other potential knock-on impacts of climate change on human health, disease burden, impacts on infrastructure and the natural environment.

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

**163/23 LOCAL ENTERPRISE PARTNERSHIP (LEP) INTEGRATION [Item 9]**

The Cabinet Member for Highways, Transport and Economic Growth introduced the report explaining that the government had announced changes to how economic growth functions would be delivered in local areas on 4 August 2023. From 1 April 2024, the Government would cease providing funding to Local Enterprise Partnerships (LEPs) and the functions previously held by LEPs will transfer to Upper Tier Local Authorities. In Surrey, this meant the functions of Coast to Capital LEP and Enterprise M3 LEP would transfer to the County Council and delivery of economic activity will be undertaken on a single Surrey footprint. The report set out the key implications to the council and proposes a set of principles to guide the approach for not only LEP integration, but also how to deliver improved outcomes effectively for local businesses and residents. The Council was already well placed to take on these additional functions from local enterprise partnerships and would deliver a number of functions of behalf of the government departments including growth hub and the careers hub.

The Leader commented that having two LEPs across the county meant there had not been a single lense on Surrey’s footprint. The Cabinet Member for Highways, Transport and Economic Growth commented that there would be a festival of skills taking place on 23 November at

Sandown Park Racecourse with over 15000 children coming to meet businesses and education providers to start thinking about career pathways.

**RESOLVED:**

1. That Cabinet welcome the announcement from government regarding the transition of LEP responsibilities; that will provide a single economic vision and enable the Surrey-wide provision of business support and economic growth activities and services.
2. That Cabinet approve the adoption and application of the proposed principles that will guide the council's approach to the integration of LEP functions, as set out in paragraph 12.
3. That Cabinet approve the approach outlined for the LEP integration process and engagement with key partners and stakeholders.
4. That Cabinet delegate authority to the Executive Director responsible for Economic Growth to lead the negotiation and integration process, in consultation with the Lead Cabinet Member.
5. That Cabinet receive a further report on the integration of LEP functions before 1 April 2024.

**Reasons for Decisions:**

To bring the significant strategic decision of the government and its consequent implications and opportunities to the attention of Cabinet and to ensure a smooth and effective approach to the transfer and integration of LEP functions for Surrey into the County Council.

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

**164/23 CONVERGENT SCREEN TECHNOLOGIES AND PERFORMANCE IN REALTIME (COSTAR): DRIVING INNOVATION AND CREATIVITY IN THE UK'S SCREEN AND PERFORMANCE INDUSTRIES - CAPITAL FUNDING APPROVAL [Item 10]**

The Cabinet Member for Highways, Transport and Economic Growth introduced the report explaining that Cabinet approval was required for a one-off £3m capital contribution to a successful CoSTAR (Convergent Screen Technologies and Performance in Realtime) National Lab grant application. The CoSTAR Satellite Studio and Incubator Space proposed to be co-funded by the County Council and Royal Holloway University of London would directly contribute to achieving the Council's strategic priority of Growing a Sustainable Economy from

which everyone can benefit through the economic outcomes it will deliver for Surrey. These include: c300 jobs created over 6 years with a 10-year NPV net GVA contribution of £29.6m (including construction jobs) to Surrey's economy; 200 businesses assisted including incorporating 10 new start-ups; 10 relocating businesses and 180 businesses supported through the CoSTAR programme. CoSTAR was the Government's flagship Research, Development, and Innovation (RD&I) infrastructure funding programme for the UK's screen and performance industries.

The report was welcomed by the Cabinet and the support being given to creative industries in Surrey.

### **RESOLVED:**

1. That Cabinet note the significant economic and social benefits of the CoSTAR Satellite Studio and Incubator Space as set out in the report, achieved through the County Council's proposed capital contribution,
2. That Cabinet approve the transfer of £3.3m from the CoSTAR pipeline to capital budget for a £3m contribution to the construction of the CoSTAR Satellite Studio and Incubator Space and a SCC held contingency of £0.3m.

### **Reasons for Decisions:**

The CoSTAR Satellite Studio and Incubator Space proposed to be co-funded by the County Council will directly contribute to achieving the Council's strategic priority of *Growing a Sustainable Economy from which everyone can benefit* through the economic outcomes it will deliver for Surrey. These include: c300 jobs created over 6 years with a 10-year NPV net GVA contribution of £29.6m (including construction jobs) to Surrey's economy; 200 businesses assisted including incorporating 10 new start-ups; 10 relocating businesses and 180 businesses supported through the CoSTAR programme. These outcomes have been agreed with Royal Holloway University of London (RHUL) and will be monitored through a benefits realisation project management process (see Risk Management Section below).

Other social and non-financial benefits arising from CoSTAR include practical application of immersive technologies in service provision that will enable wider participation, especially for hard-to-reach groups, which aligns with the Council's underlying principle of *No One Left Behind*. For example, the potential to expand the libraries' service ongoing work to bring Virtual Reality into Surrey's libraries from Autumn 2023. CoSTAR will also contribute to Surrey's Skills Plan objectives, for example, enabling collaboration between skills providers, businesses,

and anchor institutions and leveraging createch skills development through the Local Skills Improvement Fund and Skills Bootcamp funding opportunities.

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

## **165/23 2023/24 MONTH 5 (AUGUST) FINANCIAL REPORT [Item 11]**

The report was introduced by the Cabinet Member for Finance and Resources who provided the Cabinet with an update on the County Council's 2023/24 financial position, for revenue and capital budgets, as at 31<sup>st</sup> August 2023 (M5) and the expected outlook for the remainder of the financial year.

With regards to the Revenue budget, at Month 5 the Council was forecasting an overspend of £0.9m against the 2023/24 revenue budget. In recent months Cabinet had approved £9.2m of additional investment, targeting improvement in service delivery in some specific areas which are facing sustained pressure and changing demands. Cabinet was asked to approve the use of £9.2m of the Council's Budget Equalisation Reserve to fund the identified improvement areas, reinstating the contingency budget to £20m. In recognition of the significant pressures being forecast, specifically in relation to the ongoing high inflationary environment and pressures relating to the cost of children's social care placements, Cabinet was asked to approve the use of the £20m contingency budget to mitigate the overall forecast overspend position.

With regards to Capital budget, a re-set of the capital budget was undertaken in August to ensure that the budget reflects spend profiles more accurately, taking into account known delays, additional in-year approvals and reflecting the current supplier market and wider economic conditions impacting on programme delivery. The revised budget is £268.4m. This is an overall net reduction of £58.1m compared to the M4 budget. The Leader explained that councils were facing significant financial challenges and the government would be lobbied for additional funding.

### **RESOLVED:**

1. That Cabinet notes the Council's forecast revenue and capital budget positions for the year, including the application of the full contingency budget.
2. That Cabinet approves the funding of £9.2m additional investments from earmarked reserves.
3. That Cabinet approves the use of the Council's allocation of the new Adult Social Care Market Sustainability and Improvement Fund – Workforce Fund as set out in paragraphs 12-15.
4. That Cabinet approves the re-set of the capital programme budget.

**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)*

**166/23 EXCLUSION OF THE PUBLIC [Item 12]**

**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.

**167/23 PUBLICITY FOR PART 2 ITEMS [Item 13]**

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

Meeting closed at 14:53

---

**Chairman**

**SURREY COUNTY COUNCIL****CABINET****DATE:** 28 NOVEMBER 2023**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

This page is intentionally left blank



## Annex 1

### Cabinet Member Decisions

#### CABINET MEMBER FOR FIRE AND RESCUE, AND RESILIENCE – 31 OCTOBER 2023

##### 1. SURREY FIRE & RESCUE SERVICE STATEMENT OF ASSURANCE

**(i) Resolved:**

The Cabinet Member approved the annual Surrey Fire & Rescue Service Statement of Assurance for publication.

**(ii) Reason 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 CUSTOMER AND COMMUNITIES – 31 OCTOBER 2023

##### 2. YOUR FUND SURREY APPLICATION - Reigate Rugby Club

**(i) Resolved:**

The Cabinet Member:

1. Approved the full amount requested of £221,705 composed of:
  - £203,365 capital funding towards to construction costs of the changing rooms, photovoltaic panels and pitch drainage.
  - £7,255 contingency on the changing rooms and photovoltaic elements of project.
  - £11,085 (5%) to be held by SCC until final evidence of income, expenditure has been received.

**(ii) Reason for decision**

This application has been the subject of a rigorous assessment process by officers, as set out in the body of this report. Officers consider the project to meet the aims and published criteria of the fund and to satisfy the requirements to award funding.

The project aims to regenerate a multi-sport and sustainable community asset close to the centre of Reigate through a new drainage system, accessible and segregated changing facilities and photovoltaic panels. The enhancements will ensure that the Club can be used year-round and is an equitable experience for users of the club.

##### 3. YOUR FUND SURREY APPLICATION - WARLINGHAM SPORTS CLUB

**(i) Resolved:**

The Cabinet Member:

1. Approved the full amount requested of £244,892 composed of:

- £211,498 of capital funding towards the redevelopment of Warlingham Sports Club to be paid in staged payments on evidence of spend.
- £22,262 to be held by SCC as contingency funding, for release only upon an evidenced request.
- £11,131 (5%) to be held by SCC until final evidence of income, expenditure and evaluation has been received.

**(ii) Reason for decision**

This application has been the subject of a rigorous assessment process by officers, as set out in the body of this report. Officers consider the project to meet the aims and published criteria of the fund and to satisfy the requirements to award funding.

The project aims to improve an existing facility to increase the number and range of sporting and non-sporting activities offered to the community and secure the facility for the future. At least seven new activities will be offered through the funding.

#### **4. YOUR FUND SURREY APPLICATION - THE HORTON GARDENS PROJECT**

**(i) Resolved:**

The Cabinet Member:

1. Approved the full amount requested of £112,594, composed of:
  - £112,594 capital funding towards renovating the existing overgrown land around The Horton to be a landscaped green space open to all.
  - Including 5% to be held by SCC until final evidence of income and expenditure is provided.

**(ii) Reason for decision**

This application has been the subject of a rigorous assessment process by officers, as set out in the body of this report. Officers consider the project to meet the aims and published criteria of the fund and to satisfy the requirements to award funding.

The project is to transform the overgrown and neglected grounds of the recently renovated The Horton Arts Centre, Epsom into a sustainable, landscaped green space for the whole community to enjoy.

### **CABINET MEMBER FOR CUSTOMER AND COMMUNITIES – 14 NOVEMBER 2023**

#### **5. YOUR FUND SURREY APPLICATION - PUTTENHAM COMMUNITY TRANSPORT HUB**

**(i) Resolved:**

The Cabinet Member:

1. Approved the full amount requested of £175,658 composed of:

- £135,933 capital funding towards to construction of the community transport hub to be paid in staged payments on evidence of spend.
- £30,943 (20%) to be held by SCC as contingency.
- £8,782 (5%) to be held by SCC until final evidence of income, expenditure and evaluation has been received.

**(ii) Reason for decision**

This application has been the subject of a rigorous assessment process by officers, as set out in the body of this report.

Officers consider the project to meet the wider aims and published criteria of the fund to justify funding. The project is robust and there are no concerns that the objectives won't be delivered. The project did not, however, score as highly as other Your Fund Surrey projects in terms of delivering wider community benefit.

The project aims to develop neglected wasteland to provide improved and safer access to the village of Puttenham to encourage residents and visitors to enjoy the existing open spaces, community facilities and village amenities. It will also provide disabled access to the annual events held in the village, held to raise funds for local good causes.

This page is intentionally left blank

**SEND Inspection:** A three-week joint Ofsted and Care Quality Commission (CQC) multi-agency Local Area Inspection into Surrey's services for children with additional needs and disabilities took place in September. The Local Area SEND Inspection evaluated the effectiveness of the partnership arrangements in ensuring that children and young people (aged 0-25) with additional needs and disabilities and their families have positive experiences and achieve positive outcomes. Inspectors met with young people, parent carers and professionals from education, health, social care and the voluntary sector in order to gather information to inform an overall judgement about the effectiveness of the partnership arrangements. The outcome of the inspection is expected to be published towards the end of November. An additional Cabinet meeting will take place on 11 December to which partners who were part of the multi-agency inspection will be invited.

**Educational Health  
and Care Plan Needs  
Assessment and  
Annual Review  
timeliness**

**Education:** There is a statutory requirement to complete EHC Needs Assessments (EHCNA) - and to issue a plan where one is required - within 20 weeks from the initial request. This is referred to as timeliness. We've been working hard in Surrey to improve EHCNA timeliness and are taking decisive action to counteract the local and national challenges and address the high number of overdue Education, Health, and Care Plans (EHCPs).

Additional funding of £15m over three years has been agreed to increase the SEN service staffing by 50% and doubling the EP advice writing capacity by procuring 1275 assessments. These teams are essential to completing EHCPs on time. Current modelling suggests that we will work through the backlog month by month, reducing waiting time alongside managing new requests so that by March 2024 there will be timely EP assessments and the timeliness of EHCPs will be at 60% timeliness in May 2024. Our aspiration is to achieve 100% but this is dependent on all partners delivering timely advice.

Our EHCP recovery strategy aims to reduce long waiting times, provide better support to children and families whilst waiting and secure a sustainable service model moving forward. The Select Committee scrutinised the strategy and reviewed the detailed multiagency plan in October 2023 and recognised the progress made to date.

School inspections across Surrey are down 19% compared to this point in the academic year 2022/23. Only two Ofsted inspections have been published this academic year. One school retained their 'Outstanding' judgement, and one school improved their previous judgement to 'Good'. There has been one inspection deferral and one monitoring visit by Ofsted. Schools Alliance for Excellence (SAfE), our school improvement partner in Surrey, continue to work closely with schools with a focus on raising the attainment of disadvantaged children and reducing exclusions of all children. SAfE are currently supporting a total of 26 schools through the delivery of their Support and Challenge interventions. Together with our schools, we are determined to ensure no child is left behind in their educational progress and that all children and young people achieve the best possible outcomes through excellent education.

**Home to School Travel Assistance:** There has been a significant improvement in the Home to School Service since last year with 99.3% of under 16 transport being in place for the start of the school year. There is still much development work in the pipeline including a review of all systems and further improvements in communications. However, the team has worked on the enhancement of legacy IT systems and has launched more automated emails and communications to parents which will further improve this service. The Service has made significant efficiency savings however, there remains a significant increase in transportation costs.

**The School Relationships Service** continues to provide a wide range of advice, support and guidance for school and education setting leaders, and our partner agencies and networks. This is delivered by the Area Schools Officers; and includes the delivery of a 24/7 service out of hours to support the response to emergency and critical incidents.

The Surrey Education Services hub delivers a single online space for schools and education colleagues to access local information, professional resources, a traded services shop, ability to select & book professional learning, events, and the delivery of the Councils communication with schools via the weekly Schools Bulletin and other specialist newsletters. Activity on the hub continues to grow across the sector.

Surrey Online School provides a variety of solutions for schools and services to support children and young people access online learning. The offer is packaged in 5 products to provide flexibility that responds to the

needs of children, schools and services. Surrey Online School is also currently facilitating online English classes for adults from Ukraine in response to local demand.

The Free School Meals Checking Service continues to facilitate the increasing demand for delivery of eligibility checks for Free School Meals and the facilitation of Free School Meal vouchers during school holidays to support those families with eligible children. The demand for the service continues to increase.

**Place planning:** The Place Planning Team principally deal with ensuring there are sufficient school places, that there are not too many places and assist schools in managing falling roles. The Team is also responsible for generating the pupil forecasts for both mainstream and SEND/Alternative Provision. The forecasts are shared annually with schools and other interested parties and are the basis for any increase or decrease in school places. The School Organisation Plan is produced by the team and published annually.

The Team's work is largely with the maintained sector although it also provides evidence and works in collaboration with academies over any organisational changes they plan to do. Where more places are needed, the team work with Land and Property to provide the necessary places through expansions or rationalisations. They are also responsible for coordinating and executing academy conversions and liaise across other SCC services to do so.

**The School Admissions** team deal with applications for a school place as part of the coordinated process for new round admissions (Reception, Junior and Secondary) and in year applications at other times.

Parents with children who will turn 11 between 1 September 2023 and 31 August 2024, had until 31 October 2023 to apply for their secondary school place for September 2024. From 30 October 2023, parents with children who were born between 1 September 2019 and 31 August 2020 are able to apply for a primary school place for September 2024. The closing date for primary applications will be 15 January 2024. This deadline also applies for parents whose children are due to leave an infant school in July 2024 and so need to apply for a new school place for September 2024. Information on how to apply for a school place and how applications will be considered is available on Surrey's website at School admissions - Surrey County Council ([surreycc.gov.uk](http://surreycc.gov.uk)).

Over the last year the team has taken a more innovative approach to the way it manages its workload and set about implementing a series of changes that have improved service delivery for parents, children and schools whilst also improving the wellbeing of staff. The team is thrilled that these improvements have led them to be shortlisted for the Surrey Stars Award for Innovative Working.



**Surrey Adult Learning (SAL)** has the Education and Skills Funding Agency (ESFA) contract to provide adult learning opportunities in north and south-west Surrey. East Surrey College has the ESFA contract for the east of the county. Since SAL's Ofsted inspection in May 2022 when the Service was graded Good, SAL has focussed on meeting the local skills need by expanding its offer of foundation level English and maths courses including English courses for asylum seekers and those from Ukraine and Hongkong. This academic year it has introduced a qualification course for those wishing to work in schools and reshaped the free course offer for those residents needing to improve their employability and digital skills including a bespoke course developed in partnership with Job Centre Plus. The learners boost their self-confidence as they become more comfortable in staying safe online, communicating online to get a job, using apps for everyday life, such as booking a medical appointment, or paying a bill online and beyond.

<p>15,914 Enrolments 2022/23</p>	<p>7,742 Learners 2022/23</p>	<p>250 Tutors 108 Staff</p>
--------------------------------------	-----------------------------------	---------------------------------



"I am very pleased to have passed the apprenticeship. I have found it extremely useful and am already putting the skills and knowledge that I have learnt into practice in my job role. My trainer/ assessor has been amazing, so knowledgeable and supportive throughout the whole course. I really couldn't have passed without their support and guidance."

SAL Apprentice

"I have benefitted greatly from the inspirational tutors who have supported and challenged me in my learning and personal development."

Pottery and Claywork Learner

"My tutor has encouraged me to really think about how I want to be viewed on each social media platform and helped towards building my confidence both on and off social platforms. She taught me to believe I have something relevant to say, how to say it on LinkedIn and how to build from there."

Social Media for Business Learner

"It's nice not having to ask the children how to do things now."

"I wanted to improve my IT skills to help me pass my driving theory test."

Digital Skills Learner

"My life has been enriched by gaining a better understanding of psychology and of mental well-being."

Humanities Learner

"I feel so proud and I set an example for the kids. I really recommend GCSE accredited courses to anyone who wants to change their lives. It opens new opportunities."

GCSE Learner

"I tried other cookery schools, but they were too formal, and I sometimes felt out of my depth. Then I discovered SAL and never looked back!"

Cookery Learner

"The course puts a routine in my day, I really look forward to coming. I don't feel isolated anymore and the tutor explains things so that I can understand!"

Outreach Learner




SAL also continues to provide courses for adults with learning disabilities, those with low to moderate mental health issues and for parents/carers to better understand and support their child's learning. Enrolments on the courses for personal development continue to recover since the Covid lockdowns providing residents with the opportunity to reduce social isolation, build their confidence, improve their health and wellbeing and create stronger communities.

**Children's Integrated Commissioning:** The Children's Community Health re-procurement has now gone live – this will lead to a new contract being in place from 1 April 2025. The model connects with neighbourhoods and places as well as ensuring delivery across Surrey and has been informed by the views of children, families and professionals.

A new Dynamic Purchasing System for Personal Support is also out to procurement to decide which providers might want to be part of the framework to support children and young people with a disability.

There has been great progress on the work being jointly delivered with ASC and health to improve outcomes and support for Young Carers. The Young Carers Strategy was finalised about a year ago and there has been progress in shaping services that can support young carers emotional wellbeing.

The team has worked in partnership in support of the SEND Inspection and also improvement work on EHCP timeliness. There is also now a joint approach to supporting children earlier with neurodevelopmental needs and in time this will help the long waits experienced in the ND pathway.

**Corporate Parenting (including fostering and adoption):** The Corporate Parenting Board (CPB) are in the process of recruiting a care experienced apprentice to assist with co-chairing the CPB and CPOG (the operational arm of the Board). The [Care Leaver Covenant](#) is making progress against its pledges; these include the launch of a pre-paid prescription scheme and a new CV tool builder to ensure all care leavers have an up-to-date CV.

Monday 16 September 2023 saw the official opening of the new Shaw Centre in Woking. The centre provides a safe place for children looked after to spend time with their parents, siblings and extended families. The new building provides an excellent environment for children, families and staff and has been built to keep Surrey's greener future in mind. The building has been constructed following a fabric-first approach, using a timber structurally insulated panel system (SIPS) with highly energy efficient materials and a concentration on airtightness.



The Virtual School has advised that Looked after Children have achieved better than expected exam results in both vocational/GCSE's & A/Levels this summer. We are awaiting verification and national standards, but the results exceed previous published national standards.

The numbers of children placed with foster carers (both Surrey and IFAs) increased during September. We also launched (along with 80 other LAs) a new film aimed at increasing recruitment which is being used in the current recruitment campaign.

Adoption Southeast (ASE) our regional adoption agency works on behalf of Surrey and 3 other local authorities (East Sussex, West Sussex and Brighton and Hove) by recruiting and supporting adoptive families and finding families for children. Most of the children referred by the 4 local authorities will be placed within the ASE footprint, in 2022/23 85% of children having been placed with an ASE adopter.

There is a close partnership between ASE and the 2 Surrey Permanency Planning Managers who identify children for whom adoption is a possible outcome. This is achieved through regular discussion of the children and tracking their legal pathways. As we enter the second half of the reporting year, ASE is working with Surrey in respect of 72 children, the highest number across the ASE region. This represents a substantial increase compared with last year.

**Children with Disabilities (CwD):** This is a service for children with severe and complex disabilities and has approximately 830 children open to the service, the service is made up of five social work teams, an Occupational Therapy team; a team reviewing stable packages of care; a Crisis Intervention team for children with autism or a learning disability; a children with disabilities outreach team (which offers support in the community) and a keyworker service – which is hosted within CwD but funded by the NHS. There is a further Designated Social Care Officer post (DSCO) who works across social care and education.

The team work closely with Family Voice Surrey, the official and independent Parent Carer Forum and have two key service priorities

- Strengthening the reviewing team (early support service); and
- Building a 16-plus function within the service and getting agreement about a potential 16-25 pathway with the Transitions team in Adult Social Care.

The current hot topics for the service are:

- Short breaks for CwD and the eligibility criteria and availability of this valued service
- How to ensure an effective response for children who do not meet the criteria of the CwD service but still require support as a disabled child
- Implementing the recommendations and learning from the SEND inspection
- Recruitment challenges for social workers leading to a high turnover of staff.

**Children's Safeguarding:** We have been working with colleagues from Hertfordshire County Council to support our implementation and development of the Family Safeguarding practice model. This has included training for our staff and key partner agencies around the practice principles that sit within the model.



We have seen positive changes over the last 6 months with good examples of the intervention programmes making positive changes in children and their family's lives. We have also seen a steady reduction in the number of children being made subject to a child protection plan and more positive changes and interventions supporting families whilst working under a Child in Need plan. The service continues to have challenges in workforce recruitment and retention which reflects a national picture related to social work recruitment. We are working closely with corporate colleagues to reduce our vacancy levels and to ensure that we have stronger retention of our own social workers.

**Accommodation for vulnerable children:** We have been working closely with our provider partners to prepare for the introduction of Ofsted regulation of supported accommodation for 16- and 17-year-olds on 28 October. This significant change creates some uncertainty for Surrey CC and providers, as the new regulatory regime comes into effect and placements with providers who are not registered become unlawful. All SCC block contracted providers are planning to register, with the vast majority of other providers of SCC places for children also registering. SCC has reviewed all looked-after children currently in supported accommodation to ensure they will be in suitable accommodation throughout the transition and, in the event there are any snags or delays with registering for key providers, we have plans in place to support young people appropriately whilst registration is concluded or move children at the earliest opportunity if required.

Our work to deliver new Surrey County Council run residential children's homes continues, with new-build homes in Epsom and Walton-on-Thames close to taking their first children and young people, which will be a significant step in our sufficiency strategy to enable Surrey homes for Surrey children. In addition, construction has started on the two new homes, part-funded by the DfE in Dorking, and we are gearing up planning processes to build a replacement home in Cobham. Lastly, our longer-term programme to deliver 7 to 9 further homes, where we purchase and re-fit existing properties is underway, with governance established.



SCC has purchased the first of its new Group Living for Care Leavers houses, with the service expected to be operational by the end of February 2024. This is the first of a planned 6 properties rolled out over the next 18 months, as we look to provide more homes for Surrey care leavers and support young people to progress to independence locally.

I was delighted to attend our National Care Leavers' Event 2023 in Woking on 26 November. Run by our Surrey Leaving Care Service and aimed at all our care leavers, it was lovely to meet so many young people and our friendly leaving care professionals were on hand throughout the event, talking to our young people and reminding them [how the Surrey Local Offer can support them and what they are entitled to as a care leaver](#). Stories of our care leavers' were shared with colleagues, showcasing what Surrey young people have gone on to do since leaving care.



**Children's Mental Health including Mindworks:** Two further waves of Mental Health Support Teams in School have been secured, taking the total to 15 teams. Supporting the emotional mental health and wellbeing of children and young people early is a priority for Mindworks, in particularly through providing an integrated approach to neurodevelopmental needs. It is planned to use and build on services available through ordinarily available support and through reasonable adjustments, based on the work of the All-Age Autism Strategy. Mindworks is also working to understanding opportunities for streamlined access to services, using a single view of the child and improving its data reporting.

### **Family Resilience:**

#### **Current priorities for Early Help**

A written Statement of action for the Joint Targeted Area Inspection (JTAI) on Early Help has been submitted to Ofsted and progress is overseen by Early Help Partnership Board and SCCP executive. The ambition is to implement a localised, place-based model of early help across a district and borough boundary and to develop a brand for early help with a shared set of principles and values based on people, place, and priorities across the system. As part of this, the Effective Family Resilience threshold document and early help strategy have been reviewed and launched with partners. The work to recommission the countywide Family Centres and Family Resilience Service continues in preparation for a go live date on 1 April 2024. An implementation and delivery plan for the in – house Intensive Family Support Service is being developed, a service which will work closely with social care teams and the district/borough-based Surrey Family Support Service teams to offer families additional support as part of the local early help offer.

#### **Domestic Abuse**

The recommissioning of the Domestic Abuse outreach services and Domestic Abuse training continues in preparation for a go live date on 1 April 2024. The Surrey Domestic Abuse strategy is due to be refreshed for January 2024 and partnership workshops took place in September and October 2023 to identify priorities. The perpetrator housing project 'Hope for Change' which has been funded through the safe accommodation grant process is now live and accepting referrals, with the main referral routes being MARAC and MATAC. Other referrals are being considered on a case-by-case basis. A Surrey Domestic Abuse immigration project which has been accepted through the safe accommodation bid process is now live. Suitable existing cases for clients in Surrey safe accommodation are currently being reviewed for support requirements and new cases are being referred for consultation and support.

#### **Current priorities for Adolescents (Targeted Youth Support, Youth Justice & Youth Offer)**

The new Youth Justice Plan was approved at a recent meeting of full Council and the Youth Justice National Standards self-assessment has now been completed for the national Youth Justice Board. An implementation plan is being worked on with a view to developing a pathway for vulnerable adolescents that is more integrated with services currently offered by SCC and other partners, such as police, health and education settings. A key part of this work has been reviewing the pathway in the Targeted Youth Support Service, in the safeguarding adolescents social work teams and in the youth offer for vulnerable adolescents. The ambition is to bring services together and to develop a more effective support service for young teenagers and adolescents.

**SURREY COUNTY COUNCIL****CABINET****DATE: 28 NOVEMBER 2023****REPORT OF TIM OLIVER, LEADER OF THE COUNCIL****CABINET MEMBER:****LEAD OFFICER: LEIGH WHITEHOUSE, DEPUTY CHIEF EXECUTIVE & EXECUTIVE DIRECTOR RESOURCES****SUBJECT: 2024/25 DRAFT BUDGET AND MEDIUM-TERM FINANCIAL STRATEGY TO 2028/29**

**ORGANISATION STRATEGY** NO ONE LEFT BEHIND / GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT / TACKLING  
**PRIORITY AREA:** HEALTH INEQUALITY/ ENABLING A GREENER FUTURE/ EMPOWERED AND THRIVING COMMUNITIES / HIGH PERFORMING COUNCIL



8

<b>Purpose of the Report:</b>
-------------------------------

The Council has a statutory duty to set a balanced budget in advance of each financial year. The Final Budget for 2024/25 will be presented to Cabinet in January 2024 and Full Council in February 2024.

This report and the attached 2024/25 Draft Budget and Medium-Term Financial Strategy to 2028/29 sets out progress towards delivering a balanced budget. It is good practice to set out in advance the draft budget to allow consultation on, and scrutiny of, the approach and the proposals included.

**Key Messages:**

A strong focus on financial accountability has enabled the Council to improve its financial resilience and the financial management capabilities across the organisation. This has provided a strengthened position, enabling the Council to be ambitious and look to continue to drive improvements and investment in our services. However, we recognise that this financial year and the next 2-3 are likely to represent an extremely challenging period and our focus will be on protecting and improving service delivery in the first instance. During this period of uncertainty and financial challenge, this stability will not enable us to avoid difficult decisions but will allow us the time and space to make them in a considered and measured way. Being realistic about our ambitions, underpinned by an earned confidence in our ability to deliver efficiencies, will enable us to continue to deliver the Council's priorities.

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, with

a total focus on our financial management responsibilities whilst delivering a stronger and more effective organisation.

During the pandemic, the Council increased staff resources in a number of key areas to deliver increased activities and provide essential support to residents while continuing to improve services. Over the last 12 months, we have seen the headcount of the organisation reduce and the draft budget proposals see further decreases. Some of the largest areas of change include reductions as a result of the re-tender of facilities management contracts, the closure of in-house older people's homes and the ceasing of the school payroll provision. Through the Council's SWITCh (Surrey Way Innovation, Transformation & Change) Programme, further reduction in headcount is anticipated, as we aim to align our capacity to future available resources.

The production of the 2024/25 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 of the Directorate's service plans and the corporate priorities of the organisation. Ensuring that each aspect of planning for 2024/25 and the medium-term are aligned provides a stable foundation for delivering services to Surrey residents in the face of challenges presented by the increased cost-of-living, ongoing high inflation, continued increasing demand for vital services, the medium-term ongoing impacts of the Covid-19 pandemic and wider local government policy pressures.

## **Revenue**

Although good progress has been made over the last few months, at the point of publication there remains a provisional budget gap for 2024/25 of £13.5m, driven primarily by significant inflation and the need to maintain the delivery of priority services which are experiencing significant cost and demand pressures.

The Draft Budget assumes a Band D rate increase of 1.99% on the core Council Tax and a 2% increase on the ASC precept. A total increase of 3.99%. This would result in Council Tax rising by £33.46 on the core and £33.50 on the ASC precept, a total annual increase of £66.96 for Band D properties. The proposed increase is currently below the maximum allowable by Government without the requirement to hold a referendum. Decisions to increase Council Tax are not made lightly and balance the need to provide sustainable services for the most vulnerable, with a recognition of the pressures on household finances, particularly during the current inflationary period and increased cost of living.

Despite the inflationary, cost and demand pressures being experienced, the Council remains committed in investing in service improvements. The Draft Budget proposals include revenue investment in a number of key improvement areas including:

- significant investment in supporting and enhancing bus transport services with the introduction of a half price travel scheme and expansion of the digital demand responsive transport scheme.

- supporting and enhancing highways and environment services, following a task and finish review undertaken by Cabinet earlier in the year, investment in a range of service improvements are proposed including refreshing road lines, additional investment in gully cleaning, area stewards and grass-cutting.
- Investment in preventative services including targeted early help and reunification of children back to their parental homes where safe to do so.

Further actions will be needed to close the remaining budget gap, which will be challenging, given the forecast level of pressures. The level of Council Tax raised, the potential need to utilise reserves and the extent to which further efficiencies will need to be identified, will partly depend upon the Local Government Finance Settlement in December, and confirmation of District and Borough Council Tax Bases in January.

In addition, there are a number of significant risks to the Draft Budget position. The in-year financial position is challenging, specifically in relation to the significant costs increases in children's social care placements and Home to School Travel Assistance. Any increase in these pressure for 2023/24 will have an ongoing impact on the 2024/25 budget and the medium term financial strategy.

## **Capital**

Over recent years the Council's capital ambition and delivery has grown significantly. Our aspirations remain high and the Draft Capital Programme for 2024/25 – 2028/29 proposes ongoing investment in priority areas such as highways infrastructure, improving the condition of our property estate, creating additional school places including for children with special educational needs and disabilities, the green agenda, transforming our libraries and investing in adult social care accommodation with care and support.

Despite our continued ambitions, the economic environment has changed over recent years. High inflation is making delivery of capital schemes more expensive and successive interest rate rises have increased the cost of financing borrowing. In order to sustain our financial resilience, we need to tighten up and re-set our capital expenditure approach, to ensure the affordability and sustainability of our capital programme in the medium term.

The challenge of developing an affordable capital programme that effectively delivers the Council priorities has grown. Over the summer, investment plans have been robustly reviewed and schemes in the programme prioritised, re-scoped, removed or re-profiled to ensure that proposals best reflect the council's priorities and are deliverable within available financial and operational resources. Opportunities to utilise other sources of funding have been factored into the proposed budget.

The Council remains committed to Your Fund Surrey (YFS), however in light of the need to prioritise capital investment and based on historic applications, the overall amount made available has been reduced. Significant investment of £40m for the 2023/24 – 2025/26 period remains available to bring community-led place-making or place-improving projects to life at a scale to make a significant impact and deliver a real legacy in communities. This investment includes the Small Community Project Fund which allocates each Councillor £50k to support capital community projects.

Our residents understandably want us to continue to make improvements to our highways and road network. The proposed capital programme includes £32m of additional expenditure on roads, highways and flooding & drainage directly related to the conclusions and recommendations of a task and finish group, which worked to review service delivery and put in place both immediate actions where possible and further opportunities in which to invest that will result in noticeable improvements for residents.

In addition, the Leader made a commitment in March 2023 to continue the enhanced programme of investment in highways maintenance put in place in 2022 until 2025/26. The capital programme includes enhanced investment in our highways of £79m through the maintenance programme and local highways schemes in 2024/25 and 2025/26, in addition to the £60m already spent over the last three years, accelerating the benefits and improvement to the condition of the network. Through this enhanced programme, we have increased spending across road and pavement schemes, targeting maintenance improvement in residential and pedestrian areas in particular. We have delivered a number of preventative schemes sooner than planned, increasing the resilience of the network and putting us in a better position to be able to manage the impacts of climate change.

The enhanced programme includes an increase to the councillors individual highways allocation to £120k for 2024/25 and 2025/26 in recognition of the particularly high inflationary impact at this time and enabling councillors to deliver a greater number of local priority schemes in addition to the main programme.

### **Medium Term Position**

The gap is expected to continue to grow over the medium term financial strategy period.

The Council recognises that tackling this gap will require a medium-term focus and a fundamentally different approach which is why we are focusing not only on the short term pressures in 2024/25, but simultaneously looking to address the medium-term horizon.

### **Recommendations:**

It is recommended that Cabinet:

1. note the 2024/25 Draft Budget and Medium-Term Financial Strategy to 2028/29, including progress to date in setting out spending pressures and efficiencies, as set out in Annex A.
2. note the provisional budget gap of £13.5m for 2024/25 and the next steps required to close the gap.
3. note the proposed Draft Capital Programme for 2024/25 to 2028/29 of £1.9bn set out in Section 6 of the report and Annex B.
4. note the summary of Resident Engagement and next steps set out in Section 9 of the report.

### **Reason for Recommendations:**

In January 2024, Cabinet will be asked to recommend a Final Budget for 2024/25 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 Council's SWITCH (Surrey Way, Innovation, Transformation and Change) programme, setting out the medium to long term portfolio of redesign and transformational change that will enable greater financial sustainability for the Council.

### **Executive Summary:**

1. The Draft 2024/25 Final Budget Report and Medium-Term Financial Strategy to 2028/29 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 2024/25) 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. Significant progress has been made in recent years to improve the Council's financial resilience and the financial management capabilities across the organisation. Whilst this has built a stronger financial base from which to deliver our services, the increased cost of living, global financial uncertainty, high inflation and government policy changes mean we continue to face challenges to our financial position. This requires an increased focus on financial management to protect service delivery, a continuation of the need to be forward looking in the medium term, as well as the delivery of the efficiencies to achieve a balanced budget position each year.
6. In addition to these immediate challenges, the medium-term financial outlook beyond 2023/24 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 the stable provision of services in the medium term.

7. 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:**

8. 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.
9. 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:**

10. Where appropriate, Equality Impact Assessments have or 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.
11. 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:**

12. 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 2024/25 budget 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;
- c) Review the Council's level of reserves, recognising the need to balance ongoing financial resilience with ensuring funds are put to best use.
- d) Consider further Council Tax rises, balancing the need to provide sustainable services for the most vulnerable with a recognition of the pressures on household finances.
- e) Review Directorate budget envelopes for further efficiencies; and
- f) Continue to review opportunities and drive further cross cutting efficiencies.

---

**Report Author:** Leigh Whitehouse, Deputy Chief Executive and Executive Director of Resources, leigh.whitehouse@surreycc.gov.uk

**Consulted:**

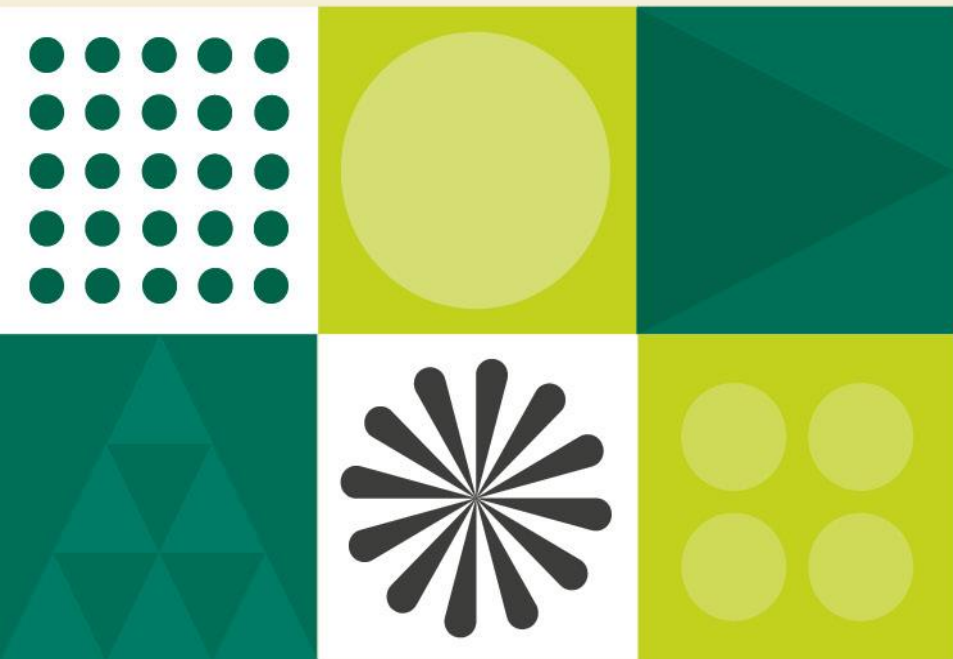
Cabinet, Executive Directors, Heads of Service

**Annexes:**

Annex A – Draft Directorate Pressures and Efficiencies

Annex B – Draft Capital Programme

This page is intentionally left blank



2024/25 Draft  
Budget &  
Medium-Term  
Financial  
Strategy to  
2028/29

# 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.



- 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 local authority finances, with inherent uncertainty in the planning process and significant pressures identified in relation to both ongoing forecast increases in demand for key services and the impact of the high levels of inflation being experienced nationally. Public Sector borrowing has been put under substantial pressure by events over recent years, including government spending to combat Covid-19 and mitigate its impact on business and individuals, successive increases to interest rates and slow national economic growth. Public finances look to be extremely challenging over the medium term, with Local Government unlikely to be spared the impact. There has been an increase recently in the number of local authorities suggesting they are struggling to meet the statutory requirement to set a balanced budget. 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 2024/25 Draft Budget Report and Medium-Term Financial Strategy to 2028/29 updates on the progress to deliver a balanced budget for 2024/25. It sets out the steps taken to balance the ongoing ambitions of the council to deliver services for our residents, alongside the challenge of ensuring sustainable and resilient medium-term financial plans in an uncertain political and economic national environment.
- 1.7 As in previous years, the production of the 2024/25 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 external context 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 2024/25 and the medium-term are aligned provides a stable foundation for delivering services to Surrey residents in the face of challenges presented by the increased cost-of-living, ongoing high inflation, continued increasing demand for vital services, the medium-term ongoing impacts of the Covid-19 pandemic and wider local government policy pressures.
- 1.8 A strong focus on financial accountability has enabled the Council to improve its financial resilience and the financial management capabilities across the organisation. This has provided a strengthened position, enabling the Council to be ambitious and look to continue to drive improvements and investment in our services. 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. During this period of uncertainty and financial challenge, this stability will not enable us to avoid difficult decisions but will allow us the time and space to make them in a considered and measured way. Being realistic about our ambitions, underpinned by an earned confidence in our ability to deliver efficiencies, will enable us to continue to deliver the Council's priorities.

## The financial outlook

- 1.9 Local Government funding remains highly uncertain, with a number of factors likely to result in changes to our funding position over the medium-term (as set out in section 5).
- 1.10 The national economic environment influences the level of funding available to Local Authorities. Public Sector borrowing has been put under substantial pressure by events over recent years, including government spending to combat Covid-19 and mitigate its impact on business and individuals. This coupled with successive increases to interest rates and slow national economic growth, has had a damaging effect on the UK economy.
- 1.11 The Local Government Financial Settlement for the current financial year, provided some strong indicators of the funding that would be made available for 2024/25. Since then, the economic position nationally has remained uncertain with high inflation sustained throughout the period. Many local authorities are highlighting difficulties in balancing the increasing cost of providing services against undefined and limited

funding streams. Funding remains unclear beyond 2024/25 with many decisions being postponed past the current parliament and uncertainly highly likely to remain until after the next General Election.

1.12 Despite having some indication of the level of funding available for 2024/25, little has been confirmed. The Autumn Statement, due on 22 November, may provide some insight into potential funding to support local authorities experiencing unprecedented financial challenges. 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 2023, with a final settlement in January 2024. Until this is available, significant uncertainty on funding remains.

1.13 The overall outlook for 2024/25 is a challenging one. While budget envelopes are increasing, in line with projected funded levels, substantial increases in the cost of maintaining current service provision and increased demand result in pressures increasing at a significantly higher rate than forecast funding. These pressures relate to a number of factors occurring simultaneously, namely continued high levels of inflation, workforce and labour shortages, high interest rates and the ongoing impact of the pandemic. In addition, the Council continues to see increases in demand for services, particularly within Adults and Childrens' social care and the ongoing impact of increased cost-of-living on residents is expected to further increase demand for key services. There is a national lack of sufficiency in children's social care places which results in extremely high costs. Material uncertainty also remains over the impact of the future Adult Social Care Reform proposals which are anticipated to put additional financial pressures on the Council over the medium term, well in excess of the funding being made available.

1.14 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 seriously.

1.15 Although good progress has been made over the last few months, at the point of publication there remains a provisional budget gap for 2024/25 of £13.5m, driven primarily by high inflation and the need to maintain the delivery of priority services experiencing increasing 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 level of Council Tax raised, will be dependent upon progress in identifying further efficiencies and in part upon the Local Government Finance Settlement in December, and confirmation of District and Borough Council Tax Bases in January.

1.16 The gap in 2024/25 and the following four years is expected to continue to grow, based on current projections, to the order of £245m. The Council recognises that tackling this gap will require a medium-term focus and a fundamentally different approach. We are focusing not only on 2024/25, but simultaneously looking to address the medium-term horizon. The Council's SWITCH (Surrey Way Innovation, Transformation & Change) Programme is looking at opportunities in a number of key areas:

- Aligning our skills and capabilities in more effective ways
- Redesigning the customer journeys and entry points in our big demand-led services
- Implementing improved ways of organising our commissioning activity and market shaping to better manage increasing market costs.

## Engagement and next steps

1.17 Over the summer of 2023, the council engaged with residents, organisations and Members to inform the draft budget. This is in line with the council's priority objective for Surrey to have empowered and thriving communities to enable more people to participate, engage and have a say in how things are done on matters that impact them and where they live.

- 1.18 The objectives of this engagement were to gather insight on what the most important priority outcomes were for stakeholders, including residents and organisations, and their views on how the council allocated its financial resources, approaches to balancing the budget and circumstances under which a council tax increase would be supported. A range of methods were used to gather the views of over 1,600 stakeholders across the county.
- 1.19 Residents wanted the council to prioritise spending on supporting the most vulnerable residents, improving roads and pavements, making the county safer and enhancing public transport. A strong theme that also emerged was residents' desire to do more to tackle the climate emergency.
- 1.20 Organisations were more likely than residents to suggest the council should prioritise providing care for adults and children that need it most, promoting better health and wellbeing for all residents and enabling greater access to education and skills for all ages. Their view was investing in these areas would prevent future demand for acute services and support financial efficiencies over the longer term.
- 1.21 Some respondents to the open surveys struggled with the idea of prioritising outcomes among those presented as they felt all of them were important and worthy of equal attention. However, others felt the council had a core set of specialisms that should be prioritised and it should try to do less in some spaces.
- 1.22 Residents wanted the council to allocate resources to services that all residents benefit from and wanted all parts of the county to benefit. They also wanted the council to focus on spending that meets the future long-term needs of residents, though a significant minority wanted expenditure to focus on resolving current issues. Organisations were more likely to advocate for more targeted spending focused on people in Surrey with the greatest needs, and also supported spending focused on longer-term needs.
- 1.23 When asked to think about measures to balance the budget, residents were more likely to support approaches involving upskilling council staff to work more effectively with communities and partners, increase the amount of partnership working and giving residents the tools and resources to support others and set and deliver local priorities. They were less likely to support reducing or stopping services to protect others or introducing fees and charges for existing free or subsidised services.
- 1.24 Residents were asked about the circumstances under which they would support or oppose a council tax increase. They were more likely to support, or least likely to oppose, scenarios where it would be increased to protect spending on services for the most vulnerable residents and where all options to streamline services had been exhausted. The most opposed scenario was where council tax was increased as an alternative to increasing fees and charges.
- 1.25 Residents were also offered an option to say that they would not support any council tax increase under any circumstances. While some residents supported this option, the majority did not, reflecting a view that there were legitimate circumstances when council tax may need to rise.
- 1.26 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.
- 1.27 The results from this engagement work should be considered by Cabinet as it finalises the budget to present to Council in February 2024. Stakeholders have provided a clear set of messages for Members on what they consider to be the most important issues facing Surrey and how the council should prioritise the use of its financial resources.

1.28 If Cabinet agrees this draft budget at its meeting on 28 November 2023, this will signal the start of a new consultation exercise with stakeholders. The purpose of this is to provide residents and organisations with information on key proposals in this draft budget, and seek their views on the financial efficiencies that the council is pursuing. Where further consultation will be required on some of these efficiencies, this will be clearly highlighted.

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

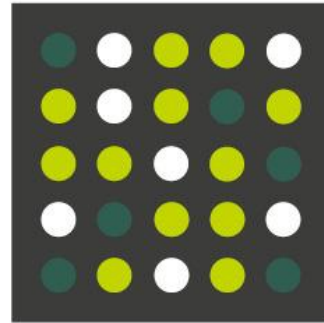
8



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:

<p><b>GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT</b></p> <p>We will create the conditions for sustainable economic growth within Surrey, to maintain the county's position as the strongest economy outside of London and ensure all residents can benefit as a result.</p>	<p><b>TACKLING HEALTH INEQUALITY</b></p> <p>We will drive work across the system to reduce widening health inequalities, ensuring the safety and wellbeing of our residents is at the forefront of our strategies and accelerating health and social care integration to respond to changing demands.</p>	<p><b>ENABLING A GREENER FUTURE</b></p> <p>We will partner with residents and our business community to build on behaviour change to address environmental challenges, improve air quality, and focus on green energy that will keep Surrey a clean, safe, and green place.</p>	<p><b>EMPOWERED AND THRIVING COMMUNITIES</b></p> <p>We will reinvigorate our relationship with residents with new approaches, characterised by more people participating, engaging, and having a role and say in how things are done on matters that impact them and where they live.</p>



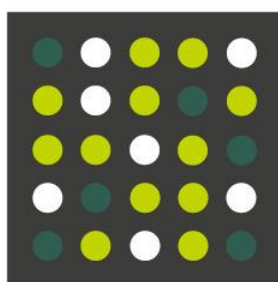
- 2.4 Our main duty as a council is to deliver high-quality services, and these services are the building blocks for meeting our four priority objectives. Core services aim to support people to live independently and well in their communities, ensure children and families reach their full potential, 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 design 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 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 INNOVATION, TRANSFORMATION & CHANGE

- 8
- 3.1 The Council has 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 ‘SWITCh’ (Surrey Way, Innovation, Transformation and Change) is Surrey County Council’s medium to long term portfolio of redesign and transformational change that will enable greater financial sustainability for the Council.
  - 3.3 The portfolio will focus on activity that is cross-cutting in nature and that emphasises the need for services across the council to work together to improve outcomes for Surrey residents whilst reducing costs and making SCC a more efficient organisation. With an emphasis on designing prevention-based services and supporting residents at the earliest possible stage of their customer journey, SWITCh will eventually reduce demand in our critical services.
  - 3.4 Collaboration across directorates with residents, businesses and other partners will be essential to supporting council priorities and facilitating greater innovation and challenging existing ways of delivering services and budget setting.
  - 3.5 SWITCh will deliver against the organisational ambitions set out in Surrey County Council’s strategic framework (The Surrey Way) seeking to create the conditions for success through:
    - Organising around outcomes and making collaboration easier
    - Devolving decisions, and moving service design close to the customer
    - Using digital and data and technology to transform how we work
    - Creating financial sustainability through activity that is preventative and or commercial in nature
  - 3.6 Strategies for identifying required efficiencies include:
    - Aligning our skills and capabilities in more effective ways
    - Redesigning the customer journeys and entry points in our big demand-led services
    - Implementing improved ways of organising our commissioning activity and market shaping to better manage increasing market costs.

## 4 SERVICE STRATEGIES

### ADULTS, WELLBEING & HEALTH PARTNERSHIPS

#### Context

- 4.1 The Directorate’s overarching vision is **supporting people to live their best life**, by connecting to their communities, embracing supportive technology, and accessing joined-up support and care when needed, which delivers what matters to them.

#### Adult Social Care (ASC)

- 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 pressures significantly exceeding 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 all in the context of the ongoing impacts of the Covid-19 pandemic and the increased cost of living, which are having profound effects on Surrey's residents, social care providers and our health and third sector partners.

- 4.4 ASC has eight priorities to achieve the overarching vision, these are to focus upon developing a high-quality **prevention** approach, transforming Surrey's **reablement** offer, improving **mental health outcomes** and delivering **accommodation models** to enable people to live as independently as possible. They also emphasise working as an effective and financially sustainable system with our **place-based partners**, improving outcomes for **young people in transition to adulthood**, delivering consistent **strengths-based approaches** and creating the environment for our **staff** to develop, progress their careers and thrive in a diverse and inclusive workplace.
- 4.5 **The Council is committed to integrating health and social care** in Surrey to improve outcomes for residents, with an emphasis on enhancing preventative services in the community. **Key areas of focus** include **effective joint management of hospital discharge** through robust **discharge to assess** models across Surrey's five acute hospitals, and working with health partners **to improve mental health services** across the county.

### Public Health

- 4.6 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
  - 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 & commissioning of health improvement services for all ages, targeted to those at risk of health inequalities.
  - working with partners to protect 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
- 4.7 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.
- 4.8 The services commissioned by PH are all preventative in approach and targeted at reducing health inequalities, one of the Council's key strategic aims and an overall ambition of Surrey's Health and Wellbeing Strategy.

### **Current 2023/24 budget position**

- 4.9 At month 6 the Directorate is forecasting a balanced outturn against a budget of £474.8m. There is an underlying £4.1m overspend forecast on the total care package budget due to demand growth in the year and increased costs of care, which is being mitigated by additional grant funding and some underspends outside of the care package budget.
- 4.10 Growing care package demand is creating pressures that will carry forward into 2024/25. At the end of September, full year care package commitments (the annual cost of all active care packages) were £10.6m above the 2023/24 budget. The 2024/25 Draft Budget assumes that this pressure can be reduced to £10.3m on a full year basis through delivery of efficiencies and other mitigations in the remainder of the

year. Achieving this reduction in spending and then holding commitments will be challenging in the context of significant demand pressures.

4.11 In addition to its core budget, the Adults, Wellbeing and Health Partnerships directorate has continued to manage two other important areas of funding:

- The PH service has continued to manage deployment of the remaining £7.4m Contain Management Outbreak Fund (COMF) monies carried forward from 2022/23. This funding is expected to be fully spent on activities to support the recovery from the Covid-19 pandemic, with remaining funds fully spent by 2024/25.
- The directorate has the lead for the deployment of the Mental Health Investment Fund (MHIF), to enable the delivery of the outcomes in Priority Two of Surrey's Health and Wellbeing Strategy. This priority area is focused on prevention, removing barriers, and supporting people to become proactive in improving their emotional health and wellbeing. The total MHIF is £10.5m, comprising £6.5m from SCC and £4m from Surrey Heartlands ICB. To date £8.5m of the funding has been committed on investment approved through agreed MHIF governance, with £2m remaining to be committed.

## Financial pressures

4.12 The Directorate's Draft Budget position includes £46.2m of pressures in 2024/25 relating to Adult Social Care, £248.2m across the MTFs period. These pressures relate to:

- Price inflation for care packages and wider support services of £33.3m in 2024/25, £137.4m 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. This represents the budgeted price inflation pressure before consideration of any price or inflation related efficiencies.
- A budgeted carry forward care package pressure from 2023/24 of £10.3m as set out above.
- Increased demand for care packages in future years across all client groups of £5.3m in 2024/25, £60.3m across the MTFs, including young people who will transition from children's services. This represents the net budgeted demand pressures including expected increases in ASC care package income before consideration of demand management efficiencies.
- ASC's share of the cost of estimated increased demand for community equipment of £0.3m in 2024/25, £2.2m across the MTFs period.
- The creation of a £2m budget for ASC assessed charges bad debt in the context of a significant increase (c. £12m) in billed ASC assessed charges compared to the current 2023/24 budget.
- Pay inflation and other staffing related pressures of £7.2m in 2024/25, £15.2m across the MTFs.
- Budgeted increased Better Care Fund (BCF) income for ASC of £3m in 2024/25 based on 2 year BCF plan approved by Surrey's Health & Wellbeing Board for the period 2023/24 to 2024/25.
- Increased ASC Market Sustainability and Improvement grant funding of £8.1m in 2024/25 which is being used in full towards the cost of budgeted price inflation for ASC providers in 2024/25.
- Increased ASC Discharge grant funding of £1.1m in 2024/25 to support hospital discharge. This funding has to be pooled in Surrey's Better Care Fund alongside discharge funding allocated to Surrey's Integrated Care Boards, and will be used to help fund Discharge to Assess models across Surrey's five acute hospitals.
- The latest estimated mid-point funding gap for the ASC charging reforms of £14m in 2025/26 rising to £33m in 2026/27 calculated prior to the delayed implementation date of October 2025. This remains a high level estimate pending further direction from government about the implementation of the reforms. There is a substantial risk that the pressure could be higher. This is dependent on timing and funding allocations.

4.13 In addition, Surrey's Public Health services continue to operate in a very challenging financial environment. Surrey continues to receive a very low level of PH funding – the fifth 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 modestly in recent 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 councils in 2013/14.

- 4.14 The Council's PH grant in 2023/24 is £40.9m. £35.7m of this is allocated to fund preventative services commissioned by the PH service and the remaining £5.2m is allocated to services delivered or commissioned by other parts of the council, that contribute to meeting PH outcomes with the remit of the grant criteria.
- 4.15 PH's latest MTFS proposals include pressures of £1m in 2024/25 and £4.4m across the whole 2023-28 MTFS period. These pressures relate to pay and non-pay inflation for PH contracts. There is a risk that PH contract inflation could be higher than currently budgeted, most notably in relation to NHS Agenda for Change pay rises which impact on several services that PH commission. In recent years the government has provided temporary funding to cover additional in year pressures for NHS Agenda for Change pay rises, but it is unclear if this will continue. As PH grant funding typically increases at a lower rate than the NHS inflator, this leads to ongoing funding gaps for PH services that are subject to NHS inflation. PH leaders continue to lobby government to increase PH funding in line with the NHS inflator.

## Financial efficiencies

- 4.16 The Draft Budget position includes efficiencies of £23.5m in 2024/25 relating to Adults Social Care (ASC), £50.1m over the MTFS. The main areas of focus for delivery of efficiencies are:
- Strengths based practice and demand management efficiencies of £2.2m in 2024/25, £21.5m across the MTFS, including redesigning ASC's "front door," maximising digital opportunities including technology enabled care services, maximising the benefit of reablement services and strengths based reviews of people's care. Demand management efficiencies are risk rated "Red" due to the current high level of demand.
  - £1.7m in 2024/25, £5.7m across the MTFS driven by moving away from institutionalised models of care to promote people's independence. This includes remodelling learning disability and autism (LD&A) day support services and associated transport, supporting people with LD&A to move from residential care to supported independent living, the expansion of extra care housing, primarily for older people, and efficiencies targeted for out of county care packages.
  - Efficiencies of £10.8m in 2024/25, £13m across the MTFS, relating to the effective purchasing of older people nursing and residential placements and home based services across all client groups, and seeking to mitigate a third of the gross budgeted price inflation for care packages and contracts in 2024/25. Based on the current budgeted increase to the National Living Wage (NLW) from April 2024 and CPI in the Draft Budget, this inflation mitigation efficiency is necessary to ensure ASC's budget remains within available funding. It is risk rated "Red" subject to discussion and collaborative working with the provider market including reviewing models of care and costs of service delivery. The inflation mitigation efficiency will be reviewed for the Final Budget based on the confirmed NLW increase, SCC's overall MTFS position and dialogue with the ASC provider sector.
  - Efficiencies of £7.4m in 2024/25 associated with changes to ASC in-house services, including the completion of the closure of 8 older people residential care homes, the ceasing of ASC in-house staffing provision in 5 extra care housing settings and the final element of efficiencies relating to the conversion of LD&A in-house services from residential care to supported independent living.
  - Efficiencies of £1m in 2024/25, £2m across the MTFS through delivery of a workforce redesign programme to reshape the workforce, maximise productivity and improve service delivery.
  - Removal of budgets for discretionary services where there is not clear evidence that they are preventing care package demand, equating to £0.4m in 2024/25.
- 4.17 The Draft Budget also includes £0.5m of efficiencies in 2024/25 relating to Public Health. These all relate to the management of PH contract inflation to ensure that total PH expenditure remains within PH's budget envelope. This will involve limiting or avoiding inflationary uplifts where they are not a fixed contractually or changing service delivery outside of fixed contracts to mitigate inflation pressures.

4.18 Efficiencies are not budgeted for future years beyond 2024/25, pending government direction about the future of the current ringfenced PH grant.

## Capital programme

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

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

- The development of 725 new units of affordable Extra Care Housing (ECH), primarily to support older people with care needs. Total capital expenditure across the whole ECH programme is estimated at up to £47m. The borrowing cost of this capital expenditure is modelled to be fully funded through ASC care package savings included in ASC's draft revenue budget through utilising the new extra care housing settings to provide more affordable care than alternative care settings.
- The creation of 500 new units of Supported Independent Living (SIL) for people with a learning disability and/or autism, with a target for SCC to lead on the development of c. 110 of these units. Total capital expenditure on LD&A SIL accommodation is estimated at up to £69m. The borrowing cost of this capital expenditure is modelled to be fully funded through ASC care package savings included in ASC's draft revenue budget and rental income from residents on the assumption these schemes are developed on a direct delivery basis.
- The development of two specialist short breaks respite accommodation schemes for people with LD&A essential to fill a significant gap in provision. Development of these two schemes is budgeted to require just under £12m of capital expenditure. Just over half of the borrowing cost of this capital expenditure is expected to be funded by ASC care package savings, with the remaining unfunded borrowing included in the corporate unfunded borrowing limit set to ensure affordability across the MTFs.
- 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. Work continues to identify an affordable basis for developing these schemes before they can be fully incorporated into SCC's capital programme.

## Horizon scanning

4.21 The adult social care system both nationally and in Surrey is under incredible strain. Rising demand, significant inflationary and broader cost pressures, increasing acuity of care needs, severe workforce challenges both for local authorities and the wider ASC sector, increasingly fragile care markets and significant pressures across the NHS, all set against a backdrop of the wider cost of living challenges and some of the ongoing impacts of the Covid-19 pandemic create something of a perfect storm. Increased government funding for social care over the period 2023/24 – 2024/25 through the Social Care grant and Market Sustainability & Improvement Fund (MSIF) has been welcome, but these funding sources only represent a contribution towards existing demand and inflationary pressures. The new CQC assurance regime presents opportunities for cross sector learning and improvement, but also places increased burdens on local authorities at a time of acute financial and operational challenges.

4.22 Surrey has made significant progress in recent years through transformation in areas such as commissioning, brokerage and market management, strength-based practice, promoting people's independence and wellbeing, and shifting away from institutionalised models of care. There remain opportunities to improve service delivery and achieve savings which are reflected in the efficiencies included in the MTFs, along with areas that continue to be explored beyond this. 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 are required year on year to meet demand and cost pressures and maintain market sustainability. The Council will continue to robustly engage with government about the funding required for ASC. Based on current estimated funding in future years, it is likely that very

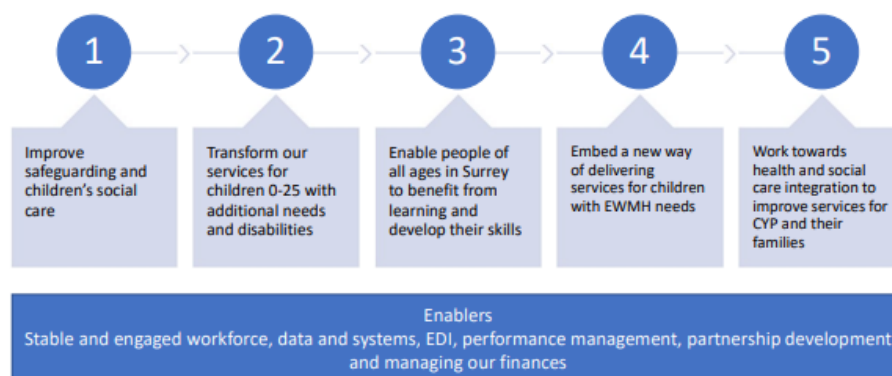
difficult decisions will need to be made about how to fund ASC within available resources in the medium term.

- 4.23 At present the future of the Public Health grant remains unclear. It was expected that the ringfence would be removed as part of wider local government funding reform, but this remains uncertain. The service will need to remain responsive to any changes in grant funding. In the meantime, the council will continue to lobby for increased public health funding to support the delivery of the health and wellbeing priorities for Surrey residents.
- 4.24 Most of public health'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.
- 4.25 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 to 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.

## CHILDREN, FAMILIES AND LIFELONG LEARNING

### Context

- 4.26 The Children, Families and Lifelong Learning (CFL) Directorate's vision is to root children and families in our hearts and minds because it is our purpose to ensure that every child feels seen and heard, feels safe and can grow.
- 4.27 CFL provide services to children, young people and their families with a statutory responsibility for ages 0-25. Providing and commissioning early help, targeted help, social care, education and health services. With 4.5k children and young people known to social services (including care leavers), 1k children looked after and circa 159k Surrey pupils in primary and secondary schools.
- 4.28 CFL operate in an extremely challenging context which is shared by many local authorities up and down the country. Such shared challenges include the difficulty to recruit and retain qualified social workers to meet the demands in social care, resulting in greater reliance on an interim market, at greater cost and less consistency of practice with the short-term nature of interim work.
- 4.29 Falling foster carer numbers across the UK post pandemic along with increasing complexity of needs presenting, driving up demand for residential placements. Insufficient in-house places results in greater reliance on external providers in a dysfunctional market driving up the costs of care in a provider market and with rising inflation, worsened by new legislation being introduced to ensure all provision is regulated for any child up to age 18.
- 4.30 Rising numbers of children with additional needs and disability placing greater demands on the high needs block of the dedicated schools grant at the same time as driving up demand for home to school travel assistance where rates are increasing at the same time with driver shortages, inflationary rises and a drive to be greener.
- 4.31 CFL's strategic priorities and enablers are shown below;



## Current 2023/24 budget position

- 4.32 CFL's position as at period 6 is an adverse position of £20.4m against the net budget of £257.1m, representing a 7.9% variance.
- 4.33 Placement spend accounts for £14.8m of the forecast adverse variance. Although the number of looked after children has remained broadly stable, rising numbers in external residential placements along with significant price rises in external residential and supported accommodation provision account for the majority of the placement pressures. Rises in child allowances rates for special guardianship orders to match fostering rates following a court judgement are also adding to the pressures.
- 4.34 Home to school travel assistance is reporting a £4.7m adverse position to budget with a further £0.5m identified at risk, even though overall demand is largely in line with budgeted assumptions and initiatives to move pupils from solo taxis to personal budgets have outperformed budget assumptions. Unit rates for travel have far exceeded budgeted assumptions and more than offset the good news delivered through the personal budget promotion. Unit rate rises are a result of a number of factors including higher than planned inflation, driver shortages in the market leading to alternate transport arrangements and the drive towards greener transport.
- 4.35 Continued growth in demand for services and support to children with a disability is adding to the pressures in-year.
- 4.36 Pressures arising from the increase in agency staff in the system against the budgeted assumptions is offset by vacancies in established posts. This is seen as short term respite against the pressures and although it is welcome from a financial point of view, it creates significant performance risk in the service because the currently vacant posts are essential to the delivery of services. They are therefore being recruited to or restructured to drive improvements in practice to get services to good, and can't be held vacant to offset pressures elsewhere.

## Financial pressures

- 4.37 CFL budget includes £39.9m of pressures for 2024/25, with a total of £90.5m across the MTFs period, the pressures relate to;
- Contract inflation including placements, home to school travel assistance and other contracts £10.1m based on 5% inflation for 2024/25.
  - Pay inflation of 4% across all staffing in the directorate including those on teaching pay scales, totalling an estimated £5.9m for 2024/25.
  - Investment in recruitment and retention initiatives aimed at increasing the permanent rates of social work staff to 85% accounting for £2.4m investment in 2024/25.
  - Increase in establishment budgets to meet rising demands across the service seen through 2023/24 and required ongoing £0.8m.



- Investment in preventative services including targeted early help and reunification of children back to their parental homes where safe to do so £1.6m in 2024/25.
- Growth in placements budgets resulting from a change in mix in placement type with greater reliance on external provisions in 2023/24. Placement budget pressures also arising from price rises in excess of budgeted values, partially offset with increases expected in health contributions and increased funding for unaccompanied asylum seeking children (UASCs) resulting in a net growth ask of £13.9m.
- Growth in demand and prices of H2STA arrangements through 2023/24 going into 2024/25 of £3.7m.
- Growth in demand for support and care for children with disability in 2023/24 going into 2024/25 £1.5m.

## Financial Efficiencies

- 4.38 CPLL's budget for 2024/25 includes projected efficiencies of £9.0m, 3.5% of the 2023/24 budget, with £40.6m projected over the period of the MTFs. These are challenging targets to be delivered to help partially offset the pressures above.
- 4.39 CPLL is looking to manage demand into the service through a number of initiatives including reunification, Intensive family support service (IFSS, the development of adolescence services and Coming home and big fostering. The initiatives are targeted to deliver efficiencies of £1.7m
- 4.40 CPLL is looking to manage the market through capital investment in In-house residential development and group living arrangements for care leavers. This is alongside targeting improved performance of in-house provisions for both residential and fostering services. The team are looking to drive more permanent arrangements, where these meet children's needs, through adoption and special guardianship orders. Commissioning services are looking to develop strategic relations with providers, develop a dynamic purchasing system for new placements and manage inflation requests to improve on market rates. These initiatives are looking to deliver against the targeted efficiencies of £2.6m.
- 4.41 CPLL are looking to continue the successes of promoting personal budgets for H2STA arrangements, along with reviews of policies for travel in conjunction with the Freedom to Travel programme, looking to achieve efficiencies of £2.6m.
- 4.42 Other contract negotiations for contracts due for procurement through 2024/25 are expected to target efficiencies of £1.4m .
- 4.43 CPLL's investment in IFSS above is expected to be able to maximise supporting families payment by results claims along with reducing demand on social care and social workers targeting efficiencies of £0.5m
- 4.44 CPLL have set targets of £0.2m for increases in fees and charges.

## Capital budgets

- 4.45 Surrey's Safety Valve Agreement with the DfE includes a condition to deliver an ambitious Special Education Needs and Disabilities (SEND) and Alternative Provision (AP) Capital Programme that will improve the long-term sufficiency of state-maintained specialist educational provision that meets the needs of communities across Surrey in the long term. The Capital Programme's successful delivery is a key dependency of the Safety Valve Agreement and directly supports SCC's priorities to eliminate the council's Dedicated Schools Grant High Needs Block (DSG HNB) deficit and contain cost through significantly reduced reliance on the Service's commissioning of higher cost out of county placements and the non-maintained and independent school sectors.
- 4.46 Robust data modelling and forecasting of what the profile of need of Surrey resident children and young people with additional needs and disabilities is likely to look like to 2031/32 has been completed and is updated annually. Between 2019-2023 Cabinet approved the Capital strategy for four phases of the SEND Capital Programme and the AP Capital Programme and £260m investment. With this investment the programme is aiming to deliver 2,440 permanent additional specialist school places between 2019-2026 to create capacity for 5,760 Surrey state-maintained school places by 2030/31.

- 4.47 The Capital Programme's delivery of additional specialist school places remains on track. The programme has successfully delivered 40 of 83 committed projects to date at a cost of £41m. This has expanded Surrey's state-maintained education estate by 917 places from around 3,320 places when the programme started in 2019 to 4,237 places at the start of academic year 2023/24.
- 4.48 The £223m approved SEND and AP capital programme in the MTFS is largely funded with external funding sources, a small amount remains unsecured for 2025/26 and 2026/27. The capital budget forecast for 2024/25 is £74.3m for SEND and AP. CFL continue to reprofile the rate of spend based against the known risk associated with individual schemes. In most cases mitigations to secure place availability against sufficiency need are already planned and practical completion will be achieved in line with the agreed plans so there is no risk to overall delivery.
- 4.49 Programme delivery in full is still achievable through utilising capped budgets per scheme. These remain subject to timely legal permissions and approvals, and confirmation of asset/ site viability along with affordable mitigating measures deliverable within the approved MTFS. Ongoing risks in relation to affordability, planning and procurement delays, identification of appropriate sponsors and school/Trust engagement continue to be managed out with appropriate partners.
- 4.50 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 £19m for the Schools Basic Need programme (grant funded) in 2024/25 and £12m for capital maintenance in schools for 2024/25, work continues on the programme for the next 5 years with financial forecast due later.
- 4.51 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 an additional 30 bed capacity through new homes in the County. This programme is also looking to support Care Leavers through increased provision of 24 beds for group living.

## Horizon scanning

- 4.52 CFL continue to work in an incredibly difficult market, with rising demands, increasing complexity of needs and operating in dysfunctional markets where rates are increasing at unprecedented levels. Surrey along with other authorities continue to lobby government over funding into the sector.
- **The ADCS Resources and Strategy Policy Committee** highlighted evidence of pressures being experienced across the sector through national research, below are some of the headlines;
  - **CIPFA performance tracker** highlighted £11.1 billion spent on children's social care in 2021/22, a 41% rise in real terms compared to 2009, while the children's population grew by less than 10% over the same period.
  - **Safeguarding Pressures Phase 8 (2022)** showed that there was an overall increase in safeguarding activity between 2019/20 and 2021/22 with more children previously unknown to social care services presenting at a later stage, with greater levels of need and higher risks.
  - **The Independent Review of Children's Social Care, 2022** found that only 56% of the increase in the numbers of children in care since 2013 could be explained by population growth and an increase in the number of unaccompanied asylum seeking children arriving. It found that children are staying in care for longer, with 12% fewer children leaving care in 2021 than in 2016. It estimated that, without implementation of the proposed reforms, total spend on children's social care is likely to rise to just under £12bn in 2024/25. Full roll out of the reforms will not be seen until 2025/26 at the earliest.
  - **Family Justice Observatory Deprivation of Liberty (DoL)** data, between July 2022 and May 2023, the national DoL court issued 1217 applications across 153 different LAs, for a total of 1142 children. 53.8% of children in July and August 2022 were placed in unregistered setting in the first six months of the order being granted. Indicating a lack of suitable regulated provision for children experiencing risk of criminal exploitation, emotional difficulties, behaviours that were a risk to others, and self-harm risks.

- **Competitions and Markets Authority** review concluded there are not enough placements of the right kind, in the right places, which means that children are not consistently getting access to care and accommodation that meets their needs. The largest private providers of placements are making materially higher profits and charging materially higher prices than would be expected from a functioning market. Some of the largest private providers are carrying very high levels of debt which creates a risk that disorderly failure of highly-leveraged firms could disrupt placements.
  - **S251 Data Outturn**, reported that in 2021/22, LA gross expenditure on children and young people's services was £11.9 billion. £3.6 billion of which was spent in placements. Private residential placement costs increased the most, by 90.56%, while LA placement costs increased by 18.78%.
  - **Children's Home Association's State of the Sector Survey 2023** highlighted the private sector's approach to formal procurement and tendering, with over a third not engaging with formal processes (twice as many as in 2021) and half of all providers selectively considering which tenders to bid for.
  - **Regulatory regime for supported accommodation Demand and Capacity of Homes for Children in Care (CCN, LIA, Newton, 2023)** found that between 2019 and 2022, the number of young people living in supported accommodation increased by 21.3%.
  - **The Independent Review of Children's Social Care, 2022** estimated the additional cost of employing agency staff at approximately £26k per worker per year (53% of the average social worker salary), indicating a loss of over £100 million per year. DfE data (2023) shows that the agency social worker rate increased from 16% in 2021 to 18% in 2022, with 13% more agency social workers in total in 2022. This compares to Surrey stats which show the additional costs of an agency worker at £21k (39% of the average social worker salary). Based on the government return done for 2022, if we apply this to 165 fte agency, indicating a loss of £3.4m in year.
- 4.53 Surrey's agency social worker rate increased from 23% in 2021 to 27% in 2022, with 21% more agency social workers in total in 2022.
- 4.54 Surrey were inspected under the new Area SEND inspection the outcome from the inspection will be published in November 2023.
- 4.55 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.
- 4.56 Any financial implications resulting from the ongoing legislation changes from the 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

- 4.57 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 highways and waste management. Key service areas include:
- Maintenance and improvement of highways, footways, street lighting and other highway assets;
  - Public transport;
  - Waste management, including recycling or disposal of household waste and operation of community recycling centres;
  - Transport infrastructure and place development;
  - Countryside;
  - Planning & Development; and

- Supporting the county's and Council's response to climate change and carbon reduction

4.58 Over the period of the Medium Term Financial Strategy, ETI's key priorities are to:

- Continue to 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;
- Continue to improve bus services, including the introduction of a half price travel scheme and digital demand responsive transport services;
- Continue to work with Ringway, 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;
- Deliver the Council and county's carbon emission reduction targets in line with our Climate Change Delivery Plan. With 41% 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, improvements to local bus services and the introduction of Digital Demand Responsive Transport;
- Deliver the capital programme including the River Thames flood alleviation scheme in partnership with the Environment Agency, the Surrey Infrastructure Programme, and develop the pipeline for future schemes
- Continue to maximise external funding toward revenue and capital activities, including grants, income and developer contributions.

### Current 2023/24 budget position

4.59 ETI's current annual revenue budget is £153.8m. 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.

4.60 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.

4.61 At month 6 ETI forecasts an overspend of £1.2m due to:

- a number of pressures in Highways & Transport including additional staffing, reduced income and increased costs (£0.8m)
- additional capacity including project management to support improvements and legislative change across ETI, an interim director and emergency management team growth (£0.3m) and
- acceleration of treatment to address ash dieback in the countryside (£0.1m).

### Financial pressures

4.62 The ETI 2024/25 draft revenue budget includes pressures of £26.4m, £40.4m for the whole 2024-29 MTF5 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. The draft budget assumes contract inflation at 5% (£5m) for 2024/25. Pay inflation is also included at 4% (£1.3m) for 2024/25.

- Supporting and enhancing transport services: the draft budget includes significant investment in bus services, the introduction of a half price travel scheme and digital demand responsive transport (£11.9m). Most of this investment is initially funded by Government grants, resulting in a budget pressure in future years.
- Supporting and enhancing highways and environment services: following a task and finish review undertaken by Cabinet earlier in the year, investment in a range of service improvements are proposed including refreshing road lines, additional investment in gulley cleaning, area stewards and grass-cutting (£5.2m).
- Greener Futures activities (Climate Change and Natural Capital) previously funded through Transformation are transitioning to the ETI revenue budget resulting in growth of £1.5m, with an option to prioritise and reprofile activity and reduce investment.
- Staffing changes in other areas (e.g. project management capacity to support service improvement and respond to legislative changes, senior management capacity, building resilience in the Emergency Management team, and restructuring the Waste team) results in growth of £1.2m.

## Financial Efficiencies

4.63 The ETI 2023/24 revenue budget includes efficiencies totalling £15.6m including:

- Transport funding: including one-off and prior year transport grants (£11.4m) which will be applied to manage the costs associated with bus service improvements set out above, resulting in a financial pressure in 2025/26.
- Waste management: efficiencies are anticipated from new contracts for residual waste and dry mixed recyclables (£0.6m and £0.3m respectively, both part-year) when those contracts commence in October 2024.
- Other efficiencies include ongoing efficiencies following new arrangements for enforcement of on street parking restrictions (£0.5m) and enforcement of bus lane and moving traffic offences (£0.3m), income from highway advertising (£0.3m), and transformation and integration of services across ETI.

## Capital budgets

4.64 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 5 year capital programme totals £1bn across the MTFS period. 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

4.65 In future years further opportunities are anticipated in a number of areas.

- Following an extensive procurement process the Council's new highways maintenance and improvement contract, delivered by Ringway, started in April 2022. The Council and its contractor continue to 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.

## Context

- 4.66 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 (HIMCFRS), SFRS has put in place major improvement programmes which was, in part, 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.
- 4.67 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 2023/24 budget position

- 4.68 SFRS currently has an annual revenue budget of £38.7m. At month 6 Fire forecasts an overspend of £0.5m on revenue budgets due to a backdated national pay award for uniformed staff for 2022/23 of 7%, which was agreed after the current budget was approved and exceeds the 5% uplift assumed in the Council's MTFS. This creates a pressure of £0.7m, which is partially offset by vacancies (£0.2m) and is reflected in the draft budget.

## Financial Pressures

- 4.69 The SFRS 2024/25 draft revenue budget includes pressures of £2.3m, £6.2m across the whole 2024-29 MTFS period; including:
- Expected growth through pay inflation, including anticipated growth from nationally agreed firefighter's pay awards in 2023/24 and 2024/25 and including the current year pressure, totalling £2.4m next year.
  - Other adjustments total a net reduction of £0.1m and include recruitment and resilience measures designed to offset the ongoing impact of operational firefighters leaving the authority, increased communications costs, increased level of contingency cover and extension of the corporate Reasonable Adjustments offer to encompass SFRS, offset by removal of time-limited prior year growth including temporary staffing.

## Financial Efficiencies

- 4.70 The SFRS 2024/25 draft revenue budget includes efficiencies totalling £0.7m, rising to £1.2m over the MTFS period, including reviews of Fire Investigation, Logistics and the Operations Management Centre (OMC)/Staff Office, alongside cessation of operational staff rotations and capitalisation of the costs of staff delivering the capital programme.

## Capital budgets

- 4.71 SFRS currently has a Capital Programme of £21m across the 5-year MTFS period which includes replacement of fire appliances, other vehicles and equipment.

## Horizon scanning

- 4.72 Efficiency measures subject to further development include developing a shared use offer for future training and fleet maintenance facilities, and savings anticipated from a new communications system. The Community Risk Management Plan (MSSP) will be reviewed and updated for early 2025, and will include a wider review of the service, including efficiency and an opportunity to consult on any changes.

# PROSPERITY, PARTNERSHIPS AND GROWTH

## Context

- 4.73 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.

- 4.74 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.
- 4.75 '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.
- 4.76 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.
- 4.77 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 2023/24 budget position

- 4.78 The 2023/24 net PPG budget is £2.2m, including £0.6m of temporary investment funding for the skills strategy. The budget is materially targeted at the Economic Growth Team and associated costs to stimulate investment and pilot projects. The directorate is forecasting a small underspend of £0.1m, due to planned recruitment delays and reductions on project spend to assist the Council's in year position.

### Financial Pressures & Efficiencies

- 4.79 For 2024/25 pay and price inflation are expected to increase costs by £0.1m. This pressure is offset by £0.2m of efficiencies from continuing the 2023/24 project underspend and a reduction in staffing.

### Capital budgets

- 4.80 The Directorate has a capital budget of £3.3m for the contribution to Convergent Screen Technologies and Performance in Realtime to co-fund a Satellite Studio and Incubator Space in Surrey.

### Horizon scanning

- 4.81 The transition of LEP responsibilities from 1 April 2024 may lead to opportunities as well as risks to the current PPG budget assumptions. It is not possible to assess the full financial implications of LEP integration at this stage, as this is dependent on discussions with and information from Enterprise M3, Coast to Capital, their Accountable Bodies and Government, which has yet to be finalised.

## CUSTOMER AND COMMUNITIES

### Context

- 4.82 The Directorate includes the following services:
- Customer Services

- Libraries, Arts, and Heritage
- Registration and Nationality Services
- Coroners
- Trading Standards and Health & Safety
- Community Investment and Engagement
- Community Partnerships and Prevention

- 4.83 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's Health and Wellbeing Strategy.
- 4.84 The Directorate is at the forefront of shaping and delivering the Council's priority ambition for empowered and thriving 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.
- 4.85 The Directorate is delivering key transformation work that continues to adapt and improve services to meet the changing needs to our residents and ensure financial sustainability including:
- **Customer Transformation** - making the experience of dealing with the council quicker, easier, and better by shaping relationships 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;
  - **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 2023/24 budget position

- 4.86 The net budget for the Directorate for 2023/24 amounts to circa £21m. This includes significant income budgets in excess of £17m, primarily across Cultural Services (Libraries and Surrey Arts) and Registration and Nationality Services.
- 4.87 All areas have delivered significant service improvements and cost reductions over the last three years. For example, the Library Service net budget has reduced by 43% 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 efficiently and effectively.
- 4.88 The M6 forecast is £0.1m overspend. The main reason for the overspend is £0.3m Libraries income pressure and additional staff in Customer Services in response to activity levels, £0.2m. These overspends are offset by staffing underspends in other services. The Libraries income budget was set at 2019/20 levels as footfall continued to recover after the pandemic, however it is now considered unlikely that income will fully recover. The Libraries income pressure is likely to continue into 2024/25 as are the high demand and rising customer expectations leading to resourcing pressures.

### Financial pressures

- 4.89 In 2024/25, the directorate is likely to have £1.2m of inflationary pressures. Over 77% of the Customer & Communities Directorate budget is staffing and consequently, the majority of, its inflationary pressures relate to pay inflation, estimated at £1.1m next year. There are a range of other smaller pressures, totalling £0.6m, including the continuation of the 2023/24 Libraries income pressure.
- 4.90 There are also continued risks as all services are experiencing high demand and rising customer expectations leading to resourcing pressures.



## Financial Efficiencies

4.91 The Directorate has had to identify £1.3m of efficiencies to offset the £1.8m pressures. These have been developed and are guided by the following principles:

- Maximise income in 2024/25 by setting rate increases equal to inflation (or more where the market allows) and driving income generation from other sources where possible;
- Prioritise the continuation of operational services and offers we have strongly committed to as part of our strategy – for example a network of 52 libraries and support for Your Fund Surrey;
- Ensure we can continue to build on the new capabilities we have developed for the future design of the organisation for example Customer Services, local engagement and community-based prevention;
- Consideration of the statutory duties and requirements that relate to C&C services;
- Ability to practically deliver the expected efficiencies and to mitigate impacts;
- Consideration of efficiencies already made in recent years across C&C services;

4.92 The efficiencies include increased income of £0.6m and service reviews which do not impact the strategic direction, £0.2m. In addition, £0.5m of more challenging efficiencies.

## Capital budgets

4.93 The Directorate has capital investment plans to transform the libraries. The Directorate also oversees the corporate Your Fund Surrey capital investment programme.

4.94 The capital pipeline and budget contains £23.2m 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

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

## RESOURCES

### Context

4.96 The Resources Directorate sits at the heart of the Council, predominantly responsible for enabling services, but also for some front-line services. The directorate is committed to providing highly effective support to colleagues across the council spanning the breadth of our functional responsibilities, but in a way that feels joined up and responsive.

4.97 The aim of the Resources directorate is to be seen as a 'True Business Partner' by all colleagues and customers. This means supporting and enabling service colleagues as the primary objective, because through them Resources is contributing to great outcomes for Surrey and Surrey residents. The directorate also aims to embody the culture of Surrey County Council as a successful and effective organisation; demonstrating the same agility and responsiveness that we all aim to provide to residents. Thinking primarily about customer's perspective and presenting issues, rather than Resources own organisational structure and arrangements.

4.98 The directorate's focus in the medium term is:

- Delivering highly effective and value for money services
- Delivering high impact collaborative support, to enable the organisation to deliver high quality services and good outcomes for residents.
- Empowering our people to reach their full potential across the organisation, ensuring no one is left behind.
- To deliver excellent financial management by ensuring a balanced and sustainable budget, providing insight and solutions, supporting robust commercial activity and investing in the services that matter to our residents.

- To provide sustainable assets to meet the growing needs of Surrey's residents through our capital programme.
- Supporting the organisation to become agile and dynamic in our ways of working.
- Providing efficient systems & governance to enable the organisation to deliver high quality services and good outcomes for residents.
- Continually challenge ourselves and others to improve and innovate for the benefit of our residents.

### Current 2023/24 budget position

4.99 The Directorate is forecasting an overspend of £0.8m, after mitigations. The largest variance is the expected reduction in income of £0.3m from the provision of payroll services, due to decreases in customer numbers. There are also staffing pressures in People & Change and Land & Property due to agency and restructure costs (£0.5m).

### Financial pressures

4.100 The directorate is forecasting inflationary pressures of £3.8m, mainly from staffing and also continued high inflation levels for food, property maintenance, utilities and insurance premiums. Although the headline rate of inflation on staffing costs is lower than some of the external ones, staffing accounts for a majority of costs within the directorate.

4.101 The inflationary pressure along with the continuation of 2023/24 pressures and some specific increases, result in likely 2024/25 pressures of £5.1m. Specific pressures mainly relate to insurance where the current levels of insurance claims and reduced recovery of insurance costs as schools convert to academies is leading to a pressure of £0.6m.

### Financial Efficiencies

4.102 The directorate has identified £4m of efficiencies. They mainly relate to Land & Property efficiencies (£3m) to be delivered by the rationalisation of property assets, through the agile programme and asset strategy, plus the facilities management transformation programme. Each service within the directorate is reviewing activities to make service based efficiencies of £0.6m and a directorate wide capacity review will achieve further efficiencies.

4.103 These efficiencies are likely to have a significant impact on staffing, particularly the facilities management transformation and payroll services changes which are likely to lead to a reduction in full time equivalent staff of circa 145.

### Capital budgets

4.104 The Directorate has significant capital investment and delivery plans relating to the Council's Land and Property (£745.6m) and IT&D (£31.3m) services, over the MTFS 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.

### Horizon scanning

4.105 The Directorate contains the Design & Transformation service, which drives further financial efficiencies across the organisation through the ambitious and forward-looking transformation and SWITCH (Surrey Way Innovation, Transformation & Change) programmes 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.

## COMMUNICATIONS, ENGAGEMENT AND PUBLIC AFFAIRS

### Context

4.106 The Communications, Public Affairs and Engagement directorate 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.

4.107 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.

4.108 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 2023/24 budget position

4.109 The Directorate operates within an overall budget of £2.2m, managing demand pressures within existing financial resources wherever possible. The latest forecast is a balanced position.

### Financial pressures & Efficiencies

4.110 The majority of the directorate’s expenditure is on staffing, leading to pay inflation pressures of £0.1m. The inclusion of a new Resident Intelligence Unit (RIU), which will collect, interpret and report resident insights and intelligence and guide, support and track engagement and consultation across the entire organisation is estimated to cost £0.4m. It is assumed that the planned review of Communications activities across the Council will deliver organisation wide efficiencies of £0.4m to offset the pressures in the directorate.

## 5. FINANCIAL STRATEGY AND DRAFT BUDGET 2024/25

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, Corporate Strategy &amp; Policy, Transformation/Design &amp; Change and Finance; the integrated approach ensures that the budget is focussed on delivering corporate priorities and is linked to the core planning assumptions and Directorate business plans.</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 and well as a focus on</li> </ul>

	balancing the budget for 2024/25. The SWITCH Programme continues this focus from 2024/25 onwards.
<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 seven months to narrow the gap and clarify and update assumptions.</li> <li>• Core planning assumptions are developed using the comprehensive application of a recognised PESTLE+ framework to review the likely environment for budget setting and service delivery, contributed to 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 five 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>• We assess the level of our reserves, in the context of the risk environment in which we operate but also with reference to levels recommended by external auditors ('Lessons from recent Public Interest Reports') and, looking at the direction of travel (ie are reserve levels increasing or decreasing over the medium term) and utilising comparisons and benchmarking data to compare to similar authorities.</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 Assumptions, funding projections and baseline financial planning assumptions.</li> <li>• Select Committees have been asked to identify areas of focus to enable more robust and detailed scrutiny of specific areas of pressure and/or risk. They have been provided the opportunity to put forward suggestions to close the budget gap.</li> <li>• 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.</li> <li>• Opposition Groups have been engaged earlier in the budget setting process since 2023/24. They have been consulted on the core planning assumptions, funding projections, key areas of risk and underlying financial planning assumptions. They have been asked to contribute suggestions to close the budget gap.</li> </ul>
<b>The budget is integrated with the Capital Programme</b>	<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> </ul>

	<ul style="list-style-type: none"> <li>• Where decisions on available funding have been required, dedicated capital sessions have been held with the Corporate Leadership Team and Cabinet to inform prioritisation of capital bids, 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.</li> <li>• We delivered a multi-method exercise to ask residents and other stakeholders what the most important outcomes were, what they wanted the council to focus most on, what they wanted the organisation to deliver, how the council's financial resources should be allocated, how the budget should be balanced and the circumstances under which residents would most likely support or oppose any increases in council tax.</li> <li>• During November 2023 to January 2024, we will consult with residents, businesses, district and borough councils, other public service partners and the voluntary, community and faith sector to understand their views on key proposals in the draft budget.</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 2024/25 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;
- Ensuring a culture of budget responsibility where managers are accountable for their budgets – budgets are agreed and acknowledged annually by Accountable Budget Officers through Budget Accountability Statements;
- Cost and demand pressures contained within budget envelopes to ensure ownership and accountability;
- Robust efficiency plans which are owned, tracked, and monitored;
- 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 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. 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 increased cost-of-living and likely demand for services in 2024/25 all very unclear. 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 Council develops a set of Core Planning Assumptions to help manage this uncertainty, setting out assumptions about the council's most likely operating context. The assumptions are 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.
- 5.6 Directorate growth pressures have been subject to a number of iterations and changing assumptions, particularly in relation to forecast inflation and the ongoing impact of in-year changes to demand pressures; culminating in indicative pressures for the Draft Budget of £143.5m, including £13.2m of increased capital financing costs. The level of pressures represents a continuation of the trend of significant increases in the annual pressures identified year on year. Due primarily to the continued high inflation environment and increasing demand pressures in a number of key services, specifically children's and adults social care placements.
- 5.7 To date, efficiencies of £55.2m have been identified. Together with an increase in funding of £74.8m (as set out in para 5.19), these developments give a gap yet to be closed for 2024/25 of £13.5m, as shown in Table 2 below.
- 5.8 Further information on pressures and efficiencies for each Directorate is set out in **Annex A**

**Table 2: Summary Draft Budget Position for 2024/25.**

Directorate	Base Budget £m	Pay & Contract Inflation £m	Demand & Other Pressures £m	Identified Efficiencies & Funding £m	Total Budget Requirement £m
Adults, Wellbeing & Health Partnerships	475.6	37.5	9.7	(24.0)	498.8
Children, Families and Lifelong Learning	249.8	15.9	24.0	(9.0)	280.7
Environment, Transport and Infrastructure	152.8	6.3	20.1	(15.6)	163.6
Surrey Fire & Rescue Service	38.7	2.5	- 0.2	(0.7)	40.3
Customer and Communities	18.9	1.2	0.6	(1.3)	19.3
Prosperity, Partnerships and Growth	1.6	0.1	-	(0.2)	1.5
Comms, Public Affairs & Engagement	2.2	0.1	0.4	(0.4)	2.2
Resources	80.1	3.8	1.4	(4.0)	81.3
Central Income and Expenditure	82.3	0.7	19.4	0.0	102.4
<b>Directorate Total</b>	<b>1,101.9</b>	<b>68.0</b>	<b>75.5</b>	<b>(55.2)</b>	<b>1,190.2</b>
Central Funding	(1,101.9)			(74.8)	(1,176.7)
<b>Council Total</b>	<b>0.0</b>	<b>68.0</b>	<b>75.5</b>	<b>(130.0)</b>	<b>13.5</b>

- 5.9 Given the prevailing level of inflation, substantial demand pressures and the level of uncertainty nationally, specifically for local government, a gap of £13.5m (1.1% of likely net revenue funding) represents acceptable progress in balancing the budget at this early stage.
- 5.10 Given the level of efficiencies still required and the achievement of considerable efficiencies over recent years, it is going to be extremely challenging for the council to identify further additional efficiencies of this level to close the gap. Our final funding position for 2024/25, we will be more certain once the provisional settlement is issued in December, which will provide further details of the Council's specific grant allocations. Further decisions on the level of council tax required will not be made until we have more clarity on the funding position. Decisions to increase Council Tax are not made lightly and balance the need to provide sustainable services for the most vulnerable with a recognition of the pressures on household finances, particularly during the current inflationary period and increased cost of living. It is possible that the Council will need to raise council tax further than the 3.99% assumed in this Draft Budget.
- 5.11 We continue to review our proposals and look to mitigate pressures wherever possible, but the scale of the challenge may mean, even with additional council tax income, we may have to delay the achievement of some of our priorities in order to meet the financial challenge ahead.
- 5.12 In addition, a review of the levels of reserves of the Council will be undertaken, with regard to the current high risk operating environment. The extent to which it might be necessary to rely on reserves to close the budget gap, will depend on the allocation of funding from the Local Government Finance Settlement in December, confirmation of District and Borough Council Tax Bases in January and the impact of any further changes in the in-year financial position over the remainder of this financial year.

## National Funding Context

### Background

- 5.13 The Chancellor of the Exchequer, the Right Honourable Jermey Hunt has confirmed the Autumn Statement will be delivered on Wednesday 22 November 2023. He has also confirmed that he has commissioned an Office for Budget Responsibility (OBR) forecast to sit alongside this.
- 5.14 The Chancellor will deliver this Autumn Statement in a period of uncertainty for the national economy. The UK has narrowly avoided a recession in 2023, with the economy growing in the first two quarters of the year. The OBR are however predicting a decrease in the economy of 0.2% for the year<sup>1</sup>. Stronger tax receipts meant the UK's budget deficit stood at £4.3bn in July, below OBR estimates but still the fifth highest for a July since modern records began in 1993.
- 5.15 The past year has seen 14 consecutive interest rate rises, with interest rates now standing at 5.25%, a 15 year high. The inflation rate – measured as the annual change in the consumer prices index (CPI) – has been falling since it peaked at 11.1% in October 2022 and was 6.7% in August 2023<sup>2</sup>. As a result, the economy has seen the largest two year fall in living standards since the 1950s.
- 5.16 This Autumn Statement will be second that this Chancellor has delivered, along with the Spring Budget. In both the Spring Budget and as a backdrop to the run up to the next General Election, the Chancellor has confirmed a focus on reducing inflation and curbing interest rate rises.
- 5.2 The national economic environment influences the level of funding available to Local Authorities. The Local Government Financial Settlement for the current financial year, confirmed in January 2023, provided some strong indicators of the funding that would be made available for 2024/25. Since then, the economic

<sup>1</sup> [EFOs - Office for Budget Responsibility \(obr.uk\)](https://obr.uk)

<sup>2</sup> [Economic Update: Have interest rates peaked? \(parliament.uk\)](https://parliament.uk)

position nationally has remained uncertain and a number of local authorities are highlighting difficulties in balancing the increasing cost of providing services against unconfirmed and limited funding streams.

## Funding Assumptions for 2024/25

5.17 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. Government have confirmed that these reforms will not be implemented in this parliament and our current planning assumption is that these will not impact until 2026/27, at the earliest.

**Table 3: Funding assumptions:**

	2023/ 24	2024/25	2025/26	2026/27	2027/28	2028/29
	£m	£m	£m	£m	£m	£m
Council Tax	866.0	906.9	931.4	956.6	982.5	1,009.0
Business Rates	131.1	149.2	152.5	155.9	158.5	161.4
Grant funding	111.8	120.4	115.0	87.3	64.2	40.9
<b>Funding before collection fund</b>	<b>1,108.9</b>	<b>1,176.5</b>	<b>1,198.9</b>	<b>1,199.8</b>	<b>1,205.2</b>	<b>1,211.3</b>
Council Tax collection fund	-3.8	2.7	2.8	2.9	2.9	3.0
Business Rates collection fund	-3.1	-2.6	-2.6	-2.9	-3.0	-3.1
<b>Total funding</b>	<b>1,101.9</b>	<b>1,176.7</b>	<b>1,199.1</b>	<b>1,199.8</b>	<b>1,205.2</b>	<b>1,211.3</b>

## Council Tax Funding

5.18 The Chancellor announced in the November 2022 Autumn Statement, that core council tax referendum principles would continue for 2024/ 25 as set in 2023/24. This means councils can 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. Council tax has been modelled assuming a **Band D rate increase of 1.99% on the core council tax and a 2% increase on the ASC precept. A total increase of 3.99%**. This would result in Council Tax rising by £33.46 on the core and £33.50 on the ASC precept, a total annual increase of £66.96 for Band D properties.

5.19 The variable used is the tax base which has been modelled at a 0.7% growth for 2024/25.

## Business Rates funding

5.20 Business rates growth into 2024/ 25 has been modelled at 0.5%, which is the historic 5 year average. An assumption has been made that the Business rate multiplier will be frozen at 49.9pence and Government will provide funding through a section 31 grant to compensate local authorities for the impact of the freeze, mirroring what occurred in the current year. No adjustment has been made to the top up for the finalising of the 2023 revaluation. All business rates grants are included in these assumptions based on what is received in the current year.

## Grant funding

5.21 Material grants included are the Public Health Grant and the Social Care Grant. Public Health Grant (£40.9m) is anticipated to increase by 2% from the amount received in the current financial year. The increase in assumed for the additional social care grant, is in line with that announced as part of the Financial Settlement last year. Current assumptions include the continuation of the Services Grant and New Homes Bonus into 2024/25. Both were due to cease from 2021/22, however given the lack of consultation and any further information on changes in these areas, they are current assumed to continue at current levels.

5.22 It is considered unlikely there will be large additions in any other grant funding, due to prevailing economic circumstances.



## Collection Fund

- 5.23 The Council Tax collection fund has been calculated at 0.3% of Council Tax.
- 5.24 For Business Rates an assumption has been made that the collection fund produces an in-year deficit. This is anticipated at 0.5% of core Non-Domestic Rates income.

## CIPFA Resilience Index Update

- 5.25 The 2023/24 Budget and Medium-Term Financial Strategy to 2027/28 report to Council in February 2023 provided an update on the Council's performance in the CIPFA resilience index, based on provisional 2021/22 data. Final data for 2021/22 has now been released, 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 no longer low, however remains significantly less than a number of our nearest neighbours.
- 5.26 2022/23 data has not yet been released but will be analysed for the Final Budget report for February 2024, if it is available. When available, we anticipate the 2022/23 data to show a further improvement in resilience.

## 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. Officers have carried out a review of practices in place for the 2023/24 financial year 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 the focus on financial management capabilities as part of the Finance Improvement Programme initiated in 2018, the Council's arrangements exceed the expected 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 2024, including areas where further development or improvement would be beneficial in 2024/25.

## Best Value Standards

- 5.30 The Department for Levelling Up, Housing & Communities (DLUHC) have recently consulted on a new set of statutory guidance 'Best Value Standards and Intervention.' These have been developed to provide greater clarity to the local government sector on how to fulfil the Best Value Duty, by describing what constitutes best value, the standards expected and the models of intervention available to the Secretary of State in the event of a failure to uphold these standards. The guidance sets out seven best value themes, including characteristics of a well-functioning local authority and indicators used to identify challenges that could indicate potential failure.
- 5.31 The Council have responded to the consultation, which closed in September 2023. Once the results of the consultation have been reviewed and final guidance issued by DLUHC, the Council intends to carry out a self-assessment against the guidance and is expected to report the results to the Audit & Governance Committee. Further details will be included in the Final Budget papers January 2024, if final versions of the guidance have been issued.

## 6. DRAFT CAPITAL PROGRAMME 2024/25 TO 2028/29

### Overview & Approach

- 6.1 This section provides an update on the development of the Capital Programme for 2024/25 to 2028/29, taking into account work that has been carried out by officers and Cabinet Members over the last six months.
- 6.2 Over recent years the Council's capital ambition and delivery has grown significantly, in recognition of historic under-investment in our assets and in order to improve the condition of the infrastructure in the County. The capital programme is aligned to the Council's corporate priorities and invests in the areas of most importance to our residents.
- 6.3 Our aspirations remain high and the Draft Capital Programme for 2024/25 – 2028/29 remains ambitious and proposes ongoing investment in priority areas such as highways infrastructure, improving the condition of our property estate, creating additional school places including for children with special educational needs and disabilities, the green agenda, transforming our libraries and investing in Adult Social Care accommodation with care and support.
- 6.4 The capital programme is developed based on an asset planning approach to ensure that affordable, value for money capital solutions are identified which focus on outcomes for residents, deliverability and affordability and contributes to the Community Vision for Surrey 2030, aligned with the organisation's priorities.
- 6.5 Despite our continued ambitions, the economic environment has changed over recent years. High inflation is making delivery of capital schemes more expensive and successive interest rate rises have increased the cost of financing borrowing. In order to sustain our financial resilience, we need to tighten up and re-set our capital expenditure approach, to ensure the affordability and sustainability of our capital programme in the medium term.
- 6.6 Due to the economic climate and the growing size of our capital investment plans, additional work has been undertaken in developing the proposed capital programme for 2024/25 - 2028/29 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 through income and efficiencies. These schemes are not a burden on the revenue budget. 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;
  - 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. 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;
- 6.7 The Capital Programme planning process began in May 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.
- 6.8 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 and interest rate rises increasing the overall cost of borrowing. Over the summer, investment plans have been robustly reviewed and schemes in the programme prioritised, re-scoped, removed or re-profiled to ensure the proposals best reflect the council's priorities and are deliverable within available financial and operational resources. Opportunities to utilise other sources of funding have been factored into the proposed budget.

- 6.9 The Council operates a capital pipeline, in addition to the capital programme. 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. The nature of the pipeline is to be a flexible portfolio of schemes that contribute to the Council's strategic objectives.
- 6.10 Pipeline schemes have also been reviewed as part of the work recently carried out and a number of schemes have been re-scoped and re-prioritised, seeing an overall decrease in the 'unfunded borrowing' elements of the pipeline. This dampening of our ambitions is required to ensure the ongoing deliverability and affordability of the remaining, significant capital investment.
- 6.11 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.
- 6.12 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.
- 6.13 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.
- 6.14 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.
- 6.15 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.
- 6.16 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.
- 6.17 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.

### **Draft Capital Programme**

- 6.18 The draft Capital Programme of £1.902bn is set out in more detail in **Annex B**. This consists of £1.291m in the capital programme and a further £611m in the capital pipeline. In developing this programme, detailed modelling of the impact of the MTFs on borrowing costs and borrowing limits has been carried out to ensure that revenue costs remain within the budget envelopes set out.
- 6.19 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 2024.
- 6.20 Uncertainty remains over the economic backdrop. Inflation remains high, driving up the cost of scheme delivery. While it is widely anticipated that interest rate rises have peaked, there remains uncertainty on the path of interest rates. These risks and uncertainties will be monitored through CPP and mitigating actions taken where required.

## STRATEGIC CAPITAL GROUP - CAPITAL STRATEGIES

- 6.21 The Council is committed to developing a 10-year capital strategy, setting out a clear framework for managing our capital assets over the next ten years. It will enable us to make informed decisions on investments, asset disposals, and maintenance, and ensure that our assets are used effectively and efficiently to deliver the services our residents need, while also maintaining and improving their quality.
- 6.22 The first step in developing a 10-year strategy has been for each Strategic Capital Group to develop a 5 year strategy alongside the proposed 5-year capital programme.

### Property Panel

#### Strategic Objectives

- 6.23 The Council's capital strategy plays a key part in the achievement of the Council's ambitions, providing the physical infrastructure that allows services to be delivered effectively, where most needed.
- 6.24 The Land and Property Team is continuing to transform Surrey County Council's property portfolio property in line with its Asset and Place Strategy (2019-2030) which sets out: the Council's approach to the strategic management of its assets; how it will support service delivery; provide income to the Council; be used to promote growth and place shaping within Surrey; and deliver Surrey's Community Vision to 2030.
- 6.25 Additionally, the capital investment framework for property is shaped by the relevant Service Strategies that are underpinned by property assets, such as the:
- Additional Needs Strategy & Transformation Programme which aims to eliminate the council's Dedicated Schools Grant High Needs Block deficit through the provision up to 6000 pupil places across the county by 2030/31 (the "SEND & AP programme");
  - Schools Basic Needs (SBN) programme that will meet the changing demands for pupil places through to 2030;
  - Looked After Children (LAC) and Care Leavers Accommodation programme;
  - Adult Social Care Accommodation with Care and Support Programme (AwCS);
  - Agile Office Programme (AOP);
  - Libraries Transformation Programme; and
  - Inclusion of other corporate projects, including fire station upgrades, depot refurbishments, a new Gypsy Romany Traveller transit site, hubs in Sunbury and Bookham, and upgrade to an Outdoor Learning site.
- 6.26 Capital investment across these programmes is prioritised on those projects that:
- Address any statutory requirements;
  - Are self-financing schemes and/or grant aided;
  - Generate revenue efficiencies;
  - Enhance the existing asset base and deliver against wider corporate objectives such as Net Zero; and
  - Rationalise the overall property estate and deliver an overall step change improvement in the condition of remaining asset base.

#### Asset Maintenance Programme

- 6.27 There are two key recurring capital maintenance budgets for the property estate, for:
- Schools – includes all local authority maintained secondary and primary schools where the council is obligated to fund and deliver life cycle works; and
  - Corporate – includes all other council owned and/or occupied buildings where the council has the obligation as a freeholder or leaseholder to fund lifecycle works.
- 6.28 New condition surveys are being commissioned for schools and other corporate assets which will provide data to inform the prioritisation of spend on capital maintenance. Surveys will only be carried out on properties that expected to remain within the property estate beyond 2030 (aligned to the Asset & Place Strategy).

6.29 The profile of spend on school asset maintenance is front loaded to take account of a significant increase in works over the next 2-3 years as we work through the priorities highlighted in the lifecycle surveys to be undertaken by the end of March 2024, and to fund works required prior to the academisation of schools. Contingency has been included in the schools estimates to deal with “unknowns” (e.g. RAAC) over and above assumed grant levels. The annual figures for the last two years of the MTFs (FY27/28 & FY28/29) are forecast to reduce, as the number of maintained schools in portfolio is anticipated to decline. The forecast for the schools’ budget is based on the following assumptions:

- £35m of capital expenditure required above the forecast Government grant funding up to 2028/29.
- based on c12 schools per year converting to Academy status.
- includes inflation estimates
- includes in excess of £20m of known backlog maintenance
- contingency to deal with
  - Unforeseen works pre-academisation
  - Fire compartmentalisation
  - Asbestos removal
  - Climate change affecting schools
  - Possible fire protection with sprinklers

6.30 For the corporate maintenance programme, the increased spend in the first 3 years will be driven by a combination of the outputs from the lifecycle assessments and increased expenditure on decarbonising the corporate estate to achieve the 2030 targets. Leading up to 2026 there will also need to be investment in retained buildings (as a result of service collocation and disposal of other properties), and for leased out buildings which will need to have an EPC rating of “C” or better.

6.31 Spend will reduce towards 2030, due to the rationalisation of the corporate estate and as major refurbishment and new build works under the Service Strategies listed above will avoid the need for investment from this budget. There is however a need to ensure the capital maintenance budget remains sufficient to avoid putting pressure on the revenue budget and minimising the whole-life costs of property. The forecast in the MTFs and is based on the following assumptions:

- In excess of £30m of known backlog maintenance across the operational estate
- delivery of the Net Zero 2030 targets across the operational estate
- includes inflation estimates
- delivery of the Asset & Place Strategy by 2030, seeking portfolio consolidation and maximising property utilisation.

#### Programme Management and Governance

6.32 In addition to the overarching governance to approve capital spend, there are Programme Boards that govern the delivery of the respective projects and programmes. Each Programme Board is chaired by the client or “sponsor” of the project and programmes – to ensure that Land & Property continues to deliver to the Services’ requirements, is held to account and secures the sponsorship and commitment to the investment at each stage of the respective project.

6.33 Land & Property continually engages with Services throughout programme and project delivery to ensure the required financial and non-financial benefits remain on track.

#### Asset Disposals

6.34 The Asset & Place Strategy 2019-2030, sets out two key outcomes:

- A reduction in the number of operational estate properties (non-schools); and
- the generation of capital receipts.

6.35 The process for identifying surplus assets is based on a forensic review of the estate to determine which properties provide no or limited benefit to the council, and those properties are then shared with services

to establish if there is any likely service benefit from retention. Once a property is formally declared surplus, it is then prepared for disposal.

## **IT & Digital Governance Board**

### Strategic Objectives

- 8
- 6.36 The core strategy which underpins the IT&D capital programme is the Core Infrastructure Architecture (C.I.A). This sets out the technical direction for the MTF5 period, denoting the technologies which will be implemented throughout its lifecycle.
- 6.37 The IT&D capital programme should be seen as an underpinning enabler to the delivery of the council's strategic priorities and operational imperatives. There are three priority outcomes sought from the capital programme:
- **Cyber Resilience:** Maintain and develop a proactive posture to the risk of cyber-attack investing in new and extending existing technology assets to support the prevention, detection and response to a cyber-attack. The benefit from this investment is cost-avoidance and risk management, reducing the council's exposure to catastrophic, costly and highly disruptive service failure.
  - **Maintaining core operations:** Invest in essential technology asset refresh that enables the council to maintain normal operations. Capital schemes falling within this priority include device refresh including laptops and mobile phones and infrastructure components such as the Wide Area Network (WAN), Local Area Network (LAN), Wi-Fi and telephony. This investment ensures the provision of the underpinning technology foundations without which the council would not function.
  - **Strategic innovation:** Capital schemes that strategically drive, promote and facilitate innovation and the enablement of council service transformation. Investments would include the Internet of Things and the capital asset elements of software platform developments. Such investment provides potential for service redesign and enhanced operational efficiencies and improved effectiveness.

### Asset Maintenance Programme

- 6.38 The IT&D main refresh programmes fall into the following categories:
- Infrastructure (Servers, Storage, Security Devices and backup capability)
  - LAN / WAN and Wi-Fi Refresh (Networking)
  - Desktop and Laptop Refresh (end user computing)
  - Mobile Devices
  - Data Centre Maintenance
- 6.39 The refresh cycles are derived using the following main metrics:
- **Age of hardware** – a customer device such as a laptop will have a life span of up to four years before it becomes completely obsolete. Server and storage refreshes are based upon 5-year replacement cycles and networking is based upon 7 years.
  - **Supportability from the manufacturer** – devices, servers and networking assets are serviced by the manufacturer. This includes replacements parts and software updates (which will include fixes for critical security fixes). Manufacturers do not support hardware indefinitely and the replacement cycles are linked closely to the age of the hardware.
- 6.40 The main purpose of the IT & Digital capital and pipeline schemes is to provide a robust, secure, reliable and performing technical infrastructure to all users within the council, to enable our staff to provide quality services to our residents 24 hours a day/ seven days a week.

### Programme Management & Governance

- 6.41 IT & Digital's capital programme is governed by the IT & Digital Capital and Revenue governance board. Meeting monthly the board reviews the capital pipeline, new business cases and revenue impact of capital schemes. In addition to the governance board, larger IT & Digital schemes have their own programme

boards which monitor spend and report any issues or delays directly to the IT & Digital senior leadership team.

#### Asset Disposals

- 6.42 Assets are disposed of via the chosen vendors during our refresh cycles. Collected assets are categorised according to their condition and those which are determined to have a re-sale value are securely wiped, refurbished and proceeds from the sale are treated as capital receipts.

### **Infrastructure Board**

- 6.43 The Infrastructure Strategic Capital Group includes Environment, Transport, Infrastructure Projects, Community Protection & Emergencies, including Surrey Fire & Rescue Service.

#### Strategic Objectives

- 6.44 ETI are the key driver of the Council's primary place strategies, including the Climate Change Delivery Plan, the Surrey Transport Plan, and the Surrey Infrastructure Plan, as well as the services that deliver these ambitions – all of which are critical in achieving the corporate ambition to enable a Greener Future for Surrey communities, as well as the other key priorities for the Council. Through this and our broader work we are also tackling health inequalities, delivering initiatives such as green social prescribing and active travel schemes across the county. We are increasing our focus on engagement across the board so that communities have more say about the services and schemes that are delivered for them and strengthening our approach to delivering infrastructure with a place-based approach, working more closely with local partners to unlock funding and improve the physical infrastructure in our towns and villages.

- 6.45 Key ETI strategies delivered through capital investment include:

- **Greener Future Finance Strategy** which sets out how the Council will finance our 2030 net zero carbon target and how we will generate and leverage funding and investment to contribute towards the county's 2050 net zero target, focusing on areas where investment generates multiple benefits. This strategy is closely aligned to the Council's Greener Futures priority and also links to No One Left Behind and Growing Surrey's Economy.
- **Surrey Transport Delivery Plan** (including Ultra-low emission (bus) vehicles, Active Travel & Road Safety programmes). Adopted in July 2022, the new and ambitious Surrey Transport Plan, sets out our 'Core Strategy' and sets out policies and measures that aim to develop and deliver safe, cleaner, greener ways of travelling and accessing services and opportunities in the future.
- **Highways Asset Maintenance (Horizon Highways Programme)** prioritises works on roads, pavements, structures, drainage, safety barriers and traffic signals to provide the best outcomes possible within available financial resources. Using an "asset management strategy" we balance the needs of the assets based on their condition, the risk to the public and the priority of the road network. We carry out both structural and preventative maintenance to ensure that whatever funds are available are spent on the right schemes at the right time and that schemes are prioritised using optimisation methodologies to maximise risk reduction and minimise whole life costs.
- **Surrey Infrastructure Plan (SIP)**, produced in 2020, sets out 15 objectives derived from the full range of strategies that impact on and determine the county's priorities for placemaking, from the Place Ambition, the Surrey Climate Change Strategy, the Surrey Health and Wellbeing Strategy, the Local Transport Plan, the Local Plans of the districts and boroughs, and Council's own organisational strategy. By bringing together a comprehensive set of objectives that capture the intent of this full range of strategies, the Plan will enable the Council and partners to take a truly integrated view of infrastructure that delivers not just

for one agenda at a time. Major schemes included in the Plan include A320 to provide additional capacity improvements to local junctions and links within the local highway network; Farnham Town Centre to tackle the town's air quality and congestion issues and deliver attractive, well-integrated, future focused and high-quality infrastructure for Farnham that enables a connected and vibrant town; and the River Thames Scheme which is a Nationally Significant Infrastructure Project that will reduce the risk of flooding from the Thames for communities in Runnymede and Spelthorne.

- **Waste Infrastructure Strategy** - sets out an outline programme of work for the development of strategic waste infrastructure over the next seven years that will support a resilient and efficient waste management service for residents over the next thirty years. It focuses on the upgrade and development of assets within the geography of Surrey where there is a critical need for that infrastructure. It presents a series of recommended work packages needed to both safeguard the future of waste services and develop more opportunities for recycling and reuse.
- **Local Highways Schemes (Individual Member Highway Allocations)** enables Members to promote important local improvements which do not have the option to be funded from other sources. These can include safety and accessibility improvements through to maintenance works. This helps to support the objectives within the Surrey Transport Plan and our Asset Management strategy.
- **Surrey Local Flood Risk Management Strategy (Surrey Flood alleviation Programme)** - sets out the objectives for reducing the risk of flooding in the county alongside the approach and actions Surrey County Council and its partners should take in delivering those objectives. It tackles the impact of climate change and delivers multiple environmental benefits through nature-based solutions, reduces the economic impact of flooding and encourages community resilience to flooding as well as forming part of placemaking through sustainable drainage.
- **Land Management Policy** - sets out how the Council manages its land to safeguard and replenish its natural assets, how it will contribute to delivering the Government's 25 year Environment Plan, the Council's obligations towards reporting on biodiversity as a local authority and as a landlord as well as addressing other Council's priorities.

6.46 Key priorities for capital investment within Community Protection & Emergencies are:

- to demonstrate the service's commitment to deliver high-quality and sustainable services through continuous development of our physical and data assets to ensure that they are fit for purpose, collaborative, sustainable and support the delivery of outcomes as detailed within the Making Surrey Safer Plan (MSSP).
- to maximise capital allocations, deliver value for money and support a greener future through the capital replacement/improvement programme.
- identify drivers and objectives of the service Digital Roadmap, which sets out how our approach to digital will help enable improved outcomes for our residents.

#### Programme Management & Governance

6.47 All capital investment approvals are governed in the same way via Infrastructure Board, the Capital Programme Panel and Cabinet.

Environment Transport & Infrastructure:

6.48 ETI capital programmes are prioritised against the policy framework set out above and benefits are specifically assessed against the principles set out in the Surrey Way.



6.49 In addition to the governance to approve capital spend, there are also multiple Programme, Partnership and Contract Boards that govern the delivery of the respective projects and programmes. These include the broader strategies of Greener Futures and the Surrey Transport Plan in addition to more targeted capital spend programmes by project or theme. For example, projects delivering the Council's climate change Delivery Plan will be developed in close consultation with the Greener Futures Board to provide oversight, challenge and practical support during delivery. Decision making and prioritisation of detailed schemes for some programmes such as Visitor Improvement at Countryside Sites will be overseen by its own internal steering board.

#### Community Protection and Emergencies:

6.50 The Capital Replacement/Improvement Programme sets out the long-term investment requirements to meet the MSSP and Service operational and transformation objectives, strategic oversight is assured through our governance framework.

6.51 The Asset Strategy is reviewed annually to identify additional capital investment requirements. Programmes are then managed by the strategic leads for Logistics and Data & Digital monitored via the Resources Working Group.

#### Asset Maintenance Programme

6.52 As Highway Authority and Lead Local Flood Authority, we are responsible for over 3,000 miles of roads, 1,800 bridges and structures and 3,520 miles of pavement. We are also responsible for cycle facilities, streetlights, embankments and safety barriers. Few of our assets are in an 'as new' state and we must prioritise our work to achieve best value. The network is heavily trafficked reflecting Surrey's high economic output, used daily by most of the travelling public for commuting, business, social and leisure activities.

6.53 The Highway Asset Strategy is modelled over a 15-year period, however it is recognised that things can change over time, such as access to government grant or changing council priorities. The modelling we carry out assumes normal deterioration patterns and does not make allowance for any significant damage caused by severe weather events. The modelling is refreshed every 5 years and the level of funding in the budget will determine whether a steady state, managed decline or improvement strategy will be pursued for each asset. In relation to roads specifically, it is estimated that our backlog figure to bring roads to "good" condition is currently around £270m. The proposed levels of investment in the MTFs, which is significantly above the government grant provision for maintenance, shows an improving picture of road condition overall with the current enhanced programme of investment and subsequent return to a baseline of £40m from 26/27 onwards until the end of the 15 year period.

6.54 Countryside Assets such as rights of way, car parks, visitor centres, information infrastructure, lock gates, bridges and trees all require maintenance and upgrading. With a quarter of the 4,000 enquiries outstanding after Covid, tackled in the last two years, investment in the rights of way network is a statutory duty for the Council. Maintenance of the Basingstoke Canal's navigational and recreational infrastructure is managed on a cyclical programme with locks requiring refurbishment every 20 years. Benches and information boards on the countryside estate have a life span of 15 years, most of which required replacing following the change in agreement with Surrey Wildlife Trust in 2020. Popular car parks require annual maintenance. The Council's Tree Planting programme to plant 1.2m trees by 2030 is underpinned by annual planting programmes with three years of maintenance post planting. Asset management is generally carried out on a reactive basis for most assets except the tree planting and the canal, where an asset management plan sets out the actions required for the Council to fulfil landlord and health and safety duties.

#### Asset Disposals

6.55 Environment, Transport & Infrastructure: The Land Based Asset Management Plan may identify disposals as part of estate-based (several parcels of land located close to each other including a range of assets such

as buildings and land) approaches to investments. All asset disposals are considered by Land and Property’s Corporate Asset Panel to evaluate all potential Council uses before disposal and consideration of best value is given to all disposals.

6.56 Community Protection and Emergencies: When disposing of a vehicle or equipment, at the end of its life, the following factors are considered, to ensure the most appropriate route and best value on the overall investment:

- Maximising re-sale value, however, where public value is best served there may also be alternative routes for disposal within the public sector.
- Security of future proposed use.
- Potential supply of end of life assets to charitable organisations.
- Utilisation of spare parts prior to disposal

**MTFS Capital Budget 2024/25 to 2028/29**

6.57 A total of c£1,291m 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	705
Property	560
IT	27
<b>Total Budget</b>	<b>1,291</b>

6.58 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 73% of the total estimated budget:

- £260m - Highway Maintenance – improvements to roads and footways across the County
- £140m - SEND Strategy – increasing sufficiency of provision for special education needs and disability in schools across Surrey
- £123m - Surrey Flood Alleviation - River Thames Programme (element within the 5-year MTFS)
- £122m - Schools Basic Need – increasing school places and building schools across the County
- £82m - Recurring Capital Maintenance: Corporate (non-schools) – County wide maintenance of service buildings, community facilities and offices
- £60m - Recurring Capital Maintenance: Schools – County wide schools maintenance programme
- £44m - Bridge/Structures Maintenance – improvements and safety maintenance of specialist infrastructure
- £37m – Alternative Provision Strategy – investment in Pupil Referral Unit places and improvements for improved pupil support.
- £37m – Local Highways Schemes
- £35m - A320 North of Woking and Junction 11 of M25 – Homes England grant funded road and junction improvements

## 2024/25 Capital Budget (excluding pipeline)

6.59 c£432m is provisionally included in the draft capital budget for 2024/25 as set out in the table, below. This will need to be thoroughly tested for deliverability prior to the final budget being approved.

**Table 5: 2024/25 Draft Capital Budget by Strategic Capital Group:**

Strategic Capital Group	2024/25 Budget (£m)
Infrastructure	223
Property	197
IT	12
<b>Total Budget</b>	<b>432</b>

6.60 Successful delivery of the 2024/25 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 2024, CPP will work with SCGs on the profiling of the draft budgets to ensure deliverability. The focus of the 2024/25 budget will be on the schemes that comprise the majority of forecast spend. The top 10 schemes account for 65% of the 2024/25 budget:

- £70m - Highway Maintenance – improvements to roads and footways across the County.
- £61m - SEND Strategy – increasing sufficiency of provision for special education needs and disability in schools across Surrey
- £35m - A320 North of Woking and Junction 11 of M25 – Homes England grant funded road and junction improvements
- £21m – Supported Independent Living (Learning Disabilities Phase 1)
- £19m - Schools Basic Need – increasing school places and building schools across the County
- £17m – Surrey Infrastructure Plan – County wide large infrastructure schemes
- £15m – Local Highways Schemes
- £15m - Recurring Capital Maintenance Corporate (non-schools) – County wide maintenance of service buildings, community facilities and offices
- £15m – Looked After Children Schemes (Care Homes & Care Leavers Accommodation)
- £14m - Ultra Low Emission Vehicles

## MTFS Pipeline Schemes 2024/25 to 2028/29

6.61 **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	390
Property	186
IT	5
Your Fund Surrey	30
<b>Total Pipeline</b>	<b>611</b>

6.62 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.

6.63 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:

- £139m - Farnham Infrastructure Programme A31 Hickleys Corner
- £87m - Surrey Infrastructure Plan – County wide large infrastructure schemes
- £64m - Greener Futures - Net Zero 2030 – measures to reduce the Council’s carbon emissions
- £39m – Supported Independent Living (Learning Disabilities Phase 2)
- £35m - Extra Care Housing – part of the strategic ambition to building 725 units of affordable accommodation across Surrey by 2030
- £30m – Your Fund Surrey; investing in community-led place-making or place-improving projects.
- £21m – Materials Recovery Facility – construction of MRF in Surrey to deal with dry mixed recyclable material arising from kerbside collections
- £18m – Farnham Infrastructure Programme (Town Centre)
- £18m – Reigate Priory School
- £16m – Ultra Low Emission Vehicles (Bus Companies)

6.64 Of the total pipeline allocation in the MTFS, c.£252m or 41% is proposed for schemes that contribute to reducing carbon emissions, tackle climate change and enable a greener future for residents. A further £386m is included in the capital budget, bringing the total to c.£638m. 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.

6.65 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.

6.66 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 23/24

7.1 The Month 6 Finance Update report is reported to the same Cabinet on 28th November. Headline performance is set out below.

7.2 **Revenue:** As at September 2023 (Month 6), Directorates are projecting a full year overspend of £20.9m, reducing to £0.9m after the application of the Council’s contingency budget. The Directorate positions continue to be challenging, recognising the impact continued high inflation has on the cost of delivery of our services and specifically the very significant price increases felt in relation to childrens’ placements and Home to School Travel Assistance contracts.

7.3 The current level of projected overspend is in excess of the contingency budget held and it is therefore imperative that this reduces before we reach the end of the year. Otherwise, there could 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.

- 7.4 The Council remains committed to budget accountability and the budget envelope approach and therefore Directorates which are currently forecasting an overspend position are expected to put in place mitigating actions to offset the residual forecast overspend position.
- 7.5 **Capital:** The Council approved a capital budget for 2023/24 of £308.7m in February 2023, after adjustments for carry forwards and acceleration the opening capital budget was £326.4m. In Month 5, the Council undertook a capital budget re-set, to ensure the budget reflected revised spend profiles more accurately, taking into account known delays, additional in-year approvals and reflecting the current supplier market and wider economic conditions impacting on programme delivery.
- 7.6 The forecast at M6 is for full year spend of £267.6m, representing a £0.4m variance against the re-set capital budget of £267.2m. 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 2023/24 Month 6 (September) Financial report to Cabinet on 28th November 2023.
- 7.8 Many of the factors impacting the 2023/24 expected outturn position for both revenue and capital will continue into 2024/25 and the medium term. Budget estimates for 2024/25 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 2024/25 are included in the starting point for 2024/25. Demand pressure trajectories have also been continued into 2024/25 in relation to those services experiencing pressures over and above the budget assumptions in 2023/24, specifically within adult social care and children's services. This provides confidence that the underlying budget, overall, is realistic and deliverable.

## 8. MEDIUM TERM FINANCIAL OUTLOOK AND STRATEGY 2024/25 TO 2028/29

### 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 2028/29, the Council will need to close a gap of c.£245m.
- This is driven by:
- Growth pressures: including demand and inflation: c£418m;
  - Increased borrowing costs of the capital programme: £46m;
- Offset by:
- An overall increase in funding: c£109m;
  - Less efficiencies identified to date: c£110m.
- 8.2 Although our immediate priority is understandably closing the gap and setting a balanced budget for 2024/25, we also need to focus on the medium-term. Transformation and service delivery plans are being developed now to identify opportunities to improve our medium-term financial outlook. These proposals will continue to iterate as plans and projections gain more certainty.

#### Table 7: MTFS Gap to 2028/29

	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£m	£m	£m	£m	£m	£m
Brought forward budget	1,101.9	1,190.2	1,266.0	1,336.0	1,393.0	
Directorate Pressures	130.2	78.0	79.9	63.7	66.1	<b>418.0</b>
Increased borrowing costs of Draft Capital Programme	13.2	8.2	8.6	7.8	7.8	<b>45.6</b>
Identified Efficiencies	(55.2)	(10.5)	(18.5)	(14.5)	(10.8)	<b>(109.5)</b>
<b>Total Budget Requirement</b>	<b>1,190.2</b>	<b>1,266.0</b>	<b>1,336.0</b>	<b>1,393.0</b>	<b>1,456.1</b>	<b>354.1</b>
Change in net budget requirement	88.3	75.8	70.0	57.0	63.1	354.1

<b>Opening funding</b>	<b>1,101.9</b>	<b>1,176.7</b>	<b>1,199.1</b>	<b>1,199.8</b>	<b>1,205.2</b>	
Funding (reduction) / increase	74.8	22.4	0.7	5.4	6.1	109.4
<b>Funding for Year</b>	<b>1,176.7</b>	<b>1,199.1</b>	<b>1,199.8</b>	<b>1,205.2</b>	<b>1,211.3</b>	

<b>Overall Reductions still to find</b>	<b>13.5</b>	<b>66.9</b>	<b>136.2</b>	<b>187.8</b>	<b>244.8</b>	
Year on Year - Reductions still to find	13.5	53.4	69.3	51.6	57.0	244.8

## Council Tax

- 8.3 A neutral scenario for Council Tax has been modelled assuming a Band D rate increase of 1.99% from 2025/26 onwards. The variable used is the tax base which has been modelled at a 0.70% growth on an ongoing basis.
- 8.4 No assumption is currently made on the level of Adult Social Care precept from 2025/26.
- 8.5 It is important to note that the Council's main funding source is Council Tax. On average, this funds 77% of net revenue expenditure, the impact of the increased cost-of-living 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. Given no changes are likely until after the next General Election, current modelling assumptions use 2026/27 as the earliest possible opportunity for these changes to be implemented.
- 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 have assumed transitional arrangements will be put in place to phase the impact of the reduction.

## Business Rates

- 8.8 For the period of the MTFs, a 0.5% growth in business rates annually has been modelled. Further growth has been factored in through the multiplier, which is predicted to be frozen again in 2024/25, with the government compensating authorities through a S31 grant for this. From 2025/26, the multiplier has been modelled as increasing in line with inflation.
- 8.9 Business Rates reform is modelled from 2026/27 onwards, although timings of this remain uncertain. Once implemented, the Council anticipates an initial increase to Business Rate retention, offset by a significant decrease to grant income. 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 The services grant (£4.6m) is predicted to cease from 2025/26, with most other grants remaining unchanged. Post reform, currently modelled in 2026/27, it is likely the majority of grant income will be eliminated, although the scale of this might be dampened by transitional funding arrangements. No information on the timing or specific impact of this is yet confirmed.

## 9. ENGAGEMENT AND CONSULTATION

8

9.1 Over the summer of 2023, the council engaged with residents, organisations and Members to inform the draft budget. This is in line with the council's priority objective for Surrey to have empowered and thriving communities to enable more people to participate, engage and have a say in how things are done on matters that impact them and where they live.

9.2 For this phase of engagement, the council asked for insight from stakeholders on:

- The outcomes they felt the council should be focused most on using its resources to deliver. Stakeholders were asked to choose priorities out of 11 outcomes, based on the Community Vision for Surrey in 2030 and Organisation Strategy 2023 – 2028 and simplified to make it easy for all residents to respond. These outcomes were:
  - Better public transport connections for easier, more predictable journeys
  - Better roads and pavements
  - Enabling people of all ages to access education and skills
  - Making our communities safer
  - Promoting better health and wellbeing for all residents
  - Protecting and enhancing Surrey's countryside and biodiversity
  - Providing care for adults and children who need us most
  - Reducing waste and increasing recycling
  - Reinvigorating town centres and high streets
  - Stronger community relations through local community networks and support
  - Supporting local businesses to prosper and grow the economy
- How the budget should be allocated.
- How the council should approach balancing its budget.
- Under what circumstances they would be most supportive of a council tax increase.

9.3 The council used a range of methods to gather quantitative and qualitative data to generate insight from stakeholders, which mirrors approaches other county councils take to budget engagement. Over 1,600 stakeholders provided their views. Methods used included:

- commissioning a YouGov survey with a statistically representative sample by age and gender of 614 Surrey residents. Participants were selected from each of Surrey's 11 district and borough authority areas. This produced the quantitative data used for this report so the views of the whole of Surrey's adult population are reflected.
- running an open survey exercise simultaneously on the Surrey Says consultation platform so all residents had an opportunity to have their say. The survey ran from 8 September 2023 to 6 October 2023, and 891 residents took part. The results from this were used to inform the qualitative findings of this report. Survey respondents were self-selecting, which means the results should not be treated as representative of the whole of Surrey's population.
- an additional open survey was shared with partner organisations and elected officials at the same time as the open resident survey. Responses were received from 50 stakeholders – 39 represented

a charity, voluntary or local community group, 1 was from a local business, 1 from a local authority in Surrey and the 3 were from organisations such as local authority trading companies or community centres. The remaining 6 were elected officials representing county, district, borough or parish and town areas. As above, these also informed the qualitative findings of this report.

- officers attending existing community events, such as Surrey Pride, to promote the open survey and gather residents' views in person. Over 100 residents were spoken to across these events.
- carrying out a desk-based review of existing insight gathered by the council since 2021 to assess how residents' priorities had changed, or stayed the same, over time.

9.4 In addition to attending events to promote the open survey, the council made extensive use of social media by posting questions on X, Facebook and Instagram to signpost people to the open survey, and through an article on the Surrey Matters website and newsletter. This generated 92,663 impressions – the number of times the advertisement appeared on peoples' screens – and 3,827 click throughs to the survey. Surrey County Council Members and Community Link Officers were also encouraged to promote the survey with local residents in their areas.

## Key messages

### Priority outcomes

9.5 Supporting the most vulnerable residents, particularly providing care for adults and children who need it, was a top priority for all stakeholders. 80% of residents responding to the Yougov survey said this was a top priority, and organisations rated this as the most important area for the council to focus on. Residents taking the open survey also believed focusing resources on supporting the most vulnerable was important, with some also highlighting the needs of people experiencing inequalities:

- *“Providing care to those who most need it is the most basic and fundamental requirement.”*
- *“Social care is very underfunded, puts families under greater stress, nothing done until crisis point reached, causing even more misery.”*
- *“It feels that the divide between those who can afford to live, and those who can't and need help is growing. Those right at the bottom on benefits, in social housing, unemployed, dealing with addictions, mental health problems and debt are drowning and more needs to be done to help them earlier.”*

9.6 The other top priorities highlighted by the Yougov survey were improving the county's roads and pavements (89%), making communities safer (83%) and better public transport (80%).

9.1 On roads and pavements, some residents who responded to the open survey were keen that the council invested more in maintenance and repairs to keep motorists and pedestrians safe and avoid incurring costs from damage caused to their vehicles. Others saw the importance of this outcome as helping contribute to reductions in the use of road vehicles and building more cycling infrastructure.

- *“Dangerous roads and pavements lead to accidents which result in health issues for constituents.”*
- *“Better roads and pavements will lead to less accidents, less braking and accelerating, make life easier for those using wheelchairs or pushing children's buggies.”*
- *“By improving roads, pavements and cycleways, and making them safer, this will encourage more people to walk and cycle for short journeys which will improve the environment and reduce the number of cars locally.”*

9.2 Residents wanted more of a focus on safety across a range of different areas, including road safety and areas outside of the council's responsibility, such as policing.

- *“Crime is rising and more police need to be seen around [Guildford], with PCSOs back patrolling the areas.”*



- *“Safety for our community is my main concern. Reducing speeding cars, motorbikes, lorries etc should be a priority.”*
- 9.3 Residents expressed their desires for more investment in public transport and active travel solutions. This included expanding the bus and rail offer in Surrey, and more infrastructure and options for residents who wanted to cycle more. Some referred to increased public transport and accelerating the move to electric vehicles as key tactics for helping to tackle climate change, and the positive impacts for health and wellbeing from increased cycling.
- *“Public transport and good care are vital for the well-being of vulnerable people...this is also vital for the economy, tackling air pollution and improving job prospects for mobility.”*
  - *“Public transport must be improved if we are to move away from the current dependency on cars.”*
- 9.4 A strong theme that emerged through the open survey was residents’ desire for the council to do more to tackle the climate emergency. Their motivations were based on the impact of climate change on current and future generations, need to find ways to mitigate against it and anxiety on what might happen if no action is taken:
- *“The climate emergency is the most pressing issue of our time...it is even more pressing that local authorities to step up, be brave about their targets and put funding where it is most needed – saving our planet.”*
  - *“All the above outcomes are about the Surrey Community, however there will be no communities if we (residents, Councillors, Governments) globally do not do anything about Climate Change now, our children's children will suffer because we did nothing to combat this.”*
  - *“[Climate change] would be my top priority for the council.”*
- 9.5 Organisations that responded were more likely to suggest the council should prioritise providing care for adults and children that need it most, promoting better health and wellbeing for all residents and enabling greater access to education and skills for all ages. They were least likely to prioritise improvements to roads and pavements, reinvigoration of town centres and high streets and reduced waste and increased recycling.
- 9.6 On promoting the population’s health and wellbeing, organisations felt that this would lead to better overall outcomes for people across their lifetimes, and important for preventing future demand that could exacerbate existing pressures on acute services across health and social care. Some participants thought that a healthier population would also lead to more progress on other priorities:
- *“...if you empower residents and put their wellbeing first, you will have a stronger community who will help themselves.”*
  - *“The priority of the population has to be health. Without that and education, society cannot function to its full potential.”*
- 9.7 By focusing on getting investment in these priority outcomes right, and taking a preventative approach, stakeholders thought that this would support efficiencies over the longer term and less demand for crisis response:
- *“If we catch people who are struggling earlier, I believe we can provide them with less help over the timeframe, ultimately costing less in resources.”*
  - *“Whilst there has for many years been a big push to keep older people in their own homes, the reality is that much of the preventative work has either been cut back completely or disappeared.”*

9.8 Some respondents to the open surveys struggled with the idea of prioritising outcomes among those presented as they felt that all of them were important and worthy of equal attention. However, others felt the council had a core set of specialisms that should be prioritised and it should try to do less in some spaces:

- *“Faced with difficult choices, the county council needs to prioritise getting its unique areas of expertise right rather than having too wide an agenda. Where other organisations can pick up activity, everyone shouldn’t feel they need to be involved.”*
- *“Such difficult choices for us and those making final decisions, they’re all important.”*

#### Use of resources

9.9 Stakeholders taking the representative and organisation surveys were asked for their views on how the council should allocate its resources. The choices offered to them were to allocate resources to:

- services that benefit the majority of residents or services that benefit those with the greatest needs, such as residents with disabilities and additional needs.
- local areas with the highest number of people with poor health or across all local areas in Surrey.
- meet the needs of residents today or meet the long-term future needs of residents.

9.10 Residents said it was more important to allocate resources to:

- services that benefit the majority of residents (58%). Younger residents aged 18 to 25 however preferred to allocate resources to benefit those with greatest needs (47%).
- all local areas across Surrey (65%). This reflected the even views of respondents across all parts of the county wanting resources to be allocated equitably. Again, younger residents were more likely than other age groups to prefer allocating resources to places where residents were in poor health (48%), although the majority still wanted broad distribution across the county.
- meet the future long-term needs of residents (47%), although a significant minority still wanted the focus to be on issues impacting residents now (45%).

9.11 Organisations were more likely to say it was more important to allocate resources to:

- services that benefit those with the greatest needs such as residents with disabilities and additional needs.
- meeting the long-term future needs of residents.
- local areas with the highest number of people with poor health.

#### Balancing the budget

9.12 Stakeholders were asked to give their views on different approaches that the council could approach to balancing its budget. This is defined as the total costs of delivering services not exceeding income received from sources such as council tax. They were asked for their views on:

- introducing charges for services which are currently free or subsidised.
- reducing or stopping some services to protect others.
- providing local people and communities with the tools to support others and set and deliver local priorities.
- equipping Surrey County Council staff with the skills to work together with communities and partners to deliver services across the county.
- working with partner organisations to provide services.

9.13 Most residents supported equipping staff to work with partners and communities (83%), increased partnership working (80%) and providing local communities with tools to support themselves more (80%). Most residents opposed the idea of reducing or stopping services to protect others (51%) and introducing charges for free or subsidised services (62%).

9.14 Organisations were most likely to support the council on providing local communities with the tools they need to support others and set local priorities, empower them to help themselves so they are less reliant on publicly funded services and work with partner organisations to provide services.

9.15 There was more division on issues of introducing charges for services and the idea of reducing or stopping some services to protect others. On charging, 20 stakeholders either tended to support or strongly supported this approach, while 22 either tended to oppose or strongly opposed this. On reducing or stopping services, 17 stakeholders either tended to support or strongly supported this while 24 either tended to oppose or strongly opposed these approaches.

9.16 26 organisations put forward suggestions for other tactics the council should adopt to support a balanced budget. These suggestions were wide-ranging and included enhanced partnership working, tackling fraud, reducing reliance on consultants and removing barriers for smaller local organisations to be more competitive in tendering processes for contracts.

#### Council tax increase - scenarios

9.17 Finally, residents in the Yougov survey were asked to indicate the circumstances under which they would support or oppose a council tax increase. The scenarios residents had to respond to were:

- as an alternative to imposing/increasing fees and charges for services.
- if the additional funds will be used to finance long-term investment plans.
- only when opportunities to streamline services have been exhausted.
- to protect services for the most vulnerable and those without choices.
- under no circumstances.
- when the only alternative is to stop delivering some services.

9.18 The two scenarios that were most supported and least opposed were to protect services for the most vulnerable (65% supported, 28% opposed) and when opportunities to streamline services had been exhausted (59% supported, 31% opposed).

9.19 The most opposed scenario was where council tax was increased as an alternative to imposing or increasing fees and charges (33% supported, 56% opposed). There was also less appetite for an increase to support the financing of long-term investment (39% supported, 49% opposed).

9.20 Residents were also offered an option to say that they would not support any council tax increase under any circumstances. 38% of residents indicated that they supported this option. However, 44% of residents did not agree with this, reflecting that there were legitimate circumstances when council tax may need to rise.

9.23 The results from this engagement work should be considered by Cabinet as it finalises the budget to present to Council in February 2024. Stakeholders have provided a clear set of messages for Members on what they consider to be the most important issues facing Surrey and how the council should prioritise the use of its financial resources.

9.24 If Cabinet agrees this draft budget at its meeting on 28 November 2023, this will signal the start of a new consultation exercise with stakeholders. The purpose of this is to provide residents and organisations with information on key proposals in this draft budget, and seek their views on the financial efficiencies that the council is pursuing. Where further consultation will be required on some of these efficiencies, this will be clearly highlighted.

## Equality impacts

8

- 9.25 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). Given the nature of the services we provide as a local authority, we already ensure that services are delivered in a way that appreciates resources are finite and should therefore be targeted to areas where they are needed most. This means it is challenging to avoid all scenarios where some vulnerable groups are affected. EIAs, therefore, are one of many measures we use to guide budget decisions and manage the risks of any potential negative equality impacts. Completed EIA documents that have been approved by the relevant Executive Director and Cabinet Member will be included in the final Budget paper alongside an overview of the cumulative impact of proposed changes.
- 9.26 The Council considers impacts on the nine characteristics protected under the Equality Act 2010, such as Age and Disability, but also a range of other vulnerable groups, for example, those at socio-economic disadvantage, Gypsy, Roma and Traveller communities and those experiencing homelessness. Some information on the equality analysis of each Directorate's budget will be considered by Select Committees and a full equality analysis will be presented with the final budget in early 2024. As the development of this analysis is a moving picture, our understanding of the anticipated impacts, as well as any mitigations put in place, is liable to change as finer details of the budget are refined and activity related to delivering against efficiencies is planned.
- 9.27 Some budget proposals may not have enough detail or activity planned out to enable a comprehensive and thorough equality analysis at this time. Where this is the case, some provisional information that is more narrative based will be developed within services and made available for senior officers and Cabinet Members to review. This analysis will also be factored into the Cumulative Impacts report.
- 9.28 As information on the equality analysis is made available by services, we are beginning to identify which groups at this stage look to potentially be disproportionately impacted in both positive and negative ways by some of the draft spending proposals. Services have also begun to identify what mitigations they will put in place to minimise negative impacts and maximise positive ones. The main characteristics likely to be disproportionately impacted are: Older adults and their carers, and adults of all ages with physical, mental and learning disabilities and their carers; children and young people, including those with special educational needs and disabilities (SEND), and families; and Staff and residents facing socio-economic disadvantage.
- 9.29 These groups are mainly likely to be impacted through efficiencies related to changes to: 'Front-door' services that may have additional accessibility considerations, changes to services where the makeup of service users/ residents or staff have over-representations of particular characteristics (in particular services related to vulnerable adults or children), and changes to our funding arrangements with partners who deliver services to certain vulnerable groups.
- 9.30 Most of the way residents and staff with protected characteristics are impacted through these changes are positive, given the way we deliver services to those who are most in need. The approach we take towards budgeting aligns with our overarching ambitions to improve outcomes for residents and ensure no one is left behind. For example, there are a number of proposals aimed at helping vulnerable children, including those that prioritise placing looked after children within the county and closer to friends and supportive communities. We have also proposed changes to the way adult social care is delivered to help ensure more support for people at home. These are changes that will have important positive impacts on the community, and the equality impact assessments services carry out are only one of many ways we capture this.

9.31 Whilst the mitigations against potential negative impacts can vary from efficiency to efficiency, or service to service, some themes have begun to emerge. Many services have committed to using co-design, consultation and engagement methods to produce services that are responsive and focus on supporting people that need them most. Services have also committed to invest in preventative activity and early-intervention measures to help enable better outcomes earlier and avoiding having to resource high-cost intensive activity that leads to greater pressures on our budget. They have also committed to work closely with strategic partners to mitigate impacts where relevant.

## 10. NEXT STEPS

- 10.1 The Final 2024/25 Budget Report and Medium-Term Financial Strategy will be presented to Cabinet in January 2024 and Full Council in February 2024.
- 10.2 Select Committees have been involved throughout the budget setting process for 2024/25 – 2028/29. Early planning assumptions, key challenges and budget envelopes were shared in July. During these sessions, areas of focus for identifying opportunities for efficiencies and areas of key challenge and risk were identified. Sub-groups of each of the Select Committees were set up to explore these areas in more detail. During October and November, further budget updates were provided to the Select Committees, updating on progress on the Draft Budget proposals, including getting specific feedback from the sub-groups. Throughout the process, the Budget Task Group has also been provided with details on the in-year financial position, core planning assumption updates, plans for engagement and consultation, and a number of other areas of focus determined by the Chair and members of the group. Select Committees will undertake further 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 will be 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 2024/25 to Cabinet and Full Council for approval. The focus for the intervening period is to resolve the budget gap of £13.5m. 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 2024/25 budget 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 the Council's level of reserves, recognising the need to balance ongoing financial resilience with ensuring funds are put to best use.
  - Consider further Council Tax rises, balancing the need to provide sustainable services for the most vulnerable with a recognition of the pressures on household finances.
  - Review Directorate budget envelopes for further efficiencies; and
  - Continue to review opportunities and drive further cross cutting efficiencies.

This page is intentionally left blank

## ANNEX A: PRESSURES & EFFICIENCIES

### SUMMARY

	2024/25	2025/26	2026/27	2027/28	2028/29
	£m	£m	£m	£m	£m
a) Brought forward budget	1,101.9	1,190.1	1,265.7	1,335.8	1,392.7

### Pressures

Directorate	Pressure					Total
	2023/24	2024/25	2025/26	2026/27	2027/28	
	£m	£m	£m	£m	£m	£m
Adults, Wellbeing & Health Partnerships	47.1	55.5	60.7	43.6	45.5	252.4
Children, Families and Lifelong Learning	39.9	13.5	12.7	12.0	12.4	90.5
Environment, Transport and Infrastructure	26.4	3.9	2.5	3.8	3.7	40.4
Surrey Fire & Rescue Service	2.3	1.1	0.9	1.0	1.0	6.2
Customer and Communities	1.8	0.9	0.7	0.7	0.7	4.7
Prosperity, Partnerships and Growth	0.1	0.0	0.0	0.0	0.0	0.2
Comms, Public Affairs & Engagement	0.5	0.1	0.0	0.0	0.0	0.7
Resources	5.2	3.0	2.5	2.5	2.6	15.8
Central Income and Expenditure	20.1	8.2	8.6	7.8	7.8	52.5
<b>b) Total Pressures</b>	<b>143.4</b>	<b>86.2</b>	<b>88.5</b>	<b>71.5</b>	<b>73.9</b>	<b>463.6</b>

### Efficiencies

Directorate	Efficiency					Total
	2024/25	2025/26	2026/27	2027/28	2028/29	
	£m	£m	£m	£m	£m	£m
Adults, Wellbeing & Health Partnerships	(24.0)	(7.3)	(6.7)	(7.1)	(5.6)	(50.7)
Children, Families and Lifelong Learning	(9.0)	(9.7)	(10.1)	(6.9)	(4.9)	(40.6)
Environment, Transport and Infrastructure	(15.6)	8.5	(1.2)	(0.4)	(0.4)	(9.1)
Surrey Fire & Rescue Service	(0.7)	(0.1)	(0.4)	0.0	0.0	(1.2)
Customer and Communities	(1.3)	(0.0)	0.0	0.0	0.0	(1.4)
Prosperity, Partnerships and Growth	(0.2)	0.0	0.0	0.0	0.0	(0.2)
Communications, Public Affairs & Engagement	(0.4)	0.0	0.0	0.0	0.0	(0.4)
Resources	(4.0)	(1.9)	(0.1)	(0.1)	0.0	(6.0)
Central Income and Expenditure	0.0	0.0	0.0	0.0	0.0	0.0
<b>c) Total Efficiencies</b>	<b>-55.2</b>	<b>-10.5</b>	<b>-18.5</b>	<b>-14.5</b>	<b>-10.8</b>	<b>-109.5</b>

<b>Indicative Budget Requirement (a + b - c)</b>	<b>1,190.1</b>	<b>1,265.7</b>	<b>1,335.8</b>	<b>1,392.7</b>	<b>1,455.8</b>	<b>354.0</b>
<b>d) Indicative funding increase / (reduction)</b>	<b>74.8</b>	<b>22.4</b>	<b>0.7</b>	<b>5.4</b>	<b>6.1</b>	<b>109.4</b>
<b>Remaining Gap (b - c - d)</b>	<b>13.5</b>	<b>53.4</b>	<b>69.3</b>	<b>51.6</b>	<b>57.0</b>	<b>244.7</b>

\*Columns and rows may not sum throughout the annex due to the impact of minor rounding discrepancies

## ADULTS, WELLBEING & HEALTH PARTNERSHIPS

### Pressures

Pressure	Description	Net Pressure					
		2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Total £m
ASC Price inflation (care packages & contracts)	Estimated cost of price inflation taking into account forecast increases to key inflation indicators including the NLW & CPI prior to market absorption efficiencies	33.2	24.4	25.1	26.7	28.0	137.4
Public Health Contract Inflation	Contract inflation on Public Health commissioned contracts	0.8	0.7	0.7	0.7	0.7	3.5
Care package carry forward pressure from 2023/24	Estimated extent to which care package full year commitments will be higher than the 2023/24 budget at year end and therefore carry forward as a pressure against the 2024/25 budget	10.3					10.3
Care package demand in future years	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 and other drivers of demand for Older People, Physical & Sensory Disabilities 25+ Learning Disabilities & Autism 25+ and Mental Health.	5.3	13.3	13.6	13.8	14.3	60.3
Community equipment demand	ASC's share of the estimated increased expenditure requirement on the joint community equipment store (a pooled budget with ICB health partners) based on rising demand.	0.3	0.4	0.4	0.5	0.6	2.2
Assessed charges debt	Creation of a budget allowance for write offs and increases to the bad debt provision given rising levels of assessed charges debt in the context of increased charging income.	2.0					2.0
Pay inflation	Estimated cost of pay inflation modelled at 4% 24/25, 3% 25/26 and 2% 26/27, 27/28 & 28/29	3.5	2.7	1.9	1.9	2.0	12.0
End of transformation funding for ASC programmes	Ongoing costs for ASC's Accommodation with Care & Support and Learning Disabilities & Autism programmes formerly funded out of the Corporate Transformation fund and funded temporarily by reserves in 2023/24	2.1					2.1
Other staffing budget changes	Pay progression, the cost impact of deleting pay scale 1, non-pay inflation for staffing budgets and increased staffing requirements to meet capacity demands	1.7					1.7
Closure of Arundel in-house learning disability services	Results in a reduction in FTEs but there is no ASC budget change as the current in-house budget is being transferred in full to the ASC care package budget as the cost of replacement care externally is expected to be broadly the same as the current in-house cost						0.0
Adult Social Care Charging and Fair Cost of Care reforms	Latest estimate of the potential funding gap created by the ASC Charging and Fair Cost of Care reforms based on the latest mid-point of estimated additional costs of the reforms compared to potential government funding based on DHSC funding consultation		14.0	19.0			33.0
Increase to Better Care Fund income for Adult Social Care	Additional income to ASC based on the 2 year BCF plan approved by Surrey's Health & Wellbeing Board for the period 2023/24 to 2024/25	(3.0)					(3.0)
ASC Market Sustainability & Improvement Fund	Published increase to the main MSIF grant, plus SCC's expected MSIF Workforce Fund allocation in 2024/25	(8.1)					(8.1)
ASC Discharge grant funding	Expected increase to this grant	(1.1)					(1.1)
<b>Total Pressures</b>		<b>47.1</b>	<b>55.5</b>	<b>60.7</b>	<b>43.6</b>	<b>45.5</b>	<b>252.4</b>



## ADULTS, WELLBEING SOCIAL CARE

### Efficiencies

Efficiency	Description	Efficiency						EIA Status
		2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Total £m	
Demand management - Older People	Mitigating some of the cost of increased demand for ASC services included in pressures based on the current demand trajectories for each client group through a range of actions including embedding strengths based practice, redesigning the front door, utilising technology enable care services, maximising the benefit of reablement services.	(1.3)	(2.1)	(2.8)	(3.2)	(3.4)	(12.8)	A combined Equality analysis is being produced across all ASC efficiencies as they have overlapping impacts and mitigations.  The main protected characteristics likely to be impacted are Older adults, adults with disabilities, and women.  Young adults may be particularly impacted by efficiencies relating to mental health service provision.  Black and Minority Ethnic men typically experience poorer access to, and use of, healthcare for a range of services and will need to be closely monitored.  There are a combination of both positive and negative impacts related to these planned efficiencies and mitigations will be put in place to ensure that any potential positive impacts are maximised and any potential negative impacts are minimised.
Demand management - Physical & Sensory Disabilities		(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.8)	
Demand management - Transition for Learning Disabilities & Autism		(0.1)	(0.3)	(0.5)	(0.8)	(1.0)	(2.7)	
Demand management - Mental Health		(0.2)	(0.5)	(0.7)	(0.6)	(0.5)	(2.5)	
Learning Disabilities & Autism strength based reviews	Reviews of additional personalised support for residential care and supported living care packages to check it is still set at an appropriate level for people who are well settled in their care settings	(0.5)	(0.7)	(0.7)	(0.6)	(0.2)	(2.7)	
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.	(0.3)	(0.3)	(0.3)	(0.3)		(1.1)	
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)		(0.3)	
Strategic shift from Learning Disability / Autism residential care to supported 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.	(0.3)	(0.1)	(0.1)			(0.5)	
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)	(0.7)	(0.9)	(0.1)	(1.7)	
Reduce cost of county care packages	Reducing expenditure on people who are receiving care funded by SCC outside of Surrey through either transferring to the host local authority where appropriate, ensuring appropriate funding from local health commissioners or supporting people to move back into Surrey with better outcomes at lower cost.	(1.0)	(1.0)				(2.0)	
Improved purchasing of Older People nursing/residential placements	Purchase 80% of Older People nursing & residential care placements at SCC's affordable guide prices and limit the cost of placements purchased above guide prices through effective management of the SCC's Dynamic Purchasing System.	(1.5)	(1.1)	(0.6)	(0.4)	(0.1)	(3.7)	
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 dynamic purchasing system	(0.2)					(0.2)	
Mitigation of Adult Social Care price inflation	Reduction on the gross budgeted price inflation on care packages and contracts through mitigating actions which include working closely with the provider sector on models of care and costs of service delivery.	(9.1)	0.0	0.0	0.0	0.0	(9.1)	
Review of Older People in-house services	The final savings related to the completion of the closure of 8 Older People residential care homes operated in-house by the Council following the decision made by Cabinet in February 2022 to close the homes.	(6.1)					(6.1)	
Review of Learning Disability in-house services	The remaining full year effect of efficiencies achieved through the conversion of services at the Rodney and Landgown sites from residential to supported independent living	(0.3)					(0.3)	
Review of in-house services to specialist housing settings	ASC is ceasing to provide in-house staffing resources in some specialist housing settings. Care packages with external ASC providers will be sourced for people in these settings with eligible needs under the Care Act.	(1.0)					(1.0)	
Workforce redesign	Efficiencies to be identified through ASC's workforce redesign programme	(1.0)	(1.0)				(2.0)	
Discretionary services	Removal of budgets for discretionary services where there is not clear evidence that they are preventing care package demand	(0.4)					(0.4)	
Mitigation of Public Health contract inflation	Limiting or avoiding inflationary uplifts where they are not a fixed contractually or changing service delivery outside of fixed contracts to mitigate inflation pressures	(0.5)					(0.5)	
<b>Total Efficiencies</b>		<b>(24.0)</b>	<b>(7.3)</b>	<b>(6.7)</b>	<b>(7.1)</b>	<b>(5.6)</b>	<b>(50.7)</b>	

## CHILDREN, FAMILIES AND LIFELONG LEARNING

### Pressures

Pressure	Description	Net Pressure					Total £m
		2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	
Pay inflation	Increase in staffing costs as per the corporately agreed pay award. Currently estimated at 4% in 24/25, 3% in 25/26 and 2% thereafter	5.6	4.3	3.0	3.0	3.1	19.0
Re-unification team	Currently funded by one off funding, the need to fund these posts longer term in order to deliver the financial benefits	0.3					0.3
Quality assurance and performance	Additional resources required ongoing from one off funding in 2023/24 meeting increases in demand	0.8					0.8
Recruitment and retention - market supplements	Proposed increases in market supplements which is an ongoing proposition one off funded in 2023/24	1.3					1.3
Recruitment and retention - Pathways to Social work	Restructuring of vacancies in the system currently mitigating agency pressures	1.0					1.0
Recruitment and retention	Additional costs of ASYE scheme, apprenticeships	0.2	0.2	0.2			0.5
Early Help and family support	Implementation of the intensive family support service as an ongoing service, funded with one off funding in 2023/24	1.3	0.2				1.6
EHCP timeliness	The long term ongoing costs of being able to meet the timeliness of EHCP referrals			1.0			1.0
Children Looked After (CLA) Placements - Demand	Trajectory modelling of anticipated demand increases	1.1	1.7	2.1	2.6	2.6	10.2
Children Looked After (CLA) Placements - inflation	Trajectory modelling of anticipated inflationary increases (5% in 24/25)	4.6	2.3	2.5	2.6	2.8	14.8
Children Looked After (CLA) Placements - Historic pressure	Projected overspend in 23/24 which will roll forward into 24/25	10.1					10.1
Home to School Travel Assistance - Historic pressure	Projected overspend in 23/24 which will roll forward into 24/25	2.0					2.0
Home to School Travel Assistance - Demand	Trajectory modelling of anticipated demand increases	1.7	1.6	1.5	1.5	1.6	7.9
Home to School Travel Assistance - Inflation	Trajectory modelling of anticipated inflationary increases (5% in 24/24)	3.6	2.2	1.5	1.3	1.3	9.9
Special Guardianship Order rates	Increase in rate in line with legislation to match foster carer rates	1.7					1.7
Contract inflation	Assumed inflation on key contracts at 5% for 2024/25 based on current market projections	1.9	0.9	1.0	1.0	1.0	5.8
Pay inflation (non SCC T&Cs)		0.3					0.3
CWD packages of care - Historic demands	Increased numbers of CWD requiring support	1.5					1.5
Care Leavers	Consistent high level demand for care leaver accommodation has caused pressures to the existing budget.	1.0					1.0
<b>Total Pressures</b>		<b>39.9</b>	<b>13.5</b>	<b>12.7</b>	<b>12.0</b>	<b>12.4</b>	<b>90.5</b>

# CHILDREN, FAMILIES AND LIFELONG LEARNING

## Efficiencies

Efficiency	Description	Efficiency						Total £m	EIA Status
		2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m			
Home to School Travel Assistance	Full year effect of efficiencies in 23/24 focused on route optimisation and reduction of solo vehicle use	(2.6)	(2.4)	(2.5)	(2.6)	(2.7)	(12.8)	There is likely to be both positive and negative impacts on children and young people with disabilities, with over 4,000 children in Surrey having EHCPs. Those aged 5-15 are also most likely to be disproportionately impacted. There is also a risk of adverse impacts on children of a non-statutory age, who will no longer be eligible for free transport except for those with extenuating circumstances.	
Annual Procurement Plan	Estimated blended 10% reduction on contracts due for re-procurement in 24/25	(1.0)					(1.0)	Full equality analysis to be carried out on individual contracts as and when appropriate.	
Children Looked After (CLA) Placements - Reunification	Dedicated team supporting social work practices to help children return home	(0.7)	(0.8)	(0.8)	(0.9)	(0.9)	(4.2)	Initial assessment of the service found no disproportionate impacts or equalities considerations. Further work is being done to understand the user base of the service to better assess impacts and measure performance on an ongoing basis. EIA to be reviewed in the new year.	
Children Looked After (CLA) Placements - Early help and family support	Ability to reduce escalations of need for children and avoid entry to care	(0.0)	(0.3)	(0.4)	(0.0)	(0.0)	(0.7)	No equality analysis required	
Children Looked After (CLA) Placements - Adolescence	Collaborative working across teams targetted at avoidance of entry to care for teenagers.	(0.5)	(1.6)	(1.7)	(1.2)	(0.1)	(5.2)	No equality analysis required	
Children Looked After (CLA) Placements Coming home / big fostering	Stepping down children into fostering care from residential placements through targetted and supportive working	(0.5)	(0.5)	(0.3)	(0.3)	(0.1)	(1.7)	Given the nature of the changes there will be impacts on looked after children as more people move from residential settings to foster care settings. There will be positive impacts for younger people moving to settings that provide better long-term outcomes. The increase in choice of provision will benefit younger people with disabilities, children of different sexes, and children from different cultures, belief-systems and races/ ethnicities.	
Children Looked After (CLA) Placements - In-house residential development	Developing schemes and processes for increasing utilisation of existing residential capacity and Investment in 30 new in-house residential beds to help disrupt the market and meet demand in Surrey.	(0.6)	(0.4)	(0.4)	(0.3)	(0.0)	(1.7)	By enabling a higher proportion of children to be housed within the county, it is expected this will have a positive effect on children and young people of all ages, abilities, socio-economic backgrounds, ethnicities/ races, and religions/ beliefs. This is due to the opportunity for being closer to established connections, existing communities/ religious groups and being able to maintain closer connections to friends and family that live close by.	
Children Looked After (CLA) Placements - In House fostering	Looking a new models to maxmise in house utilisation of carer capacity	(0.5)	(0.6)	(0.5)	(0.4)	(0.3)	(2.3)	Mix of positive impacts, but also risk of disproportionate impacts to children and young people with disabilities.	
Children Looked After (CLA) Placements - Permanence directive	Exploring early adoption avenues and promoting special guardianship arrangements through working with wider friends, family and foster carers.	(0.1)	(0.2)	(0.1)	(0.0)	(0.0)	(0.5)	No equality analysis required	
Children Looked After (CLA) Placements - Commissioning rates	Negotiation of rates with providers to develop strategic partnerships, looking at discount incentives for sibling groups, multiple placements	(0.3)	(0.0)	(0.0)	(0.0)	(0.0)	(0.3)	No equality analysis required	
Children Looked After (CLA) Placements - Inflation management	Review and challenge of inflationary uplifts, scrutinising cost bases of providers and their increase in cost base	(1.0)	(0.5)	(0.6)	(0.6)	(0.6)	(3.2)	No equality analysis required	
Care leavers Placements - Houses of multiple occupancy	Capital investment in 6 new 4 bed homes with floating support to reduce demands on supported accommodation at current rates	(0.2)	(0.2)	(0.1)	0.0	0.0	(0.5)	Some of the potential impacts identified are that some properties may have potential accessibility issues that might not immediately meet the needs of some disabled young people. There is also a risk of disproportionate impact on care leavers from different ethnic minorities or cultural backgrounds as there will be less monitoring over how service users are doing potentially making it harder to report instances of prejudicial behaviour or discrimination.	
Workforce strategies developing a permanent workforce	Reduce demand on agency and reduce agency pressures		(0.5)	(0.5)			(1.0)	No equality analysis required	
Early Help and family support	Targeted early help work with families to reduce demands on statutory case work	(0.5)	(1.0)	(1.6)			(3.1)	Positive impacts including long-term support and improvement in health outcomes for children and young people with disabilities. Potential for disproportionate impact on children and young people from socio-economically disadvantaged households.	
Twin Track - contract efficiencies	Work being driven by Procurement to review contract value across the Council. Share of £2m target previously held in corporate I&E.	(0.4)	(0.4)	(0.4)	(0.4)		(1.6)	No equality analysis required	
Twin Track - Fees and charges	Work being driven by the Commercial team to review fees and charges. Share of £1m target previously held in corporate I&E.	(0.2)	(0.2)	(0.2)	(0.2)		(0.8)	No equality analysis required	
<b>Total Efficiencies</b>		<b>(9.0)</b>	<b>(9.7)</b>	<b>(10.1)</b>	<b>(6.9)</b>	<b>(4.9)</b>	<b>(40.6)</b>		



# ENVIRONMENT, TRANSPORT AND INFRASTRUCTURE

## Pressures

Pressure	Description	Net Pressure					Total £m
		2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	
All - Non-Pay Inflation	Assumes 5% for contract inflation applying in 2024/25, 2% thereafter.	4.965	2.162	2.200	2.238	2.278	13.84
All - Pay Inflation	Expected inflationary increase in salary costs. Corporate assumption 4% 24/25, 3% 25/26, then 2%.	1.335	1.065	0.714	0.728	0.743	4.59
Additional Digital Demand Responsive Transport	Further growth of DDRT (net of offsetting reductions to local bus services), over and above the first tranche agreed by Cabinet as part of the bus network review.	6.520	0.326	0.137	0.140	0.142	7.27
H&T - Bus network review	Estimated financial impact of retendering expiring local bus contracts, the introduction of a first tranche of Digital Demand Responsive Transport (DDRT), and introduction of a half price travel scheme.	5.411	0.335	(0.404)	0.685	0.582	6.61
Task & Finish groups	Recommendations from Task & Finish groups including refresh of road lines, addressing a backlog of gully defects, implementation of Area Stewards, and other improvements. All proposals total £8.7m, this pressure captures higher priority items subject to further funding review.	5.180					5.18
Environment - Greener Futures funding	Greener Futures programme transitions to ETI BAU budget, including Climate Change and Natural Capital	1.500					1.50
Planning, Performance & Support staffing	Additional project management capacity to support service improvements and legislative change, and dedicated resources to support community engagement activities and events.	0.539					0.54
Environment - Waste team capacity	Review the waste management team structure	0.300					0.30
All - ETI senior management capacity	Increased capacity at director and assistant director level.	0.270					0.27
Environment - Waste - CRC charges	Government has decided to remove charges for small amounts of DIY materials at CRCs. Cost will depend on the volume of materials returning to CRCs.	0.250					0.25
Emergency Management - Additional staff capacity	Additional staff capacity	0.170					0.17
Planning & Place - Planning appeals	More appeals likely going forwards	0.100					0.10
H&T - Active Travel	Maintaining new highway infrastructure to heightened design standards			0.100			0.10
H&T - Works IT system	2023/24 budget includes cost of replacement system, some of which is one-off.	(0.044)					-0.04
Environment - Staffing	2022/23 budget included £350k growth in staffing resources to support delivery of Greener Futures and Rethinking Waste, which was assumed to reduce in 2024/25.	(0.100)					-0.10
Environment - Countryside - ash dieback	£0.2m was added to the 23/24 budget to deal with ash dieback impact on countryside trees, e.g. where they effect public rights of way.		0.000	(0.200)			-0.20
		<b>26.4</b>	<b>3.9</b>	<b>2.5</b>	<b>3.8</b>	<b>3.7</b>	<b>40.4</b>

Page 86

## ENVIRONMENT, TRANSPORT AND INFRASTRUCTURE

### Efficiencies

Efficiency	Description	Efficiency					Total £m	EIA Status
		2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m		
Environment - Residual waste reprourement	Estimate of saving expected from the reprourement of residual waste, contract goes live October '24.	(0.600)	(0.600)				-1.20	No equality analysis required
Environment - Rethinking waste	Review waste operating model and assess the implications of new Government strategy - including extended producer responsibility, deposit return scheme, recycling credits, infrastructure, etc.		(0.950)				-0.95	No equality analysis required
Maximising our income	Placeholder pending further income reviews		(0.200)	(0.200)	(0.200)	(0.200)	-0.80	No equality analysis required
H&T - traffic signal conversions	Reversal of time limited funding for traffic signal upgrades			(0.700)			-0.70	No equality analysis required
Environment - Dry Mixed Recyclables	Estimate of saving expected from the reprourement of DMR, contract goes live October '24,	(0.300)	(0.300)				-0.60	No equality analysis required
H&T - New arrangements for Civil Parking Enforcement	Full year impact of changes to the operation of Civil Parking Enforcement including contractual arrangements.	(0.530)					-0.53	No equality analysis required
H&T - enforcement of bus lanes and moving traffic offences	Estimated contribution to highway costs	(0.325)	(0.125)				-0.45	No equality analysis required
Making the most of our contracts	Placeholder pending further contract management reviews	(0.100)	(0.100)	(0.100)	(0.100)		-0.40	No equality analysis required
IMP - income from EV charging contract	Contract provides SCC with a share of the income	(0.008)	(0.026)	(0.059)	(0.102)	(0.157)	-0.35	No equality analysis required
H&T - bus service funding	Use of bus improvement grants, prior year grant balances and ongoing changes in concessionary journey volumes.	(11.376)	11.076				-0.30	No equality analysis required
H&T - Commercialisation & innovation	Advertising on the Highway, large and small format	(0.300)					-0.30	No equality analysis required
Environment - efficiencies proposed for Surrey Environment Partnership (SEP)	Work with SEP team and partners to identify efficiencies	(0.300)					-0.30	No equality analysis required
Planning & Place - Planning transformation efficiencies	Transformation including review of structure	(0.300)					-0.30	EIA to be completed when roles identified
Environment - Resist pressure from transfer of Greener Futures from transformation to ETI budget	Reprioritise Greener Futures activity and timescales	(0.300)					-0.30	No equality analysis required
Efficiencies as part of wider Place directorate changes	Efficiencies as a result of merging wider functions into ETI's existing structures & centralised services.	(0.250)					-0.25	EIA to be completed when roles identified
Additional efficiencies from the amalgamation of ETI, E&G and L&P	As above, recognising potential for further efficiencies.	(0.200)					-0.20	EIA to be completed when roles identified
Planning & Place - staffing	Deletion of vacant posts in TDP	(0.202)					-0.20	No equality analysis required
H&T - automation	Increased automation for some activities such as inspections (e.g. from AI, improvements to digitisation)		(0.050)	(0.100)			-0.15	No equality analysis required
H&T - increasing bus stop suspension fee	Increasing the fee for bus stop suspensions associated with streetworks to the same rate as TFL	(0.125)					-0.13	No equality analysis required
Planning, Performance & Support - capitalisation of staff costs	Review capitalisation guidance concerning Programme Management Office capital recharge activities. Look to capitalise more staff time thereby reduce call on revenue budget.	(0.120)					-0.12	No equality analysis required
Environment - reduced consultancy spend	Reduced need for waste consultancy for new procurement. Consultancy relating to capital schemes would be funded from feasibility or capitalised.	(0.100)					-0.10	No equality analysis required
Planning & Place - income	Income from provision of Historic Environment Planning activities		(0.100)				-0.10	No equality analysis required
Planning, Performance & Support - PMO support to other bodies	Offer PMO support outside ETI - support to B&Ds for example		(0.025)	(0.025)	(0.025)	(0.025)	-0.10	No equality analysis required
Planning & Place - Absorb planning appeal pressure within planning budget	Remove the planning appeal contingency	(0.100)					-0.10	No equality analysis required
Environment - capitalisation of staff costs	Capitalise additional staff costs on tree planting and RTS	(0.050)					-0.05	No equality analysis required
Planning & Place - income	Healthy Streets Licensing		(0.050)				-0.05	No equality analysis required
Planning & Place - Planning income	Income from Planning Performance Agreements and charges for discretionary services	(0.022)	(0.020)				-0.04	No equality analysis required
Planning & Place - income	Planning fees		(0.025)				-0.03	No equality analysis required
<b>Total Efficiencies</b>		<b>(15.608)</b>	<b>8.505</b>	<b>(1.184)</b>	<b>(0.427)</b>	<b>(0.382)</b>	<b>(9.096)</b>	



## CUSTOMER AND COMMUNITIES

### Pressures

Pressure	Description	Net Pressure					Total £m
		2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	
Pay Inflation	Estimated cost of pay inflation modelled at 4% 24/25, 3% 25/26 and 2% 26/27, 27/28 & 28/29	1.0	0.8	0.6	0.6	0.6	3.5
Non-pay inflation (2%)	Non-pay inflation (2%)	0.1	0.1	0.1	0.1	0.1	0.7
Libraries - Income	Declining income levels on the High Street and temporary effect of refurbishment	0.4	(0.1)				0.3
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		(0.1)
Customer Services	Customer complaints post to support the Council's customer services	0.1					0.1
Libraries staffing	Adjustment to reflect the agreed structure of the service	0.2					0.2
<b>Total Pressures</b>		<b>1.8</b>	<b>0.9</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>4.7</b>

### Efficiencies

Efficiency	Description	Efficiency					Total £m	EIA Status
		2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m		
Maximising our income	Generate additional income through uplifts to fees and charges and increased volumes.	(0.5)	(0.0)	0.0			(0.6)	No equality analysis required
Reduce costs whilst maintaining strategic direction	Consistent application of vacancy factor, recognising the levels of staff turnover	(0.1)					(0.1)	No equality analysis required
Targeted reductions	Variety of measures to reduce spend including removal of flexible in year VCFS support budget and efficiencies in Coroner processes	(0.1)					(0.1)	No equality analysis required
Further income maximisation	Generate further additional income through uplifts to fees and charges and increased volumes across C&C services	(0.1)					(0.1)	No equality analysis required
Customer Services non staffing efficiency	Small reductions and efficiencies in non staffing budgets	(0.0)					(0.0)	No equality analysis required
VCFS Infrastructure organisation grants	Shared reduction across the different VCFS infrastructure organisation grants	(0.1)					(0.1)	Potential for disproportionate impact on socio-economically disadvantaged residents
Libraries and Cultural Services	Adjustments to Library staffing patterns, plus reductions to the cultural events budget.	(0.1)					(0.1)	No equality analysis required
Rationalisation of staffing	Staffing and management rationalisation across C&C services including Trading Standards, Community Investment & Engagement, Communities & Prevention, and Libraries & Culture	(0.3)					(0.3)	Potential for disproportionate impact on people over 50, female and disabled staff
<b>Total Efficiencies</b>		<b>(1.3)</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(1.4)</b>	

**SURREY FIRE & RESCUE SERVICE**

**Pressures**

Pressure	Description	Net Pressure					Total £m
		2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	
Pay inflation	Expected inflationary increase in salary costs	2.368	1.338	0.944	0.871	0.889	6.409
Fire - Non Pay inflation	Expected inflationary increase in costs	0.094	0.096	0.098	0.100	0.102	0.490
Partnership shared costs	Pressures offset by sharing with partners	(0.072)					(0.072)
Airwave communications system	Grant not kept pace with costs & grant reduction	0.086	0.085	0.086			0.257
Fire Pension Ill Health Charges	Requirement for all officers to meet fitness requirements leading to more ill health retirements. £250k added to 2023/24 budget, reducing in future years.	(0.110)		(0.140)			(0.250)
Recruitment & resilience: temporary staffing increase	£0.6m added in 2023/24 to provide a multi skilled, agile group to provide cover, 12FTE to end of 2024	(0.458)	(0.177)				(0.635)
Recruitment & resilience: management of annual leave	£51k added to 2023/24 budget to centralise coordinate staff deployment and annual leave, for a fixed period.		(0.051)				(0.051)
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, £0.4m added to 2023/24 budget.	0.300					0.300
140 day plan	£375k added to 2023/24 budget to fund short term changes required within service	(0.113)	(0.092)	(0.066)			(0.271)
Contingency Cover	Increased level of cover required	0.058					0.058
Reasonable adjustments	Extend Corporate contract for adjustments to neurodiversity to cover Fire, until included within main County Contract retender	0.134	(0.067)	(0.067)			0.000
White Paper Outcomes	Expected by the end of 2023	TBC					0.000
HMICFRS Spotlight Report	Investment in Independent Reporting Lines, etc.	TBC					0.000
Changes to the Rehabilitation of Offenders Act (DBS)	Increased DBS Checks to a Standard Nature, as a minimum, for all FRS staff.	TBC					0.000
<b>Total Pressures</b>		<b>2.29</b>	<b>1.13</b>	<b>0.85</b>	<b>0.97</b>	<b>0.99</b>	<b>6.24</b>



# SURREY FIRE & RESCUE SERVICE

## Efficiencies

Efficiency	Description	Efficiency					Total £m	EIA Status
		2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m		
Fire investigation	Options being assessed. Rationalisation of posts.	(0.115)					(0.115)	People Impact Assessment (PIA) will be completed when posts identified
Fire Cadets	Stop scheme after current cohort completes. (avoids pressures from expanding scheme)	(0.002)					(0.002)	EIA Completed and published: Potential for disproportionate impacts on younger people
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.			(0.250)			(0.250)	Potential disproportionate impacts on some staff, particularly neurodiverse staff
Expand the use of new Logistics (Engineering) facilities to other	Linked to development of Wray park workshop facilities. Use by other in services or external partners			(0.100)			(0.100)	No equality analysis required
Stop operational staff rotations	Reduces training requirements	(0.050)					(0.050)	EIA Completed and published: Potential impacts on those facing socio-economic disadvantage
Replacement of airwave radio system	Current assumption that savings from new provider will offset grant reductions once implemented		(0.085)	(0.086)			(0.171)	No equality analysis required
Logistics - review of Staff, Property and Non Capital Assets	PS8 post retiring in the first quarter of the year. Keeping the PS11 post Vacant until review complete and recommendations implemented. Further PS9 & PS6	(0.192)	(0.014)				(0.206)	No equality analysis required
Staffing Police Partners for Support at Certain Incidents.	MoU now in place to recharge time for planned (non-emergency) incidents.	(0.003)					(0.003)	No equality analysis required
Recharge for use of Fire facilities	E.g. SGI use of facilities.	(0.005)					(0.005)	No equality analysis required
Capitalisation of staff time	Recharge time for Digital Project Manager Role PS11, Senior Project Manager Assets PS11	(0.129)					(0.129)	No equality analysis required
Operations Management Centre /Staff office review	Reduction in GC	(0.106)					(0.106)	No equality analysis required
Staffing vacancy	Primary Authority Lead PS10	(0.057)					(0.057)	No equality analysis required
<b>Total Efficiencies</b>		<b>(0.659)</b>	<b>(0.099)</b>	<b>(0.436)</b>	<b>0.000</b>	<b>0.000</b>	<b>(1.194)</b>	



**PROSPERITY, PARTNERSHIPS AND GROWTH**

**Pressures**

Pressure	Description	Net Pressure					Total £m
		2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	
Pay inflation	Estimated cost of pay inflation modelled at 4% 24/25, 3% 25/26 and 2% 26/27, 27/28 & 28/29	0.1	0.0	0.0	0.0	0.0	0.2
Non-Pay Inflation	Expected inflationary increase in contract costs	0.0	0.0	0.0	0.0	0.0	0.0
<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>

**Efficiencies**

Description		Efficiency					Total £m	EIA Status
		2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m		
Growth Strategy Efficiencies	Re-prioritise economic growth investment	(0.1)					(0.1)	No equality analysis required
Economic Growth Staffing	Reduce strategic and operational capacity	(0.1)					(0.1)	No equality analysis required
<b>Total Efficiencies</b>		<b>(0.2)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.2)</b>	

Page 91

RESOURCES

Pressures

Pressure	Description	Net Pressure					Total £m
		2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	
Inflation	Estimated cost of pay inflation modelled at 4% 24/25, 3% 25/26 and 2% 26/27, 27/28 & 28/29	2.5	2.0	1.4	1.4	1.4	8.6
Inflation	Non-Pay Inflation at 2%	0.8	0.8	0.8	0.8	0.8	4.0
Inflation	Non-Pay Inflation at 5%-8% for food, utilities, maintenance and insurance premiums	1.3	1.0	1.1	1.2	1.2	5.8
Inflation	Income Inflation at 2%	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(4.0)
Business Services payroll income	Reduced demand from schools for payroll services	0.4					0.4
Legal Services Demand	Ongoing demand linked to case volumes requires additional capacity and increased external fees	0.3					0.3
Resources Communications role	Provide communications resource for the directorate	0.1					0.1
Agile	Ongoing bus service to Woodhatch Place	0.1					0.1
Insurance	Reduced income from schools due to academisation and the rebuilding of the insurance reserve to recommended actuarial levels	0.6					0.6
<b>Total Pressures</b>		<b>5.2</b>	<b>3.0</b>	<b>2.5</b>	<b>2.5</b>	<b>2.6</b>	<b>15.8</b>

## RESOURCES

### Efficiencies

Efficiency	Description	Efficiency					Total £m	EIA Status
		2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m		
Previous years efficiencies	Remove one-off and unachievable 2022/23 efficiencies	0.8					0.8	No equality analysis required
IT&D - Network & Wi-fi	New contract to replace the existing network to it's sites and the internet	(0.3)					(0.3)	No equality analysis required
Land & Property Agile Transformation	Office building rationalisation, running cost reductions offset by additional running costs and borrowing costs	(0.9)					(0.9)	EIA to be completed when details of nature of the changes are confirmed
Land & Property Facilities Management Transformation	New facilities management contract	(1.0)	(0.2)				(1.3)	Potential for disproportionate impact on staff with disabilities
Land & Property efficiencies	Efficiencies from rationalising assets, business infrastructure and staffing	(1.0)					(1.0)	disproportionate impact on staff with disabilities
Land & Property efficiencies	Variety of measures including improved supply chain management and a review of income generation opportunities		(1.5)				(1.5)	No equality analysis required
People & Change - Efficiencies	Various such as Improved processes following MySurrey will lead to a reduction in FTE and increased income	(0.0)	(0.0)				(0.1)	No equality analysis required
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.	(0.1)	(0.1)	(0.1)	(0.1)		(0.4)	No equality analysis required
Income efficiencies	Increased recharges for pension and public health services	(0.3)					(0.3)	No equality analysis required
Various Services	Directorate wide capacity review	(0.5)					(0.5)	Equality analysis to be completed when details of nature of the changes are confirmed
Various Services	Service based efficiencies	(0.6)					(0.6)	Equality analysis to be completed when details of nature of the changes are confirmed
<b>Total Efficiencies</b>		<b>(4.0)</b>	<b>(1.9)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>0.0</b>	<b>(6.0)</b>	



## COMMUNICATIONS, PUBLIC AFFAIRS AND ENGAGEMENT

### Pressures

Pressure	Description	Net Pressure					Total £m
		2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	
Inflation	Estimated cost of pay inflation modelled at 4% 24/25, 3% 25/26 and 2% 26/27, 27/28 & 28/29	0.1	0.1	0.0	0.0	0.0	0.24
Inflation	Non-pay inflation (2%)	0.0	0.0	0.0	0.0	0.0	0.05
Organisation wide	Creating a Research intelligence Unit	0.4					0.43
<b>Total Pressures</b>		<b>0.5</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.7</b>

### Efficiencies

Description		Efficiency					Total £m	EIA Status
		2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m		
Organisation wide Communications review	SWITCH review of communications to drive out organisationwide efficiencies	(0.4)					(0.4)	No equality analysis required
<b>Total Efficiencies</b>		<b>(0.4)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.4)</b>	

## CENTRAL INCOME AND EXPENDITURE

### Pressures

Pressure	Net Pressure					Total £m
	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	
Capital Financing Costs	13.2	8.2	8.6	7.8	7.8	45.6
Additional Provision for Inflation	0.7					0.7
Non-achievement of prior year efficiencies	6.2					6.2
<b>Total Pressures</b>	<b>20.1</b>	<b>8.2</b>	<b>8.6</b>	<b>7.8</b>	<b>7.8</b>	<b>52.5</b>

This page is intentionally left blank

## Annex B - Draft Capital Programme 2024/25 to 2028/29

Project	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Total Budget £m
<b>BUDGET</b>						
Highway Maintenance - Core Programme	40.0	40.0	40.0	40.0	40.0	200.0
Highway Maintenance - Enhanced Programme	30.0	30.0	-	-	-	60.0
Local Highways Schemes - Core Programme	5.3	3.0	3.0	3.0	3.0	17.3
Local Highways Schemes - Enhanced Programme	9.7	9.7	-	-	-	19.4
Highway Maintenance - Signs	0.6	0.4	0.4	0.4	0.4	2.2
Bridge/Structures Maintenance	10.8	8.2	8.2	8.2	8.2	43.6
Flooding & drainage	2.7	1.7	1.7	1.7	1.7	9.5
Safety Barriers	2.5	1.5	1.5	1.5	1.5	8.6
Illuminated Street Furniture	1.9	0.5	0.5	0.5	0.5	3.9
External funding	1.2	1.2	1.2	1.2	1.2	6.0
Traffic signals	3.5	3.3	2.4	2.4	2.4	14.1
School road safety schemes	1.0	1.0	-	-	-	2.0
Road Safety Schemes	0.2	0.4	0.5	0.5	0.5	2.1
Road safety - speed management	1.1	1.1	-	-	-	2.2
A217 Reigate to Horley Safer Roads scheme	0.0	-	-	-	-	0.0
A25 Dorking to Reigate Safer Roads Fund 3 (dft funded)	0.5	0.8	0.5	-	-	1.8
Smallfield Safety Scheme (CIL)	0.1	-	-	-	-	0.1
Real Time Traffic Monitoring (Traffic Studies)	0.0	-	-	-	-	0.0
Ultra Low Emission Vehicles - Buses	10.5	-	-	-	-	10.5
Ultra Low Emission Vehicles - RTPi for buses	0.3	0.3	0.3	0.3	-	1.2
Ultra Low Emission Vehicles - bus priority	1.5	3.5	2.0	1.9	-	8.9
Ultra Low Emission Vehicles - Community Transport - Third Sector	1.8	1.4	1.5	-	-	4.7
Replacement Vehicles	0.2	0.2	0.2	0.2	0.2	0.8
Active Travel (both EATF & future)	1.1	-	-	-	-	1.1
Active Travel Tranche 3	4.4	-	-	-	-	4.4
Surrey Quality Bus Corridor Improvement	0.4	-	-	-	-	0.4
Local Enterprise Partnerships (LEP) Funded Schemes	0.1	-	-	-	-	0.1
Task & Finish - flooding & drainage	7.3	5.2	5.2	5.2	5.2	28.1
Task & Finish - road maintenance	0.1	0.1	0.1	0.1	0.1	0.5
Task & Finish - tree planting (& removals)	1.5	0.8	0.3	0.3	0.3	3.2
Air Quality A3 National Highways scheme - Electric Towns and Cities initiative	0.5	0.5	-	-	-	1.0
<b>Highways and Transport</b>	<b>140.8</b>	<b>114.8</b>	<b>69.4</b>	<b>67.3</b>	<b>65.2</b>	<b>457.5</b>
Surrey Flood Alleviation - River Thames	8.0	20.0	30.0	30.0	35.0	123.0
A320 North of Woking and Junction 11 of M25	34.6	-	-	-	-	34.6
Farnham Infrastructure Programme Town Centre - Quick Wins	1.5	-	-	-	-	1.5
EV infrastructure	0.0	-	-	-	-	0.0
Kerbside Charging solutions	0.0	-	-	-	-	0.0
Surrey Infrastructure Plan (SIP) - Weybridge town centre package	4.3	-	-	-	-	4.3
SIP: A308 Modernisation	3.8	3.8	-	-	-	7.6
SIP - Tongham Village & Ash Improvements	0.7	-	-	-	-	0.7
SIP - Croydon Road Regeneration, Caterham	1.0	-	-	-	-	1.0
SIP - Shelveys Hill, Tadworth Flood Reduction	2.2	-	-	-	-	2.2
SIP - Horley Town Centre revitalisation programme	2.2	-	-	-	-	2.2
SIP - Three Arch Junction Improvements	1.8	1.7	-	-	-	3.5
SIP - Guildford Ebike Scheme	0.8	0.2	0.1	-	-	1.1
<b>Infrastructure, Planning and Major Projects</b>	<b>61.1</b>	<b>25.6</b>	<b>30.1</b>	<b>30.0</b>	<b>35.0</b>	<b>181.8</b>
Surrey Flood Alleviation - Wider Schemes	4.4	7.9	5.9	5.7	3.8	27.7
Basingstoke Canal	0.4	0.4	0.4	0.4	0.4	1.8
Basingstoke Canal - Externally Funded	0.5	-	-	-	-	0.5
Public Rights of Way	0.7	0.7	0.7	0.7	0.7	3.7
Public Rights of Way - Externally Funded	-	0.0	0.1	0.1	0.1	0.2
Improving Access to the Countryside	0.2	0.0	0.0	0.0	0.0	0.4
Woodland Creation (Tree Planting)	0.1	-	-	-	-	0.1
Waste Recycling Initiatives	0.2	-	-	-	-	0.2
Closed landfill sites	0.1	0.1	0.1	0.1	0.1	0.3
Greener Homes LAD contribution	0.0	-	-	-	-	0.0
Home Upgrade Grant 2	9.5	-	-	-	-	9.5
Grow Back Greener	0.1	0.1	-	-	-	0.1
<b>Environment</b>	<b>16.1</b>	<b>9.2</b>	<b>7.1</b>	<b>7.0</b>	<b>5.0</b>	<b>44.4</b>
Surrey Fire - Purchase of New Fire Engines & Equipment	4.9	5.2	2.8	5.6	1.6	20.1
Fire - Making Surrey Safer – Community Resilience	0.3	0.3	0.3	0.3	0.3	1.5
Fire - New Build IT	0.0	0.0	-	-	-	0.0
<b>Surrey Fire &amp; Rescue Service</b>	<b>5.3</b>	<b>5.5</b>	<b>3.1</b>	<b>5.9</b>	<b>1.9</b>	<b>21.6</b>
<b>INFRASTRUCTURE</b>	<b>223.2</b>	<b>155.1</b>	<b>109.7</b>	<b>110.2</b>	<b>107.1</b>	<b>705.3</b>

Project	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Total Budget £m
<b>BUDGET</b>						
Schools Basic Need	18.9	42.8	31.3	19.7	9.5	122.1
Recurring Capital Maintenance Schools	12.0	15.0	13.0	12.0	8.0	60.0
Recurring Capital Maintenance Corporate	15.0	19.0	17.0	17.0	14.0	82.0
Agile Office Estate Strategy - Spokes fit-out (Quadrant Court replacement)	0.2	-	-	-	-	0.2
Surrey Outdoor Learning & Development- High Ashurst (Additional facilities to site)	5.3	0.8	-	-	-	6.1
SEND (Special Education Needs & Disabilities Schools)	60.8	70.3	9.3	-	-	140.4
Alternative Provision Strategy (SEND)	13.5	20.1	3.6	-	-	37.2
Caterham Hill Library	-	5.6	-	-	-	5.6
Bookham YC	2.5	0.5	-	-	-	3.0
Libraries open access (extended hours of access to library facilities)	0.0	-	-	-	-	0.0
Looked After Children Schemes (Care Homes & Care Leavers Accommodation)	14.7	10.4	4.2	-	-	29.3
ASC Supported Independent Living - Learning Disabilities phase 1	21.1	-	-	-	-	21.1
ASC Extra Care Housing Phase 1a	0.1	0.0	-	-	-	0.2
Winter Maintenance Depot (Godstone & Merrow Salt Barns)	1.0	-	-	-	-	1.0
Pendell GRT Transit Site for Gypsy, Roma & Travellers	1.1	-	-	-	-	1.1
Weybridge Hub	5.8	1.8	0.2	-	-	7.8
Sunbury Hub	10.7	6.5	0.3	-	-	17.5
Libraries Transformation Phase 1	10.7	-	-	-	-	10.7
<b>Land and Property</b>	<b>193.5</b>	<b>192.6</b>	<b>78.9</b>	<b>48.7</b>	<b>31.5</b>	<b>545.2</b>
Devolved formula capital - schools	1.0	1.0	1.0	1.0	-	4.1
Adaptions For Children With Disabilities	0.6	0.5	0.5	0.5	0.5	2.6
Foster carer grants	0.4	0.2	0.2	0.2	0.2	1.2
Education Management System	0.4	-	-	-	-	0.4
<b>Childrens Services</b>	<b>2.4</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	<b>0.7</b>	<b>8.3</b>
Adults Capital Equipment	1.5	1.5	1.5	1.5	-	6.0
ASC In house capital improvement scheme	0.2	0.1	0.1	-	-	0.4
<b>Adult Social Care</b>	<b>1.7</b>	<b>1.6</b>	<b>1.6</b>	<b>1.5</b>	<b>-</b>	<b>6.4</b>
<b>PROPERTY</b>	<b>197.6</b>	<b>195.9</b>	<b>82.3</b>	<b>51.9</b>	<b>32.2</b>	<b>559.9</b>
IT&D Hardware (incl accessibility equipment)	6.7	1.7	0.2	0.8	5.4	14.9
WAN / Wifi Refresh	2.7	0.4	0.1	0.5	-	3.6
IT&D Infrastructure (incl storage, processing & cyber security)	1.3	0.8	1.7	0.2	1.5	5.4
Replacement of the Corporate Phone System	0.1	0.1	0.1	0.1	1.0	1.5
Data Centre maintenance, renewals & replacements	0.1	0.1	0.1	0.1	0.1	0.5
Open Access Technology in Surrey Libraries	0.2	-	-	-	-	0.2
<b>IT&amp;D</b>	<b>11.1</b>	<b>3.1</b>	<b>2.1</b>	<b>1.7</b>	<b>8.0</b>	<b>26.0</b>
<b>TOTAL BUDGET</b>	<b>431.9</b>	<b>354.1</b>	<b>194.2</b>	<b>163.8</b>	<b>147.3</b>	<b>1,291.3</b>
Your Fund Surrey	20.0	10.0	-	-	-	30.0
Pipeline	118.3	222.2	127.8	59.6	53.3	581.1
<b>TOTAL PIPELINE</b>	<b>138.3</b>	<b>232.2</b>	<b>127.8</b>	<b>59.6</b>	<b>53.3</b>	<b>611.1</b>
<b>TOTAL CAPITAL PROGRAMME</b>	<b>570.2</b>	<b>586.3</b>	<b>321.9</b>	<b>223.4</b>	<b>200.6</b>	<b>1,902.4</b>

### Capital Programme – Financing 2024/25 to 2028/29

Funding Source	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Total £m
Grants	115.3	179.6	124.3	68.3	48.5	536.0
External Contributions & Revenue	31.6	25.3	20.2	11.4	10.7	99.2
Capital Receipts	32.5	28.5	21.5	15.0	10.0	107.5
Funded Borrowing	97.9	74.3	44.1	37.5	38.3	292.0
Unfunded Borrowing	292.8	278.6	111.9	91.2	93.1	867.7
<b>TOTAL FUNDING</b>	<b>570.2</b>	<b>586.3</b>	<b>321.9</b>	<b>223.4</b>	<b>200.6</b>	<b>1,902.4</b>

Figures are rounded to 1 decimal place, so on occasions will show as £0.0m where less than £100,000.



**SURREY COUNTY COUNCIL****CABINET****DATE: 28 NOVEMBER 2023****REPORT OF CABINET MEMBER: CLARE CURRAN - CABINET MEMBER FOR CHILDREN, FAMILIES AND LIFELONG LEARNING****LEAD OFFICER: RACHAEL WARDELL, EXECUTIVE DIRECTOR OF CHILDREN, FAMILIES AND LIFELONG LEARNING****SUBJECT: SURREY SCHOOLS FUNDING 2024-25****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 2024/25.

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 is required to consult and share the outcome with the Secretary of State.

By proposing equitable funding arrangements for schools, this helps Surrey County Council meet its priority to grow a sustainable economy and support the 'Surrey way' purpose as a council to tackle inequality and make sure that no one is left behind.

**Recommendations:**

It is recommended that Cabinet approves the proposals below, namely that:

1. The Council implements the Department for Education's (DfE) recommended Minimum Per Pupil funding Level in full;
2. The Schools Forum's formula recommendations for schools as set out in Annex 3, be approved; and the decisions in Annex 4 implemented;
3. The transfer of 1.0% (estimated at £8.2m) 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 Children, Families and Lifelong Learning to approve amendments to the funding rates in the schools formula as appropriate, following receipt of the DSG settlement and DfE pupil data in

December 2023. This is to ensure that total allocations to schools under this formula remain affordable within the council's DSG settlement.

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

To comply with DfE regulations requiring formal council approval of the local funding formula for Surrey's primary and secondary schools.

#### **Executive Summary:**

#### **BACKGROUND**

1 Dedicated Schools Grant (DSG) funding is provided to the county council 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 2024/25 funding are summarised below. Final funding allocations for 2024/25 will be published in December 2023 and will take into account pupil number changes between October 2022 and October 2023. Figures included are therefore indicative until final funding allocations are released.

a) **Schools £830.6m** (*indicative 2024/25 based on October 2022 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 2023/24, Surrey's formula factors are close to the NFF. The main exceptions being:

- 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.
- that formula factors are 1.5% below NFF to fund the transfer to the High Needs block (although the block transfer is 1%, schools on Minimum Funding Guarantee and/or Minimum Per Pupil funding Level do not contribute to the block transfer, so other schools must contribute more than 1%).

Funding is allocated separately by DfE for growing schools (schools which have more classes in October 2024 than in October 2023). The criteria for allocation of this funding requires approval by Schools Forum and will be considered at the Forum's January meeting.

b) **Schools' Central Services £6.6m** (*2024/25 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 £0.110m more than the 2023/24 grant.

c) **High Needs SEND £223.8m** (2024/25 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). The 2024/25 indicative allocation is £5.5m more than that for 2023/24.

d) **Early Years £84.4m** (provisional 2023/24 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 £79.9m in 2023/24, with £4.5m provided for two year olds. Funding is based on consecutive January counts so final figures for 2023/24 will not be published until summer 2024. No indicative allocation has been published for 2024/25.

### Focus of this report

- 2 This report concentrates on Cabinet decisions relating to schools funding. 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. As discussed in paragraph 19 below, proposals for principles to be adopted in the funding of early years in 2024/25 will be reported to Cabinet at a later date.

### 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 2023/24.
- 5 In 2024/25, the DfE is increasing schools funding nationally by 1.9% per pupil for mainstream pupils and 4.3% per pupil for SEND. Minimum (average) per pupil funding levels (MPPL) are being increased from £4,405 per primary pupil to £4,610 and from £5,715 per secondary pupil to £5,995 in 2024/25. These minimum funding levels are mandatory at local level, and the Secretary of State will generally consider requests for variations on the grounds of affordability. These changes are estimated to mean an increase, to Surrey, of £16.7m in NFF schools funding and £5.5m in high needs block funding in 2024/25 before the impact of changes in pupil numbers but after assimilation of Mainstream Schools Additional Grant (a separate grant allocated to mainstream schools in 2023/24 which is being merged into DSG in 2024/25).
- 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 £108m by 31 March 2024. 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 15 below).
- 7 The DfE is continuing to phase in a National Funding Formula (NFF) to replace the individual school funding formulae of 151 local authorities. The government has expressed the 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.

### **Consultation with Surrey schools on changes from April 2024**

- 9 In July 2023, the DfE published its NFF funding rates and provisional allocations for 2024/25. During September 2023 all Surrey primary and secondary schools (including academies) were consulted on a number of options for the 2024/25 local schools funding formula.
- 10 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 (now estimated at £8.2m) 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
  - iii. The level of the notional SEN budget, which is a guide to the amount which schools ought to spend on SEN from their own budgets.
- 11 On Friday 6 October, 3 days after Surrey Schools Forum considered the results of the Surrey schools funding 2024/25 consultation, the DfE announced that it had made an error in estimating the national total of 2024/25 pupil numbers used in the provisional schools national funding formula for 2024/25, initially published in July 2023. The number of pupils had initially been underestimated and so, in order to make the formula affordable at the national level, the per pupil funding rates used to fund local authorities in 2024/25, and the NFF formula rates, will now be lower than those published in July 2023, which were used in Surrey's recent funding consultation.
- 12 The revised published DfE figures showed that Surrey schools would now receive £7.5m less in 2024/25 than estimated in July 2023. This would mean a 1.6% increase in funding rates, rather than the 2.6% increase illustrated as part of the consultation, most schools would therefore see lower funding than in the original illustrations. The changes did not appreciably affect the equalities impact assessment.
- 13 Following consultation with the Chair, Vice-chairs, and then more widely Schools Forum, schools were advised that the council propose to maintain the principles set out in the September consultation paper, but with a smaller increase in formula funding rates, in line with the changes made by DfE. All mainstream schools were provided with updated illustrations of the impact of the consultation options based on the amended (lower) NFF. Schools were invited to submit any comments on the revised proposals. A summary of comments will be provided as Annex 6.

### **The local schools' funding formula**

- 14 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, noting these were based on the DfE's July published estimates of funding rates which subsequently were reduced on 6 October (paragraph 11).

### Transfer of funds to high needs block

- 15 Council has already approved the Safety Valve agreement under which 1% of the Schools Block funding is to be transferred to the 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:

- Consultation results show that the block transfer proposal was opposed by primary schools by 58-34 and by secondary schools by 29-1, with comments largely reflecting concerns over affordability and there had been some suggestions that the LA should renegotiate in view of increased cost of living etc.
- At the subsequent schools forum discussion, the Chair summarised that the Forum noted that schools' responses did not support the proposal, although it recognised that there were few other options available and understood that the LA would have to apply to the Secretary of State despite the lack of support.
- Those schools which receive additional funding to comply with the minimum per pupil level requirement (26% of schools in 2023/24) 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 and will cost those schools more than 1% of budget each.

#### Other Schools Funding issues

16 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 2024/25 (the same range as in 2023/24). In 2023/24 Surrey adopted a 0.5% MFG (the highest permissible). For 2024/25, Surrey is proposing an 0.5% MFG, whether or not the proposed transfer from Schools Block to High Needs Block is approved. Schools on MFG do not contribute to the cost of the block transfer.

b) Formula funding rates

In 2023/24 Surrey formula funding rates were generally set at 1.5 % below 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 2024/25 schools were asked to support a proposal of a 2.6% increase (subsequently updated to 1.6% per paragraph 11) in formula rates, which does not require a ceiling on large per pupil gains based on October 2022 data. A possible alternative was outlined, although not recommended as modelling suggested it would result in only a very small proportion of schools being funded entirely on formula. A majority of schools supported the proposal (see Annex 2, noting the 2.6% increase was based on the July DfE funding rates). This includes the introduction of the new NFF split site funding factor, in lieu of Surrey's former local arrangements,

Schools were also asked if they would support the use of NFF formula factors +0.15%, should the proposed transfer from schools block to high needs block not be approved by the Secretary of State. Schools supported this 'reserve proposal' in 2024/25.

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 2023/24, Surrey adopted a ceiling of 1.562% per pupil, largely in order to manage the combined impact of a transfer of funding to high needs block and a considerable increase in incidence of pupils with EAL and pupils qualifying for deprivation funding. In 2024/25 Surrey’s initial proposals do not require the use of a ceiling on gains. However, if the cost of additional need increases between Oct 2022 and Oct 2023, Surrey will need either to impose a ceiling on high gains or to set a smaller increase in formula factors than described above, or a combination of both. Schools forum deferred a recommendation on this issue until the impact of the data update on individual schools could be assessed (in January). In particular a low ceiling may be disadvantageous to small schools, but too low an increase in the formula funding rates could leave a huge number of schools on minimum funding guarantee. Either way means many schools are not funded on current need, as the NFF intends.

d) Level of the lump sum

In 2023/24 Surrey increased the lump sum factor for both primary and secondary schools by 2.4%, 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 (now 1.4%) in 2024/25 in order to assist small schools. (In fact DfE constraints limit the increase in the secondary sector lump sum to 0.8%).

e) Notional SEND funding

The county council must define a notional SEN budget for every mainstream school, which is a guide to the amount which each school is expected to spend on SEN, though described by DfE as “neither a target nor a constraint” on the level of SEND spending, Changes in the notional SEN budget therefore affect the amount which schools may be expected to spend on SEN from their NFF formula allocation. They do not affect the total funding available to any school.

Individual councils decide how to define their notional SEN budgets, and historically Surrey’s notional SEN budgets have been set at a lower proportion of school budgets than the national average. The LA proposes to raise notional SEN funding to the national average, in equal steps in 2024/25 and 2025/26. This proposal was supported by the Schools Forum.

- 17 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 2024/25 are set out in Annex 5.

**B. De-delegated services**

- 18 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, 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. One proposal, Trade Union Facility time for Secondary schools, was opposed at

Schools Forum and the Chair agreed to defer the vote to allow the opportunity for wider engagement with the sector. All other proposals 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.

## **EARLY YEARS**

- 19 From 2024/25 there will be a major expansion of funded early years provision. The 15 hour funded entitlement for two year olds will be extended to children of working parents meeting specified criteria from 1 April 2024. From 1 September 2024 eligible working parents will also be entitled to 15 hours of funded early education and childcare each week for children aged 9 months-2 years. Surrey County Council will consult separately during the autumn on proposals for local allocation of funding for the new entitlement, to allow time for discussions with provider representatives first. As a result, the proposals for principles to be adopted in the funding of early years in 2024/25 will be reported to Cabinet at a later date.

## **SPECIAL SCHOOLS AND PUPIL REFERRAL UNITS**

- 20 Special schools and pupil referral units are funded from High Needs DSG, on a per place and 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 sum per place, representing 3.4% of average 2022/23 place and top up funding per place
  - an additional amount per pupil, based on the needs of the pupil as determined by the Special Schools banding matrix (flat rate per place for pupil referral units).

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.

### **Consultation:**

- 21 Following receipt of the DfE's updated guidance and illustrative funding for 2024/25 in late July 2023, a Schools Funding Consultation paper was distributed to all schools in early September detailing options for the funding of Surrey schools in 2024/25. A total of 130 schools submitted responses by the deadline, representing 33.1% of schools, a small increase compared to last year's response rate of 29%. Schools' collective responses and comments were discussed at the Surrey Schools Forum on 3 October when recommendations / decisions were made. These are set out in this report noting that these were based on the DfE's July published estimates (based on higher per pupil funding rates).



- 22 Following the DfE announcement that there had been an error in estimating the national total of 2024/25 pupil numbers in schools, resulting in lower formula rates, schools were advised that the council propose to maintain the principles set out in the September consultation paper, but with a smaller increase in formula funding rates, in line with the changes made by DfE. A summary of comments by schools is provided in Annex 6.

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

- 23 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.
- 24 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:**

- 25 In line with Surrey's Safety Valve agreement the latest 2023/24 High Need Block (HNB) DSG forecast is an overspend of c£40m. This would result in a c£108m cumulative HNB DSG overspend at the end of the year. The SEND transformation programme is on track to contain the overspend as planned.
- 26 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.
- 27 As at 1 October 2023, a total of 204 schools have converted to academy status (146 primary, 43 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:**

- 28 Significant progress has been made in recent years to improve the Council's financial resilience and the financial management capabilities across the organisation. Whilst this has built a stronger financial base from which to deliver our services, the increased cost of living, global financial uncertainty, high inflation and government policy changes mean we continue to face challenges to our financial position. This requires an increased focus on financial management to protect service delivery, a continuation of the need to be forward looking in the medium term, as well as the delivery of the efficiencies to achieve a balanced budget position each year.

In addition to these immediate challenges, the medium-term financial outlook beyond 2023/24 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 the stable provision of services in the medium term.

- 29 As such, the Section 151 Officer supports the Schools funding proposals for 2024/25.

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

- 30 The School and Early Years Finance (England) Regulations 2023 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.
- 31 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.
- 32 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.
- 33 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.
- 34 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:**

- 35 Equality Impact Assessments (EIA) have been completed and set out in Annex 7.

## 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.

### Area assessed:

Corporate Parenting/Looked After Children

### Direct Implications:

DfE no longer allows 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. In 2023/24 it is £2,530.

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

- 37 The DfE will provide local authorities with updated pupil data at school level during December 2023 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 22 January 2024.
- 38 Surrey maintained schools will receive their individual schools budgets from the council by the end of February 2024. 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.

**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 2023

**Annexes:**

- Annex 1 Allocation of Schools Funding Across Formula Factors (2023/24)
- Annex 2 Responses to Surrey Schools' Funding Consultation September 2023
- Annex 3 Recommendations of Schools Forum
- Annex 4 Schools Forum Decisions
- Annex 5 Proposed Surrey Schools Funding Formula Factors 2024/25
- Annex 6 Summary of schools responses following revised overall funding rates
- 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 2024/25. Department for Education, revised October 2023

2024/25 Schools Operational Guide. DfE, revised October 2023.

The School & Early Years Finance (England) Regulations 2023

The Education Act 2002

The Education Act 2011

The Schools Standards & Framework Act 1998

Schools' Funding Consultation: Proposals for Changes in 2024/25  
Surrey County Council, September 2023

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 2023 and Sept 2023

---

## Annex 1

### ALLOCATION OF SCHOOLS FUNDING ACROSS FORMULA FACTORS

The table below lists the funding allocated to the schools funding formula factors in 2023/24 and the recommended allocations for 2024/25 based on Oct 2022 pupil numbers and characteristics. The amounts, and the total DSG, will change in December due to updated pupil numbers.

	Allocated to Surrey schools 2023/24	Recommended allocations to Surrey schools (with 1% transfer to high needs block) 2024/25
	£m	£m
Basic Entitlement	627.6	659.8
Deprivation funding	36.9	40.4
Lump sum (flat rate)	49.1	51.4
Low prior attainment (SEND indicator)	44.2	45.0
English as an Additional Language	7.6	7.7
Split site funding	0.5	1.1
Rates, rent and other premises factors	6.8	7.6
Pupil mobility	0.6	0.6
Sparsity	0.1	0.1
Additional funding to reach minimum per pupil level (MPPL) (new factor)	6.4	6.1
Minimum Funding Guarantee	3.5	2.6
Ceiling deduction	-1.7	0
<b>Total</b>	<b>781.6</b>	<b>822.4</b>
Growing schools	<b>3.4</b>	<b>TBC</b>
Transfer to high needs block	<b>7.9</b>	<b>8.2</b>
NFF schools block	<b>792.9</b>	<b>830.6</b>

**SURREY SCHOOLS' FUNDING CONSULTATION**

**September 2023**

130 Surrey schools responded to the consultation by the deadline, comprising 33.1% 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.

A summary of comments will be made available to Cabinet members. For Q7 all responses are considered. For Q8-12/14/15 (which affect only mainstream schools), only the responses of mainstream schools are shown.

9

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 2024/25, in order to support the implementation of the safety valve agreement, which secures additional funding towards the historic high needs deficit? (Section C1 of consultation paper)	40	87	Forum recognised schools' concerns	Implement
8	Do you support the recommended option of setting formula funding rates at 98.7% NFF factors (Section C2.1)	75*	28*	Yes	Yes
9	Do you support the proposed "reserve" proposals for MFG and formula factors, in the event that no transfer to high needs block is approved (by DfE)?	66	17	Yes	Yes, if necessary

		Schools' views		Schools Forum recommendation / decision (D)	Officer Recommendation to Cabinet
		Yes	No		
10/11	Do you support (a combination of) reduced NFF rates and ceiling (on per pupil gains) in order to manage any increase in costs when data is updated in Dec 2023(a)?	62	n/a	Yes	Yes
	OR just a ceiling on per pupil gains?	10	n/a		
	OR just a further reduction in formula funding rates (relative to NFF)?	25	n/a		
	OR some other method?	12	n/a		
12	Do you support increasing the current lump sums in line with the increase in other formula factor rates, in order to assist small schools (as described in section C2.3 of the consultation paper)	80	34	Yes	Yes
13	De-Delegation of funds from maintained schools' budgets Do you support de-delegation of...?:				
	<u>Primary schools only:</u>				
	a) Behaviour support	36	8	Yes (D)	Yes
	b) Teaching Association time	21	11	Yes (D)	Yes
	c) Other special staff costs	25	9	Yes (D)	Yes
	d) Free school meals eligibility checking	42	3	Yes (D)	Yes
	e) Traveller support	28	10	Yes (D)	Yes
	f) Non statutory school improvement	<b>33</b>	6	Yes (D)	Yes
	<u>Secondary schools only:</u>				
c) Teaching Association time	3	2	Deferred	Follow SF decision in Jan	
d) Other special staff costs	4	1	Yes (D)	Yes	
e) Free school meals eligibility checking	5	0	Yes (D)	Yes	

		Schools' views		<b>Schools Forum recommendation / decision (D)</b>	Officer Recommendation to Cabinet
		Yes	No		
14	Do you agree that it is appropriate that the proportion of core funding in Surrey deemed notional SEN funding is brought into line with national averages? (See section D of the consultation paper)	86	19	Yes	Yes
15	(If you support the previous proposal) should the change be made in one year?	39	n/a	Yes	Yes
	Or phased over two years?	47	n/a		

NOTE Q1-6 simply asked for details of the respondents.



**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 1.6%,
- c) Full NFF rates should be adopted in the event that a transfer to high needs block is not approved by the Secretary of State (although this is seen to be unlikely).
- d) That lump sum funding should be increased by the same percentage as other formula factors (where permissible), in order to protect small schools.

Notional SEND budgets

- e) That the proportion of basic entitlement, deprivation and low prior attainment funding deemed notional SEN funding is raised to national averages in equal steps in 2024/25 and 2025/26.

**SCHOOLS FORUM DECISIONS**

At its meeting on 3 October 2023, 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 (as shown in Annex 2).

## PROPOSED SURREY SCHOOLS' FUNDING FORMULA FACTORS 2024/25

The table lists the proposed values of the Surrey formula factors for 2024/25, assuming a transfer of £8.2m to the high needs block: These will require review in December when October 2023 pupil numbers and characteristics are known.

	2023/24 values (incl block transfer)		2024/25 provisional values (with block transfer)	
	Primary £	Secondary £	Primary £	Secondary £
<b>Basic entitlement per pupil</b>				
• Key stages 1 & 2	3,536.52	-	3,716.84	-
• Key stage 3		4,980.92	-	5,238.15
• Key stage 4		5,614.84		5,905.48
<b>Deprivation:</b>				
Per pupil on free school meals	500.23	500.23	511.72	511.72
Per "Ever 6" FSM pupil	746.20	1073.41	856.35	1253.19
Per pupil in IDACI band F <sup>1</sup>	240.64	349.12	245.42	355.07
Per pupil in IDACI band E	292.94	463.76	297.63	469.95
Per pupil in IDACI band D	460.34	646.13	464.72	657.92
Per pupil in IDACI band C	502.18	708.66	506.50	720.58
Per pupil in IDACI band B	533.58	760.77	537.82	772.80
Per pupil in IDACI band A	700.96	969.20	710.14	986.89
<b>Lump sum per school</b>	136,241	142,874	143,145	148,965
<b>Low prior attainment:</b>				
Per low attainer based on Foundation Stage Profile	1,203.68		1,221.86	
Per secondary pupil scoring below level 4 in either maths or English or both at key stage 2		1,823.76		1,853.67
<b>English as an Additional Language:</b>				
Per pupil with EAL in school system less than 3 years	604.45	1,630.96	616.15	1,655.25
<b>Pupil mobility:</b>				
Per mobile child above 6% of roll	984.83	1,417.32	1002.55	1,441.17
<b>Sparsity lump sum</b>	58,673	85,352	59,631	86,679
<b>Split site-basic lump sum</b>	n/a*	n/a*	56,114.97	56,114.97
<b>Split site-additional lump sum if distance between sites &gt; 500m</b>	n/a*	n/a*	28,057.49	28,057.49
<b>Minimum per pupil funding level</b>	4,405	5,715	4,610	5,995

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 exceptional rents. These are calculated individually for each school, based on actual costs. In 2023/24 a small number of schools received split site funding based on a local formula. In 2024/25 this is being replaced by a national formula.

The provisional amounts above are likely to require amendment once the outcome of the October 2023 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 Mainstream Schools Additional Grant in addition to the 1.6% increase.

**SCHOOLS' COMMENTS ON IMPACT OF THE 1% REDUCTION IN ESTIMATED 2024/25 FORMULA FACTOR RATES FOLLOWING FROM THE DFE ANNOUNCEMENT OF 6 OCTOBER 2023**

No comments were received from schools by the deadline of Friday 20 October.

**EQUALITIES IMPACT ASSESSMENT:**

**PROPOSED CHANGES TO MAINSTREAM SCHOOLS' FORMULA FUNDING 2024/25**

**1. Explaining the matter being assessed**

**This is a change to an existing strategy or policy**

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

Changes to the mainstream schools funding formula 2024/25. The main proposals being considered are:

- (a) to set the level of the minimum funding guarantee (a protection for schools where the average increase in funding per pupil from 2023/24 to 2024/25 is small), at the highest level permitted by legislation (0.5%).
- (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
- (c) to set other formula factors at 98.7% of DfE national funding formula rates

The proposals affect HOW funding is distributed to schools 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, which requires 1% of schools funding to be transferred to high needs block annually between 2023/24 and 2027/28 (subject to annual approval by the Secretary of State). In particular, funding may only be distributed using variables on a list specified by the DfE, and the local authority's schools funding formula factor values are expected to converge on those in the national formula by 2027/28.

The three issues described above are the main factors to be considered in setting the mainstream schools funding formula for 2024/25. None of them are directly linked to the incidence of protected characteristics, and none are linked to 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 specific 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. Therefore the following analysis largely concentrates on whether the distribution of funding disadvantages schools with a high incidence of pupils or staff who are, or may be, in protected groups, relative to other options which were considered. The proposals could also have an indirect impact on parents/carers but the impact is seen as small, and thus that aspect has not been considered further.

The assessment is largely based on October 2022 and January 2023 data. The impact of the changes may be different when updated for October 2023 data.

**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.**

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

Everyone benefits from education, skills and employment opportunities which help them succeed in life.

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

- County-wide

### Detail here who you have involved with completing this EIA. For each include:

- David Green-Surrey County Council (Finance)

A summary of the data was shared with schools as part of the schools consultation. Few comments were received on equalities issues.

9

## 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

Though not included in the Equality Act 2010, Surrey County Council recognises that there are other vulnerable groups which significantly contribute to inequality across the county and therefore they should also be considered within EIAs. If relevant, you will need to include information on the following vulnerable groups (Please **refer to the EIA guidance** if you are unclear as to what this is).

- Members/Ex members of armed forces and relevant family members (in line with the Armed Forces Act 2021 and [Statutory Guidance on the Armed Forces Covenant Duty](#))
- Adult and young carers\*
- Those experiencing digital exclusion\*
- Those experiencing domestic abuse\*
- Those with education/training (literacy) needs
- Those experiencing homelessness\*
- Looked after children/Care leavers\*
- Those living in rural/urban areas
- Those experiencing socioeconomic disadvantage\*
- Out of work young people)\*
- Adults with learning disabilities and/or autism\*
- People with drug or alcohol use issues\*
- People on probation
- People in prison
- Migrants, refugees, asylum seekers
- Sex workers
- Children with Special educational needs and disabilities\*
- Adults with long term health conditions, disabilities (including SMI) and/or sensory impairment(s)\*
- Older People in care homes\*
- Gypsy, Roma and Traveller communities\*
- Other (describe below)

# Equality Impact Assessment

(\*as identified in the Surrey COVID Community Impact Assessment and the Surrey Health and Well-being Strategy)



# Equality Impact Assessment

## 2.1 Age

The proposals, and any possible alternatives, only affect school pupils aged 4-15 as the funding streams under consideration are only for pupils in that age range.

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

N/a.

**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?**

N/a

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

n/a

## 2.2 Disability

The nearest proxy which the council has for disability in schools is the incidence of pupils with SEND. Pupils with high levels of SEND are likely to have Education Health Care Plans, which require the school to make specified provision available, and which generally come with some additional funding. The impact of any relative reduction in funding will therefore largely be on other pupils, with lower level or no SEND.

### Minimum funding guarantee

The table below shows the proportion of primary and secondary schools with different levels of SEND which were on minimum funding guarantee in 2023/24 (using data from school funding records and school census)

Proportion of schools receiving additional funding under the minimum funding guarantee in 2023/24

	Primary	Secondary
all schools	34.45%	20.69%
Above average for EHCPs	40.00%	25.00%
Above upper quartile for EHCPs	42.67%	35.71%
Above average for %SEN	37.33%	17.86%
Above upper quartile for %SEN	38.67%	35.71%

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.

Setting formula factors at the proposed level (compared to the alternative of a higher level of formula rates but a ceiling or limit on average per pupil gains. Proportion of schools gaining.

	Primary gain>0.1%	Secondary gain>0.1%	Primary lose>0.1%	Secondary lose>0.1%

## Equality Impact Assessment

All schools	30.43%	13.79%	36.45%	62.07%
Above average for EHCPs	28.67%	17.86%	41.33%	50.00%
Above upper quartile for EHCPs	26.67%	7.14%	42.67%	57.14%
Above average for SEND	29.33%	17.86%	37.33%	53.57%
Above upper quartile for SEND	30.67%	14.29%	38.67%	57.14%

Conclude the impact on “high SEND schools” is inconclusive.

### Increasing the lump sum

The table below summarises the impact of increasing the lump sum, as proposed, compared to reducing it towards the NFF level with a corresponding increase in per pupil funding.

	Primary gain>0.1%	Secondary gain>0.1%
All schools	39.13%	1.72%
Above average for EHCPs	36.00%	3.57%
Above upper quartile for EHCPs	33.33%	7.14%
Above average for SEND	32.67%	3.57%
Above upper quartile for SEND	29.33%	7.14%

Again the impact is inconclusive, primary schools with higher incidence of SEN gain less than other schools from the proposed change, whereas secondary schools with higher incidence of SEN gain more.

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

N/a.

**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?**

None known relevant to schools funding

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

n/a

### 2.3 Gender reassignment

The service users are school pupils. No data is available on gender reassignment for this service user group.

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

N/a.

**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?**

N/a

# Equality Impact Assessment

## Any negative impacts that cannot be mitigated?

n/a

## 2.4 Pregnancy and maternity

The service users are school pupils. No school level data is available on pregnancy/maternity for this service user group.

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

N/a.

## 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?

N/a

## Any negative impacts that cannot be mitigated?

n/a

## 2.5 Race

Race/ethnicity is not a permissible factor in schools funding, but we have considered whether schools with a high proportion of non British pupils (according to the school census) are disproportionately disadvantaged by any of the proposals:

The table below shows the proportions of primary and secondary schools receiving additional funding under the minimum funding guarantee in 2023/24

	Primary	Secondary
All schools	34.45%	20.69%
Above average for non British pupils	30.00%	21.43%
Above upper quartile for non British pupils	25.33%	21.43%

Again the position is inconclusive between sectors, although there is some suggestion that primary schools with high incidence of ethnic minorities gain less under the minimum funding guarantee than schools as a whole.

Setting formula factors at the proposed level (compared to the alternative of a higher level of formula rates but a ceiling or limit on average per pupil gains. Proportion of schools gaining.

	Primary gain>0.1%	Secondary gain>0.1%	Primary lose>0.1%	Secondary lose>0.1%
All schools	30.43%	13.79%	36.45%	62.07%
Above average for % non British	27.33%	7.86%	37.33%	60.71%
Above upper quartile for % non British	28.00%	7.14%	38.67%	50.00%

There is some suggestion that schools with high incidence of non British pupils may benefit less than others from this change, but this must be considered against other effects of the alternative method, principally that almost any school with an increase in additional need levels in 2024/25 would be funded below the level of current needs (which would include recent arrivals with English as an additional language).

## Increasing the lump sum

# Equality Impact Assessment

	Primary gain>0.1%	Secondary gain>0.1%
All schools	39.13%	1.72%
Above average for % non British	26.00%	3.57%
Above upper quartile for % non British	25.33%	0.00%

In general, schools with higher incidence of non British pupils benefit less from the use of higher lump sums.

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

It would be for individual schools to ensure that the changes have no impact on pupils in protected groups.

9

**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?**

None known relevant to schools funding

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

n/a

## 2.6 Religion or belief (including lack of belief)

No data is held on religion or belief at pupil level.

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

N/a.

**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?**

N/a

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

n/a

## 2.7 Sex

The funding formula does not allow differentiation of funding by sex of pupils.

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

N/a.

**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?**

N/a

# Equality Impact Assessment

Any negative impacts that cannot be mitigated?

n/a

## 2.8 Sexual orientation

Data not held on pupils

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

N/a.

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?

N/a

Any negative impacts that cannot be mitigated?

n/a

## 2.9 Marriage and civil partnerships

Not relevant to school pupils.

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

N/a.

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?

N/a

Any negative impacts that cannot be mitigated?

n/a

## Others-economic deprivation (using eligibility for free school meals as a proxy)

Schools on minimum funding guarantee

	Primary	Secondary
All schools	34.45%	20.69%
Above average for pupils on FSM	35.33%	25.00%
Above upper quartile for pupils on FSM	40.00%	35.71%

In general, a higher proportion of Surrey schools with high incidence of social deprivation benefit from the minimum funding guarantee,

Setting formula factors at the proposed level (compared to the alternative of a higher level of formula rates but a ceiling or limit on average per pupil gains. Proportion of schools gaining.

	Primary gain>0.1%	Secondary gain>0.1%	Primary lose>0.1%	Secondary lose>0.1%
All schools	30.43%	13.79%	36.45%	62.07%

## Equality Impact Assessment

Above average for % of pupils on FSM	32.00%	25.00%	42.00%	53.57%
Above upper quartile for % of pupils on FSM	30.67%	21.43%	41.33%	50.00%

The impact on schools with high deprivation appears to be inconclusive.

Increasing the lump sum

	Primary gain>0.1%	Secondary gain>0.1%
All schools	39.13%	1.72%
Above average for % of pupils on FSM	31.33%	3.57%
Above upper quartile for % of pupils on FSM	26.67%	0.00%

Again increasing the lump sum does not benefit schools with high incidence of social deprivation (as measured in this way).

# Equality Impact Assessment

## 3. Staff

### 3.1 Age

We have looked at data from the DfE workforce census on teacher ages (corresponding data not available for support staff) looking in particular at teachers aged over 50.

#### Minimum funding guarantee

The table below shows the proportion of primary and secondary schools with different proportions of teachers aged over 50 in Nov 2022 which were on minimum funding guarantee in 2023/24 (data from school funding records and DFE school workforce census)

Proportion of schools receiving additional funding under the minimum funding guarantee in 2023/24

	Primary	Secondary
all schools	34.45%	20.69%
Above average for teachers over 50	34.00%	10.71%
Above upper quartile for teachers over 50	30.67%	14.29%

In general schools with higher incidence of teachers over 50 do not benefit from higher minimum funding guarantees.

#### Setting formula factors at the proposed level (compared to the alternative of a higher level of formula rates but a ceiling or limit on average per pupil gains). Proportion of schools gaining.

	Primary gain>0.1%	Secondary gain>0.1%	Primary lose>0.1%	Secondary lose>0.1%
All schools	30.43%	13.79%	36.45%	62.07%
Above average for teachers>50	27.33%	21.43%	36.67%	57.14%
Above upper quartile for teachers >50	28.00%	7.14%	36.00%	78.57%

Conclude that the impact of the proposal on schools with a high proportion of teachers over 50 is inconclusive.

#### Increasing the lump sum

The table below summarises the impact of increasing the lump sum, as proposed, compared to reducing it towards the NFF level with a corresponding increase in per pupil funding.

	Primary gain>0.1%	Secondary gain>0.1%
All schools	39.13%	1.72%
Above average for teachers>50	42.67%	0.00%
Above upper quartile for teachers>50	53.33%	0.00%

Again the impact is inconclusive, primary schools with higher incidence of teachers >50 gain more from the higher lump sum, whereas secondary schools with highest incidence do not.

# Equality Impact Assessment

---

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

N/a.

**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?**

N/a

9

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

n/a

## 3.2 Disability

The council does not hold comprehensive data on disability among school staff. Many of these are academies, where the council is not the employer.

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

N/a.

**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?**

None known

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

n/a

## 3.3 Gender reassignment

Data not held on gender reassignment for school staff.

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

N/a.

**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?**

N/a



# Equality Impact Assessment

Any negative impacts that cannot be mitigated?

n/a

## 3.4 Pregnancy and maternity

Data not held on this for school staff..

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

N/a.

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?

N/a

Any negative impacts that cannot be mitigated?

n/a

## 3.5 Race

We have looked at DFE workforce census data on the incidence of ethnic minority teachers and support staff.

The table below shows the proportions of primary and secondary schools receiving additional funding under the minimum funding guarantee in 2023/24

	Primary	Secondary
All schools	34.45%	20.69%
Above average for ethnic minority teachers	36.00%	17.86%
Above upper quartile for ethnic minority teachers	41.33%	7.14%
Above average for ethnic minority support staff	30.67%	17.86%
Above upper quartile for ethnic minority support staff	30.26%	35.71%

The impact is inconclusive.

Setting formula factors at the proposed level (compared to the alternative of a higher level of formula rates but a ceiling or limit on average per pupil gains. Proportion of schools gaining.

	Primary gain>0.1%	Secondary gain>0.1%	Primary lose>0.1%	Secondary lose>0.1%
All schools	30.43%	13.79%	36.45%	62.07%
Above average for % ethnic minority teachers	30.67%	17.86%	36.00%	64.29%
Above upper quartile for % ethnic minority teachers	29.33%	14.29%	38.67%	71.43%
Above average for % ethnic minority support staff	29.33%	10.71%	35.33%	67.86%
Above upper quartile for % ethnic minority support staff	25.33%	0%	36.00%	78.57%

## Equality Impact Assessment

There is some suggestion that schools with a high proportion of ethnic minority staff lose under the proposals, but the effect is small.

Increasing the lump sum

	Primary gain>0.1%	Secondary gain>0.1%
All schools	39.13%	1.72%
Above average for % ethnic minority teachers	36.67%	0.00%
Above upper quartile for % ethnic minority teachers	33.33%	0.00%
Above average for % ethnic minority support staff	32.67%	3.57%
Above upper quartile for % ethnic minority support staff	29.33%	7.14%

9

Again schools with high incidence of ethnic minority staff gain less than other schools from preserving the lump sum.

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

It would be for individual schools to ensure that the changes have no impact on pupils in protected groups.

**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?**

N/a

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

n/a

### 3.6 Religion or belief (including lack of belief)

No data is held on religion or belief of staff.

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

N/a.

**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?**

N/a

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

n/a

### 3.7 Sex

Incomplete data is held.

# Equality Impact Assessment

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

N/a.

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?

N/a

Any negative impacts that cannot be mitigated?

n/a

## 3.8 Sexual orientation

Data not held on staff

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

N/a.

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?

N/a

Any negative impacts that cannot be mitigated?

n/a

## 3.9 Marriage and civil partnerships

Data not held on staff.

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

N/a.

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?

N/a

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 [den](#) concerning employment, goods and services and equal pay).

### Recommended outcome:

Continue with the proposals, recognising that while they may result in some schools with higher incidence of some protected groups receiving lower funding than under alternative options:

\*no services to protected groups are directly affected and it will be for individual schools to mitigate any impact on protected groups

\*there are conflicting priorities between the need to secure a universal service and to support schools with high incidence of protected groups. For example assisting small schools (generally in rural areas) via increased lump sums, generally favours schools with lower incidence of protected groups, but supports service delivery in rural communities, and local access to services for any pupils with protected characteristics in those communities

\*the data used could vary considerably from year to year, particularly in small schools.

# Equality Impact Assessment

## 5. Action plan and monitoring arrangements

Insert your action plan here, based on the mitigations recommended.

Involve you Assessment Team in monitoring progress against the actions above.

Item	Initiation Date	Action/Item	Person Actioning	Target Completion Date	Update/Notes	Open/ Closed
1	End Dec2023	Review analysis in view of Oct 2023 pupil characteristics data	David Green	22/1/24		
2	Summer 2024	2025/26 funding proposals	David Green/Schools forum	Early Oct 2024		
3						

## 6a. Version control

Version Number	Purpose/Change	Author	Date
1	Draft	David Green	18 Oct 2023

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
Head of Service	31 Oct 2023
Executive Director	
Cabinet Member	
Directorate Equality Group/ EDI Group (If Applicable) (arrangements will differ depending on your Directorate. Please enquire with your Head of Service or the CSP Team if unsure)	

### **Publish:**

It is recommended that all EIAs are published on Surrey County Council's website.

Please send approved EIAs to: [vj](#)

### **EIA author:**

## 6c. EIA Team

Name	Job Title	Organisation	Team Role

If you would like this information in large print, Braille, on CD or in another language please contact us on:

Tel: 03456 009 009

Textphone (via Text Relay): 18001 03456 009 009

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 funding for licences and subscriptions, which is driven by a change imposed by an external supplier, and thus outside Surrey County Council control.

### **Notional SEND funding**

The proposed increase in the notional SEND budget will not affect the overall funding of any school, but will only change the sum identified for SEND. Where the increase leads to schools spending more on children with SEND it would be for individual schools to mitigate the impact on other protected groups. The proposal is consistent with the general direction towards national standardisation of school funding.

This page is intentionally left blank



**SURREY COUNTY COUNCIL****CABINET**

**DATE:** 28 NOVEMBER 2023

**REPORT OF CABINET MEMBER:** CLARE CURRAN, CABINET MEMBER FOR CHILDREN AND FAMILIES, LIFELONG LEARNING

**LEAD OFFICER:** LIZ MILLS, DIRECTOR EDUCATION AND LIFELONG LEARNING

**SUBJECT:** COORDINATED ADMISSIONS SCHEME FOR SEPTEMBER 2025

**ORGANISATION STRATEGY PRIORITY AREA:** NO ONE LEFT BEHIND

10

<b>Purpose of the Report:</b>
-------------------------------

The purpose of this report is to ensure Surrey determines and publishes its coordinated admissions scheme for 2025 in accordance with the requirements of the School Admissions (Admission Arrangements and Coordination of Admission Arrangements) (England) Regulations and the School Admissions Code.

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. This piece of work helps Surrey County Council meet its organisational strategy objective of 'No One Left Behind' by ensuring, as far as possible, that multiple offers are eliminated, thus freeing up a place to be offered to every child who needs one.

<b>Recommendations:</b>
-------------------------

It is recommended that Cabinet make the following recommendation to the County Council:

1. That the coordinated admissions scheme that will apply to all applicants and schools for 2025 is agreed as set out in Enclosure 1.

<b>Reason for Recommendations:</b>
------------------------------------

- The coordinated admissions scheme for 2025 is essentially the same as 2024 with dates updated
- There is just one point of clarification in paragraph 3 of the primary and secondary scheme (pages 3 and 9 of Annex 1), but this does not alter current practice
- 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 2025 by 1 January 2024
- 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

### **Executive Summary:**

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, the dates that 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 2025 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 2025 have been updated to ensure they comply with the Pan London timetable.
9. The only other change is a point of clarification in paragraph 3 of the primary and secondary scheme (pages 3 and 9 of Annex 1). This confirms that the order of preference might be shared with an own admission authority school if a parent exercises their right to appeal and a copy of the application is requested by the school to help them demonstrate that the admission arrangements have been correctly and impartially applied. However, this change does not alter current practice.

**Consultation:**

10. 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
11. 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 2025 is the same as for 2024, with only dates updated, so there are no significant changes. As such, no consultation has been undertaken on the scheme for 2025.

**Risk Management and Implications:**

12. 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:**

13. The coordinated admissions scheme ensures processes can be streamlined and thus carried out within the available budget envelope.

**Section 151 Officer Commentary:**

14. Significant progress has been made in recent years to improve the Council's financial resilience and the financial management capabilities across the organisation. Whilst this has built a stronger financial base from which to deliver our services, the increased cost of living, global financial uncertainty, high inflation and government policy changes mean we continue to face challenges to our financial position. This requires an increased focus on financial management to protect service delivery, a continuation of the need to be forward looking in the medium term, as well as the delivery of the efficiencies to achieve a balanced budget position each year.
15. In addition to these immediate challenges, the medium-term financial outlook beyond 2023/24 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 the stable provision of services in the medium term.
16. As such, the Section 151 Officer supports the continuation of the coordinated admissions scheme to meet statutory obligations.

**Legal Implications – Monitoring Officer:**

17. The coordinated admission scheme complies with legislation on school admissions and the School Admissions Code.

18. 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:**

19. The Equalities Impact Assessment has been completed in full and is attached in Annex 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:**

20. 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	Set out below
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

**Safeguarding responsibilities for vulnerable children and adults implications:**

21. 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:**

22. The coordinated admissions scheme will be ratified by the full County Council on 12 December 2023.

23. The scheme will then be published on Surrey's website by 1 January 2024 and all Surrey schools will be notified.

-----

**Report Author:**

Claire Potier: Service Manager School Admissions - claire.potier@surreycc.gov.uk

**Consulted:**

Carrie Traill, Head of Education

Amanda Scally, Legal and Democratic Services

Rachel Wigley, Director of Finance – Insight and Performance

**Annexes:**

**Annex 1** Coordinated admissions scheme

**Annex 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
-

This page is intentionally left blank

# Coordinated Scheme 2025/2026

**for admission to primary and secondary  
school**

# Coordinated scheme for admission to primary and secondary school for 2025/26

## Contents

### Coordinated scheme for admission to primary school (Reception and Year 3) for 2023/24

Applications.....	3
Processing .....	4
Offers .....	5
Late Applications and changes of preference .....	5
Post Offer.....	7
Waiting Lists.....	8

### Coordinated scheme for admission to secondary school (Year 7 and Year 10) for 2023/24

Applications.....	9
Processing .....	10
Offers .....	10
Late Applications and changes of preference .....	11
Post Offer.....	13
Waiting Lists.....	14

10



# Coordinated scheme for admission to primary school (Reception and Year 3) for 2025/26

## Applications

1. Surrey's admissions team will distribute information leaflets on admissions early in September 2024. 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 4 November 2024. 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 4 November 2024. 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, **unless a parent exercises their right to appeal and a copy of the application is requested by an own admission authority school to help them demonstrate that the admission arrangements have been correctly and impartially applied.** 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 2025. 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 2025. 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 5 February 2025.
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 5 February 2025.
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 5 February 2025.
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 5 February 2025. 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 14 and 20 February 2025.

## Processing

13. By 5 February 2025, 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 28 February 2025 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 18 and 26 March 2025 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 26 March 2025. 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 2025 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 27 March and 11 April 2025.
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 14 April 2025.
22. By 16 April 2025 lists of children being allocated places will be sent to primary schools for their information.
23. On 16 April 2025 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 2025.**

## 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 2025

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 12 February 2025. 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 12 February 2025.
29. The latest date for the upload to the Pan London Register of late applications which are considered to be on time is 13 February 2025.
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 12 February 2025, 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 12 February 2025 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 12 February 2025. Any changes of preference received after 12 February 2025 will not be considered until all on time applications have been dealt with.

### **Applications and changes of preference received between 16 April 2025 and 31 August 2025**

33. Applications will continue to be received after 16 April 2025. 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 2025 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 2025. Parents may also name additional preferences after the offer day of 16 April 2025.
36. The coordination scheme will end on 31 August 2025. Applications received after 31 August 2025 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 2025, 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 2025, Surrey's admissions team will forward the information to the school by 7 May 2025.
40. Where an applicant resident in Surrey accepts or declines a place in a school maintained by another local authority by 30 April 2025, Surrey's admissions team will forward the information to the maintaining local authority by 7 May 2025. Where such information is received from applicants after 30 April 2025, 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 2025.
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 2025/26

## Applications

1. Surrey's admissions team will distribute information leaflets on admissions early in September 2024. 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 2024. 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 2 September 2024. 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, **unless a parent exercises their right to appeal and a copy of the application is requested by an own admission authority school to help them demonstrate that the admission arrangements have been correctly and impartially applied.** 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 2024. 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 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 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 2024.
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 2024.
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 2024.
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 2024. 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 17 December 2024 and 2 January 2025.

## Processing

12. By 29 November 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.
13. By 8 January 2025 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 13 February 2025 Surrey's admissions team will send and receive electronic files with all coordinating local authorities, in order to achieve a single offer. Where a management decision is made that additional iterations are necessary, these will continue no later than 17 February 2025.

## Offers



16. Surrey's admissions team will identify the school place to be offered and communicate information as necessary to other local authorities by 17 February 2025. 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 3 March 2025 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 18 and 26 February 2025.
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 27 February 2025.
21. By 3 March 2025, lists of children being allocated places will be sent to secondary schools for their information.
22. On 3 March 2025 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 3 March 2025.**

## 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 3 March 2025

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 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.
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 17 December 2024.
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 2024, 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 2024 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 2024. Any changes of preference received after 12 December 2024 will not be considered until all on time applications have been dealt with.

### **Applications and changes of preference received between 3 March 2025 and 31 August 2025**

32. Applications will continue to be received after 3 March 2025. 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 3 March 2025 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 3 March 2025. Parents may also name additional preferences after the offer day of 3 March 2025.
35. The coordination scheme will end on 31 August 2025. Applications received after 31 August 2025 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 17 March 2025, 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 17 March 2025, Surrey's admissions team will forward the information to the school by 24 March 2025.
39. Where an applicant resident in Surrey accepts or declines a place in a school maintained by another local authority by 17 March 2025, Surrey's admissions team will forward the information to the maintaining local authority by 24 March 2025. Where such information is received from applicants after 17 March 2025, 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 3 March 2025.
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.



# 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 2025</b>
<b>Service</b>	<b>School Admissions</b>
<b>Name of assessor/s</b>	<b>Claire Potier</b>
<b>Head of service</b>	<b>Carrie Traill</b>
<b>Date</b>	<b>13 October 2023</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.**

The coordinated admissions scheme 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>			X	
<b>Race</b>			X	
<b>Sexual orientation</b>			X	
<b>Carers</b>			X	
<b>Other equality issues – please state</b>			X	
<b>HR and workforce issues</b>			X	
<b>Human Rights implications if relevant</b>			X	

**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>
		X
<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>13 October 2023</b>
<b>Person responsible for review</b>	<b>Claire Potier</b>
<b>Head of Service signed off</b>	<b>Carrie Trail</b>
<b>Date completed</b>	<b>13 October 2023</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: 28 NOVEMBER 2023****REPORT OF CABINET MEMBER: MARISA HEATH, CABINET MEMBER FOR ENVIRONMENT****LEAD OFFICER: KATIE STEWART, EXECUTIVE DIRECTOR FOR ENVIRONMENT TRANSPORT AND INFRASTRUCTURE****SUBJECT: CLIMATE CHANGE PROGRESS ASSESSMENT 2022/23****ORGANISATION STRATEGY PRIORITY AREA: ENABLING A GREENER FUTURE****Purpose of the Report:**

This is the second progress assessment to be carried out since Surrey County Council declared a Climate Emergency in 2019 and the Greener Futures Climate Change Delivery Plan 2021-2025 (the Delivery Plan) was published in 2021. It sets out the achievements we have made in supporting residents and businesses to reduce their carbon emissions in line with the net zero 2050 target, as well as the progress made to date on the Council's net zero 2030 target, up to the end of March 2023. It also recommends areas of focus in the coming year to ensure that the plan has the greatest impact.

This piece of work helps Surrey County Council to meet all four of the Strategic Objectives (Enabling a Greener Future, Growing a Sustainable Economy so Everyone can Benefit, Tackling Health Inequality, Empowered & Thriving Communities) and No One Left Behind. This is because the actions in the Delivery Plan save carbon and support nature recovery, help businesses to take up the substantial market opportunity that the green economy brings, improve the health & wellbeing of fuel-poor residents, enable communities to take action in their local area, and prioritises support towards those most vulnerable to the impacts of climate change.

**Recommendations:**

It is recommended that Cabinet:

1. Note the findings and approve the key areas of focus for next year as well as the approach to mitigate the evident shortfalls as set out in the conclusions.

**Reason for Recommendations:**

Part of the council's net-zero commitments is to produce an annual report [1]; synthesising a substantial amount of national and local data to ensure we understand if carbon emissions are reducing in line with the net-zero targets. Whilst

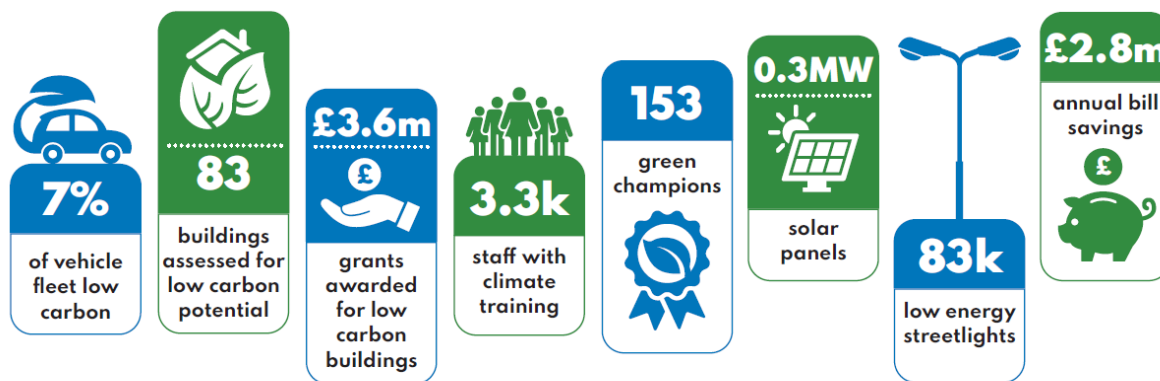
the scope has not changed, the progress report identifies where we need to focus our attention to address the most challenging areas and ensure the Delivery Plan is as impactful and cost effective as possible.

### Executive Summary:

1. It has been two years since the publication of the Delivery Plan [2] which set out to reduce between 1.2 and 2.4 million tonnes of carbon dioxide emissions by 2025, in line with Surrey’s Climate Change Strategy [3]. Local Authorities, working with partners, seek to play a key role in supporting the achievement of net-zero carbon across Surrey by 2050 and have set more stretching targets for their organisational emissions, including Surrey County Council’s 2030 net-zero carbon target.
2. Surrey County Council and Surrey’s District and Borough Councils remain strongly committed to delivering on their net zero targets and are taking action to further this end. There have been some significant partnership achievements as evidenced in the report, and Surrey County Council will continue to innovate and leverage in as much investment as possible to supplement its own resources from Government, partners, residents and businesses.

### Surrey County Council’s Net Zero 2030 Progress Report 2022 – 2023 (Annex 1)

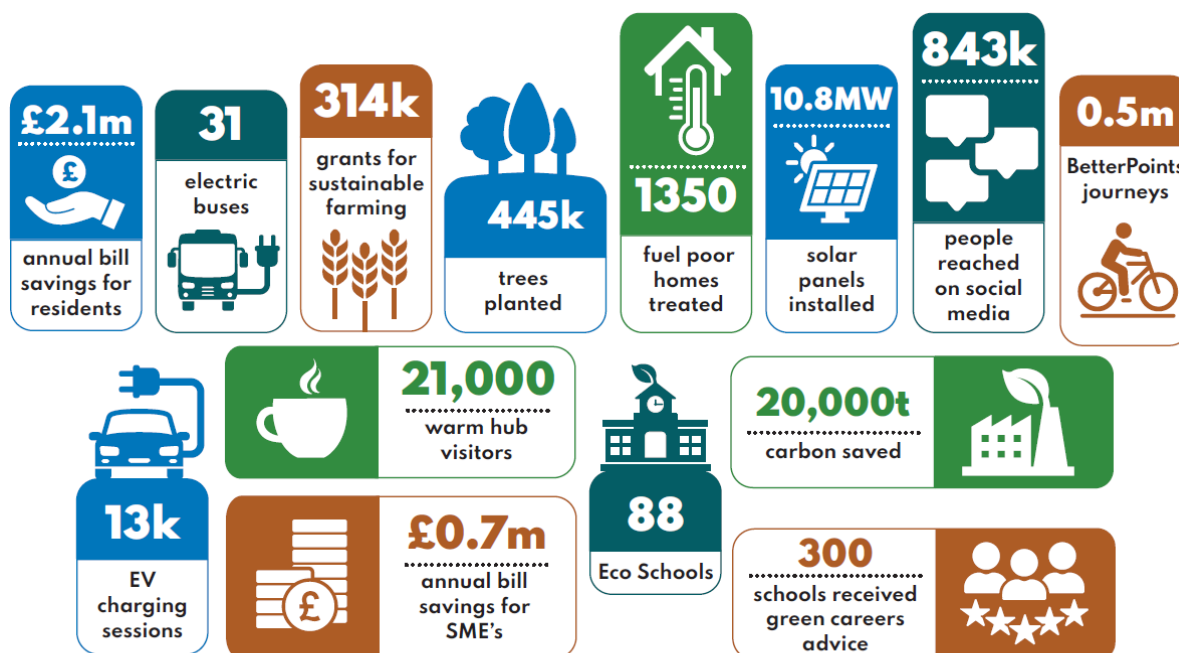
3. With a 34% reduction in emissions achieved since 2019, the Council is on track to meet its 2030 net zero target. The Council has reduced carbon emissions by 1 kilotonne through estate rationalisation and 6 kilotonnes from carbon reduction measures by March 2023. It has also delivered £2.8 M of annual bill savings, nearly £3.6 M of additional funding and 0.3 MW of solar power.
4. Key successes have included: (1) the streetlighting LED replacement programme; (2) the retrofit of buildings with Solar PV, low carbon heating and insulation; (3) the implementation of a sustainable procurement policy; and (4) the Carbon Literacy Training pilot.



5. There is a fair degree of confidence that delivery of the 2030 net zero target is achievable, although it should be noted that given the scale of the task that remains, there is considerable further action and scaling up of existing projects required and planned. Funding support will need to be kept under review.
6. For the Council's 2030 corporate net zero target, key areas of focus for next year include: acceleration of Solar PV installation, incorporation of building retrofit into the Asset Management strategies and the new Facilities Management contract, fleet decarbonisation and support for staff to reduce emissions through their service provision on behalf of the Council, and in their personal lives. In addition, there is further action being taken to support staff to use public transport and provide better active travel facilities at the Council's offices and hubs. These priorities will continue to be assessed in the context of current government policy and included in future lobbying activity as appropriate.

## Greener Futures Climate Change Progress Report 2022 - 2033 (Annex 2)

7. The Delivery Plan has significantly increased climate action across Surrey since the net zero targets were set in 2019. Up to March 2023, this has included the treatment of 1,350 fuel poor homes, installation of 15,800 Solar PV panels through the Solar Together scheme, 0.5M sustainable journeys logged on the BetterPoints app, 217 businesses supported with grants to reduce carbon, 300 schools given Green Careers advice and many more climate actions.



8. When added together, the benefits of the projects have been considerable. Up to March 2023, the plan has resulted in at least 20 kilotonnes of carbon savings, £42.7 M worth of grants and private sector funding leveraged, £8 M bill savings for residents and 10 MW Solar PV installed.
9. However, when this excellent progress is compared to the scale of the challenge, it is all too apparent that much more needs to be done for the county to meet its 2050 target. Surrey's emissions in 2021 were higher than in 2020, largely due to increases in emissions from transport driven by the post-Covid bounce back in travel patterns, despite some progress and considerable investment in modal shift.
10. As was made clear in the publication of the Climate Change Strategy and Delivery Plan, the 2050 net zero target for Surrey- and indeed the country- is critically dependent on a step change in national policy and investment in decarbonisation. The Government continues to be committed to the UK's net-zero targets set out in the climate change act [4], although it must be noted that announcements made by the Government in mid-September [5] to step down certain national policy actions in relation to climate change will have an impact on our progress [6]. These include a delay to the phasing out of new petrol and diesel vehicles and gas boilers. Currently, all nine sections of the 2050 report are showing a shortfall in what is needed and unless further action is taken, it is highly likely that the Surrey net zero 2050 target will go off-track next year. We understand the need to not overburden our residents but if communities, but if residents and businesses are to make the progress that is needed, then it is critical that Government addresses these gaps at a national level.
11. Where the action needed is outside of Local Authority control, a strong cross-party, joint lobbying strategy is being developed with District & Borough Council colleagues and partners, focusing on those areas where there is a real need for strong national intervention and support. Lobbying will be a key focus for the Delivery Plan for the next year, given the importance of driving meaningful national action. In addition, and in line with the Delivery Plan, other key areas of focus for next year include: (1) a continuation of community engagement and projects with strong impact; (2) more support to inform and finance the decarbonisation of homes, schools and businesses; (3) positioning to help businesses to take up the substantial market opportunity that the green economy brings; (4) a scale up of renewables, active travel and EV infrastructure where feasible and supported; (5) putting in place critical prevention measures to protect residents, especially the most vulnerable, and biodiversity from the impacts of climate change, to strengthen Surrey's resilience and ensure no one is left behind.

## **Moving forward**

12. Working with multi-agency partners, across sectors, and with our own suppliers, the council will continue to use action on climate change and environment to deliver multiple benefits for the most vulnerable residents, adjusting policies to ensure value for money and that no one is left behind.

13. However, without significant and sustained policy change at the national level, including a clear mandate with resources for local authorities to act, achieving net zero by 2050 and reaping all the benefits for our residents, including the most vulnerable, remains extremely challenging to meet.
14. The Council, alongside the Greener Futures Member Reference Group (a subset of the Communities, Environment and Highways Select Committee), and with its local authority partners, has already committed to work in a cross-party manner to step-up lobbying efforts alongside other key partners and residents. It is hoped that this will galvanise a clear programme of asks and offers so that the county, along with others, can meaningfully influence the Government's policy agenda in this critical area.

<b>Consultation:</b>
----------------------

15. The Climate Change Programme Progress Assessment focuses on local authority action within the Greener Futures Climate Change Delivery Plan 2021-2025 and therefore consultation has focused on Surrey County Council officers, Borough & District Councils and key external stakeholders that sit on the Greener Futures Board. The reports will be made available to the public following Cabinet approval.
16. Key contributions have been made by all council officers and senior leaders whose areas of responsibility form part of the Greener Futures Climate Change Delivery Plan 2021-2025, and the findings have been reviewed by the Climate Change Programme Board, the Greener Futures Steering Group and the Asset Strategy Board.
17. Cabinet Members that make up the Greener Futures Member Reference Group have reviewed the plan and will continue to review and help steer key components of the plan as they develop.
18. Close working with the Borough and District Councils' climate change officers, senior officers and Cabinet Members has taken place throughout the year including through the Greener Futures Partnership Steering Group, which has representation from all eleven Boroughs and Districts.
19. Key external stakeholders including the Surrey Climate Change Commission (with extensive community representation), the University of Surrey (who are a key collaborator) and industry leads have been consulted through the Greener Futures Board.
20. The findings of the Communities, Environment and Highways Select Committee are set out below:
  - I. The committee welcomes the progress made overall and in particular the significant progress made at Surrey County Council level and the range of achievements to date including 6 kilotonnes reduction in carbon emissions, £2.5M of annual bill savings, £5M of additional funding and 0.3MW of solar power installed.

- II. The committee recognises the challenging national policy context and the difficulty in changing attitudes locally but urges continued drive and ambition in those areas that the council does control including estate retrofit, aspects of the EV charging infrastructure rollout, solar PV on schools and leased buildings, and Carbon Literacy Training for council staff.
- III. The committee recommends that a greater sense of prioritisation of projects (based on impact and cost) is reflected in Delivery Plan documentation given the resource constraints the council is facing over the medium-term financial period. This will help decision makers assess what matters most and which areas of slippage are of greatest concern. These changes are to be made by December 2024 and to be considered by the Greener Futures Reference Group.
- IV. The committee recommends the governance structure be revisited, including the role and future of the Greener Futures Board, by end of 2023.

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

- 21. Three of the four top programme-level risks and issues that were identified at the formation of the Greener Futures Climate Change Delivery Plan 2021-2025 have remained largely the same.
  - a. Over 95% of the emissions in the net-zero 2050 target are reliant on residents, businesses and other public sector bodies taking action to reduce emissions. Increasing the reach of the Delivery Plan is being addressed through the implementation of the Greener Futures Engagement Strategy.
  - b. Funding and legislative barriers at National Government level continue to hold back progress, including changes to some of the key national measures which will delay the decarbonisation of housing and transport [6]. Further, the increase in interest rates is impacting the cost effectiveness of developing financial mechanisms such as loan schemes. Effective lobbying is being developed to argue for greater action and funding at national level.
  - c. The speed and complexity of scaling up a wide range of impactful projects continues to be challenging. To mitigate this risk, the Greener Futures Group, officers in other SCC teams and those working for partner organisations are managed as dynamically 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 improved programme management arrangements are being put in place.



22. The fourth risk identified in the Delivery Plan, the predicted increase in global average temperatures, has materialised and is now an issue. Scientists have highlighted that we may have already reached the 1.5 degrees of warming threshold and that the impacts of this are more severe and far-reaching than previously predicted [7]. The Surrey Climate Adaptation and Resilience Strategy was approved by Cabinet in October 2023 to take forward measures to prepare for changing climate with more frequent extreme weather events.

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

23. Although this report identifies the need for more Government and third-party funding, it is not proposing any additional investment by the Council. The Green Finance Strategy, which sets out the principles and approach to funding the Greener Futures Climate Change Delivery Plan 2021-2025, was agreed by Cabinet in July 2023 and an annual review of the funding landscape will take place.
24. The financial environment remains challenging but the Council has already made provision for investing in measures, and developing a number of finance mechanisms, 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).

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

25. Significant progress has been made in recent years to improve the Council's financial resilience and the financial management capabilities across the organisation. Whilst this has built a stronger financial base from which to deliver our services, the increased cost of living, global financial uncertainty, high inflation and government policy changes mean we continue to face challenges to our financial position. This requires an increased focus on financial management to protect service delivery, a continuation of the need to be forward looking in the medium term, as well as the delivery of the efficiencies to achieve a balanced budget position each year.
26. In addition to these immediate challenges, the medium-term financial outlook beyond 2023/24 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 the stable provision of services in the medium term.
27. Delivering net zero across Surrey will require investment from the Council alongside partners and other sectors within the County. While the expectation is that the Council's financial role will primarily be as a facilitator, it will also need to directly invest in some measures (e.g. on its own estate). The

Council's Medium Term Financial Strategy (MTFS) makes provision for this investment through a wide range of projects including building retrofit, renewables projects, the River Thames flood alleviation scheme and transport infrastructure. Those 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:**

28. As the scope of the Greener Futures Climate Change Delivery Plan 2021-2025 has remained largely unchanged, there are no new legal considerations.

**Equalities and Diversity:**

29. An Equality Impact Assessment was undertaken when the Delivery Plan was developed [8] and is used to guide and prioritise actions within the Delivery Plan. The results of the assessment have been incorporated into project and programme delivery to ensure all residents have access to opportunities and support required to contribute to achieving the net zero targets. The aim is to meet the needs of as wide a range of the Surrey population as possible, with a focus on targeting funding and engagement towards those most in need, particularly those impacted by the rise in energy prices. As the scope of the Delivery Plan has remained largely unchanged the application of the original Equality Impact Assessment remains appropriate.

**Other Implications:**

30. 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:

31. The Progress Reports will be published on the Surrey County Council website and progress reports for the Greener Futures Climate Change Delivery Plan 2021-2025 will continue to be completed on an annual basis up to 2025/6, when the plan will be renewed.

---

**Report Author:** Cat Halter, Climate Change Strategic Lead,  
cat.halter@surreycc.gov.uk

### **Consulted:**

Surrey County Council Officers, Borough and District Councils Officers, Greener Futures Board, Greener Futures Member Reference Group, Communities, Environment and Highways Select Committee, Borough and District Council Chief Executives and Portfolio Holders.

### **Annexes:**

Annex 1: Surrey County Council's Net Zero 2030 Progress Report 2022 – 2023

Annex 2: Greener Futures Climate Change Progress Report 2022 - 2033

### **Sources/background papers:**

[1] Greener Futures Climate Change Delivery Plan Progress report, 2022;  
[https://www.surreycc.gov.uk/\\_\\_data/assets/pdf\\_file/0003/342471/Climate-Change-Whole-Programme-Assessment.pdf](https://www.surreycc.gov.uk/__data/assets/pdf_file/0003/342471/Climate-Change-Whole-Programme-Assessment.pdf)

[2] Greener Futures Climate Change Delivery Plan 2021-2025, 2021:  
<https://mycouncil.surreycc.gov.uk/documents/s82192/Annex%20-%20Climate%20Change%20Delivery%20Plan%20Main%20Report-Cabinet%20Draft.pdf>

[3] 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)

[4] Climate Change Act 2008, Amended November 2023;  
<https://www.legislation.gov.uk/ukpga/2008/27/contents>

[5] Press release: PM recommits UK to Net Zero by 2050 and pledges a “fairer” path to achieving target to ease the financial burden on British families, September 2023;  
<https://www.gov.uk/government/news/pm-recommits-uk-to-net-zero-by-2050-and-pledges-a-fairer-path-to-achieving-target-to-ease-the-financial-burden-on-british-families#:~:text=Press%20release-,PM%20recommits%20UK%20to%20Net%20Zero%20by%202050%20and%20pledges,approach%20to%20reaching%20net%20zero.>

[6] In Depth Q&A: What do Rishi Sunak's U-turns mean for UK climate policy?, Carbon Brief, September 2023;  
<https://www.carbonbrief.org/in-depth-qa-what-do-rishi-sunaks-u-turns-mean-for-uk-climate-policy/>

[7] Intergovernmental Panel on Climate Change, 6<sup>th</sup> Assessment Report, 2023;  
<https://www.ipcc.ch/report/sixth-assessment-report-cycle/>

[8] Equality Impact Assessment – available on request



# Surrey County Council's Net Zero 2030 Progress Report 2022 – 2023

November 2023



# Contents

<b>Executive Summary .....</b>	<b>3</b>
<b>1. Introduction .....</b>	<b>9</b>
1.1 Approach to assessment.....	10
<b>2. Surrey County Council’s 2030 net zero target.....</b>	<b>13</b>
2.1 Council 2030 Net Zero Carbon Target .....	13
2.2 The council’s indirect carbon impact.....	14
<b>3. Progress of action towards the council’s 2030 target.....</b>	<b>15</b>
3.1 Streetlighting .....	16
3.2 Council buildings and renewables .....	17
3.3 Fleet and active travel.....	20
3.4 Schools and leased buildings.....	21
3.5 Procurements.....	244
3.6 Staff .....	255
<b>Annex A – Full list of projects and progress.....</b>	<b>288</b>
<b>Annex B – Emissions reduction plan .....</b>	<b>30</b>
Declaration and Sign Off .....	35

# Executive Summary

This report sets out how Surrey County Council has acted towards reducing carbon emissions from its organisation to meet our ambitious 2030 net-zero carbon emissions target and made steps to tackle indirect organisational emissions.

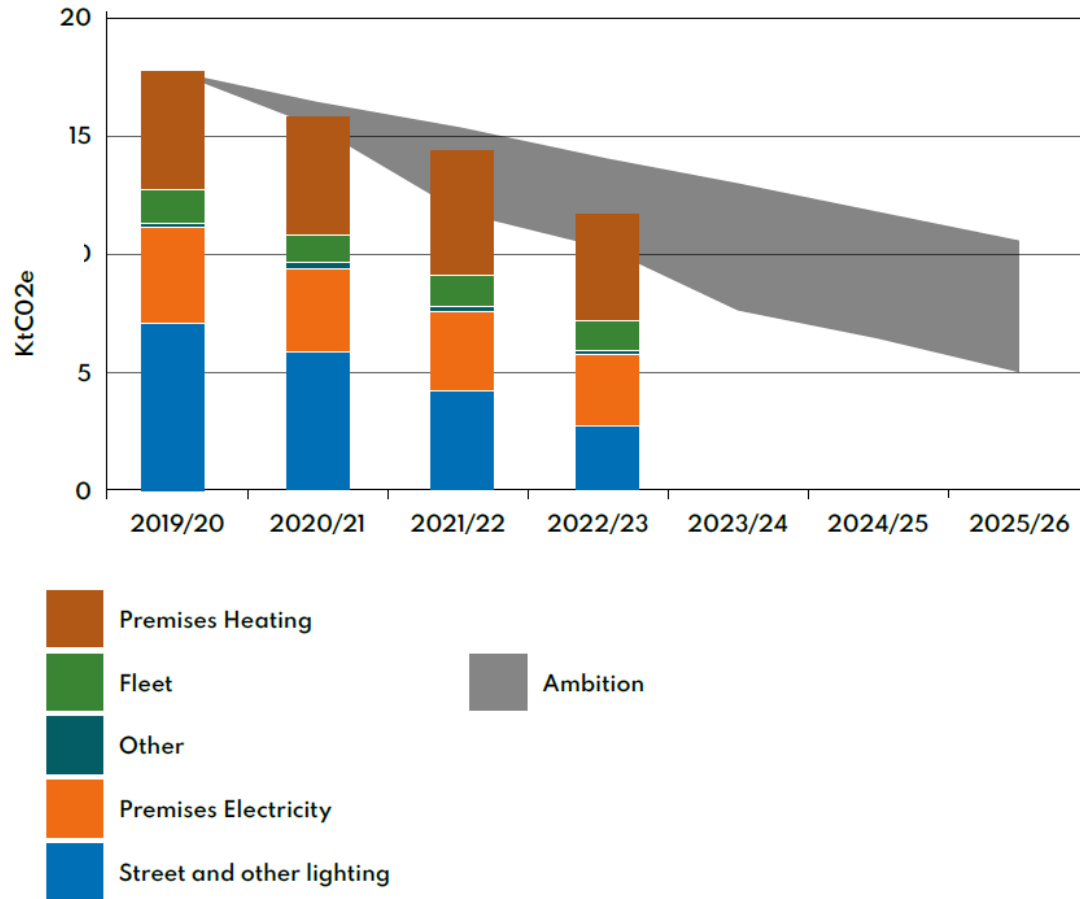
With a 34% emissions reduction compared to our 2019-2020 baseline, progress against our 2030 net-zero target<sup>1</sup> is on track. This has been achieved at a time when carbon emissions across the county have increased compared to the previous year, and Inter-Governmental Panel on Climate Change (IPCC) evidence shows that extreme weather is having a bigger impact than predicted<sup>i</sup>. We have begun to measure and tackle our wider (scope 3) emissions, which fall outside of the 2030 target, and these efforts will continue.

---

<sup>1</sup> The 2030 net zero target is set out in the net zero carbon programme  
<https://mycouncil.surreycc.gov.uk/documents/s82194/Annex%203-%20SCC%203030%20net%20zero%20carbon%20programme.pdf>



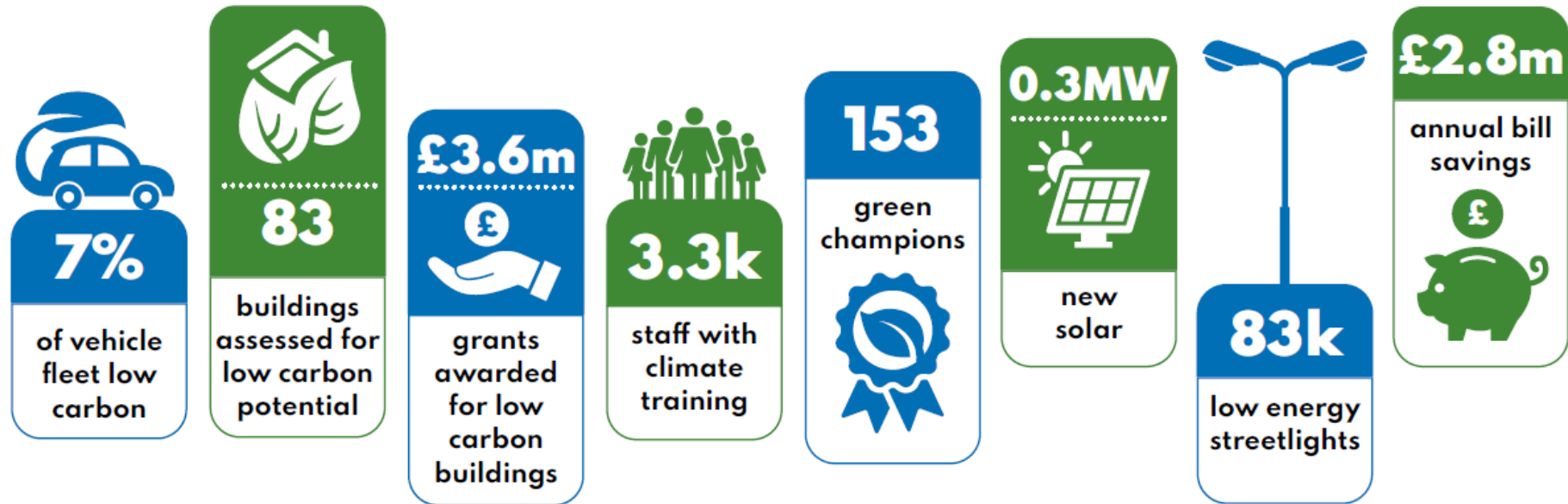
Figure 1: Progress against Surrey County Council's 2030 net-zero target (tCO2e)



Investment in decarbonisation projects has led to key successes such as the streetlighting LED replacement programme and estate buildings retrofit programme which are starting to have a significant impact.

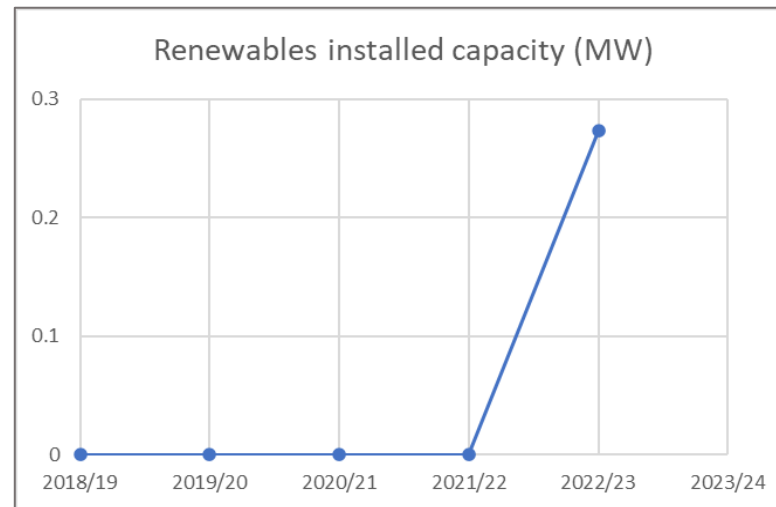
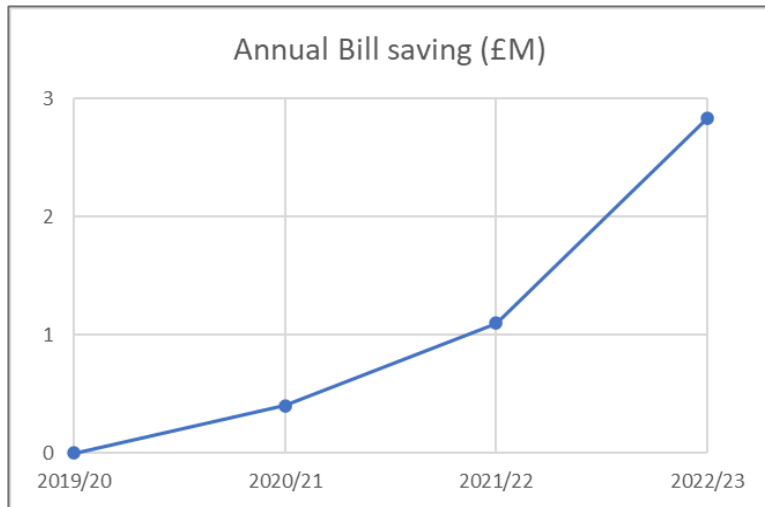
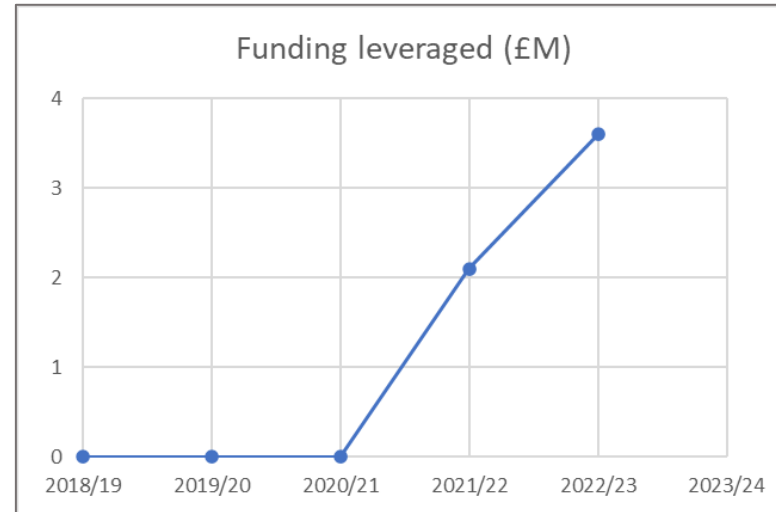
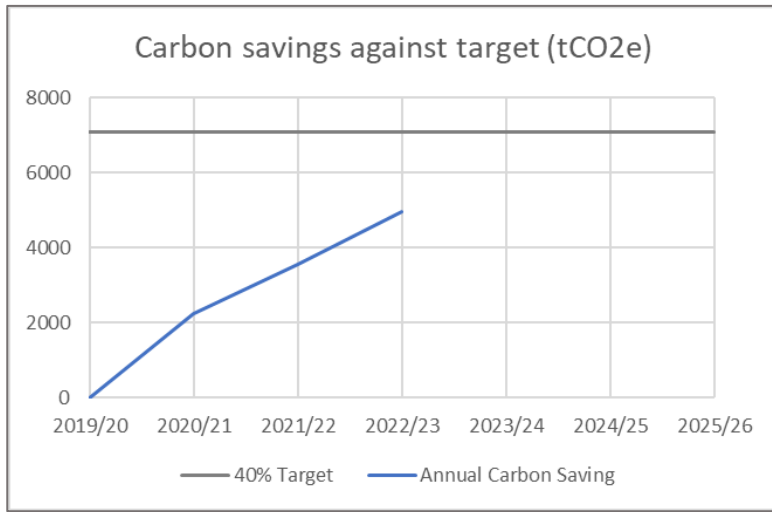


Figure 2: Summary of project successes



As well as delivering significant carbon reduction benefits, action to reduce emissions is also benefiting the organisation in other ways. So far, Surrey County Council has reduced carbon by 1 kilotonne through estate rationalisation and nearly 5 kilotonnes through carbon reduction measures. It has also delivered £2.8M of annual bill savings, leveraged nearly £3.6M of additional funding and installed 0.3MW of solar power. To date, these benefits have mostly come from the streetlighting LED replacement programme and the government grant funded Public Sector Decarbonisation Scheme (PSDS) programmes. Scaling up projects has the potential to deliver substantial carbon and financial benefits, but any shortfall in achieving the 2030 net-zero target will result in increased costs to the council from offsetting.

Figure 3: Summary of benefits



When the current progress of projects is compared to the progress needed to achieve our 2030 net zero target, some projects are on-track, such as the streetlighting LED replacement which is near completion, and others are still at an early stage and require scale up, such as fleet decarbonisation.

Figure 4: Summary of progress of key projects

<b>Action area</b>	<b>What needs to happen by 2030</b>	<b>Likely LA impact by 2030</b>	<b>Progress to March 2023</b>
Streetlighting LED Replacement	89,096 LED streetlights	89,096 LED streetlights	82,818 LED streetlights
Council buildings and renewables	191 Buildings are within the target	Capital funding allocated to finance decarbonisation of majority of buildings	5 Buildings retrofitted, with plans for a further 25 buildings in development.
Fleet and Active travel	527 Low carbon vehicles	196 <sup>2</sup> Low carbon vehicles	37 Low carbon vehicles
Schools and leased buildings	126 Schools and leased buildings with solar PV	40 Schools in pipeline for SCC solar schemes	1 School with SCC solar with a further 5 schools in progress
Procurements	£900M Sustainable Procurement policy compliant spend	£750M contracts above threshold	Not known <sup>3</sup>
Staff	10,127 Staff taken climate change training	5000 <sup>4</sup> Staff taken climate change training	3,357 Staff taken climate change training

<sup>2</sup> Subject to the development of the fleet decarbonisation policies and programme

<sup>3</sup> It is currently very difficult to extrapolate the value of contracts from which the Environmentally Sustainable Procurement Policy has been applied

<sup>4</sup> Subject to a decision to make climate change training mandatory





To continue to stay on track to meet our 2030 net zero target and tackle our indirect emissions, the Council is seeking to focus on the following areas in the coming year:

**Streetlighting:** Because the LED replacement programme is near completion, there is a limit to the extent that further energy efficiencies from streetlighting will reduce carbon emissions. In order to make significant further reductions, a large-scale solar array or a 100% renewable Power Purchase Agreement (PPA) would be needed.

**Council buildings and renewables:** Fast-tracking solar PV projects will be a focus going forward to increase bill savings and (if on schools and leased buildings) income for the Council. These savings help to pay for the low carbon heating and energy efficiency measures, which tend to be more expensive but are essential to reduce carbon emissions to the extent that is required for our net zero target. Savings and income from solar PV projects will become increasingly important as the Public Sector Decarbonisation Scheme (PSDS) grant funding opportunities reduce.

**Fleet and active travel:** A focus on staff travel and fleet will ensure that we can implement a sustainable travel plan and provide low carbon travel options for staff such as e-bikes, EV vehicles and EV charge points. This is a crucial area to keep under review considering proposals to make changes to the agile working policy.

**Procurement:** The Environmentally Sustainable Procurement Policy will continue to be applied to all appropriate new contracts, alongside capturing the carbon impacts of procurements more accurately through a supply-chain carbon tool.

**Staff:** To ensure that the Council puts the Enabling a Greener Future strategic objective at the heart of everything we do, it will require a continuation and scale up of Carbon Literacy Training for senior staff and cabinet members, specialist training for particular teams and basic carbon awareness training for all staff.

**Adaptation and resilience:** Reducing carbon emissions continues to be essential in playing our part in tackling climate change, to show leadership and to reduce the significant financial risk to the Council of responding to future extreme weather events such as floods, wildfires, and very hot weather. After elevating climate change as a key risk to Surrey's residents, wildlife and economy, a focus on preventing and adapting to such risks, through the implementation of Surrey's Climate Change Adaptation and Resilience Strategy - "Surrey Adapt"<sup>ii</sup>, will commence.

# 1. Introduction

This document presents the second progress assessment undertaken to consider the extent to which Surrey County Council (SCC) is meeting its 2030 net zero target<sup>iii</sup> and what needs to happen to increase the impact. This comes at a time when current Intergovernmental Panel on Climate Change (IPCC) evidence indicates that adverse climate change impacts are already more far-reaching and extreme than anticipated. In England, and specifically in Surrey, we have already faced severe climate change impacts to date.

The net zero 2030 target mostly consists of energy used in buildings, streetlighting, and vehicles owned and operated by the Council<sup>5</sup>. Our aim is to achieve a 40-69% reduction in Surrey County Council's carbon emissions by 2025<sup>6</sup> in line with the within the Greener Futures Climate Change Delivery Plan 2021-2025. It also considers how the council is tackling the indirect emissions that are produced through: procurements on behalf of residents, leased buildings and fleet, and the actions of staff. These emissions fall outside of the 2030 net zero target, however the Council has a unique role in reducing these emissions.

The progress of individual projects are set out in Annex A.

A technical summary set out in standard format will be published alongside this progress report and is set out in Annex B.

---

<sup>5</sup> These are known as scope 1 and 2 emissions as defined by national reporting guidelines <https://ghgprotocol.org/corporate-standard>

<sup>6</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.



## 1.1 Approach to assessment

### Are we on track to meet our 2030 net zero target?

In section 2, the extent to which carbon emission reductions are likely to be in line with our 2030 net zero target is visually represented by a gauge, see image to the right.



### How impactful are the projects?

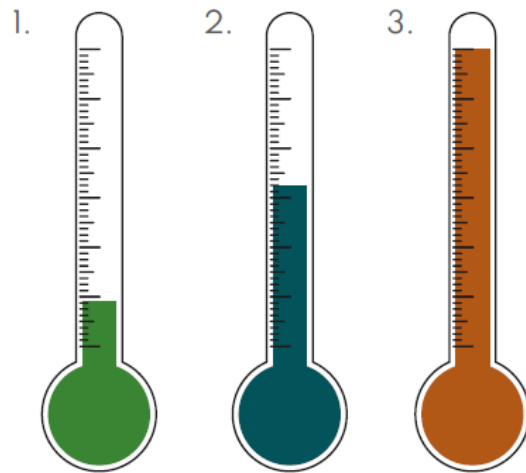
In section 3, each project is given an impact rating which shows a summary of the key benefits that the project delivers compared to the scale of the challenge. The blue boxes summarise the main benefit measures from projects in delivery up to March 2023, summarised in the **progress** sections. The impact rating is a judgement on how likely it will be to meet the scale of the challenge with the current and planned level of action, summarised in the **impact** sections.

Figure 5: Table showing impact ratings for section 3

Section impact rating	Key factors that inform rating
<b>Impact: Green</b>	Projects are progressing at the pace and scale needed.
<b>Impact: Amber</b>	Projects are progressing well, but some barriers may mean that their progress risks not meeting the pace and scale needed to achieve the net-zero targets.
<b>Impact: Red</b>	Projects that are necessary to achieve net-zero targets but are not progressing at the pace or scale needed due to major barriers such funding being prioritised elsewhere, or external factors that are beyond the control of the Council.

One key project in each section has been chosen to illustrate how projects are progressing against the scale of the whole challenge.

Figure 6: Table showing impact ratings for section 3



- 1. **Project progress**  
up to March 2023
- 2. **Forward plans**  
made by Local Authorities
- 3. **Overall ambition**  
required to meet Surrey County Council  
2030 net zero target

## How are projects progressing?

A red amber green (RAG) status is associated with every project that Local Authorities committed to in the Greener Futures Climate Change Delivery Plan 2021-2025 compared to expectations set out in March 2022. A full list of project progress is found in Annex A.

Figure 7: Table showing impact ratings of projects set out in Annex A

<b>Project impact rating</b>	<b>Key factors that inform rating</b>
<b>Green</b>	On schedule
<b>Amber</b>	Off schedule but possible to get back on track
<b>Red</b>	Off track and not possible to get back on track without significant additional resource



## 2. Surrey County Council's 2030 net zero target

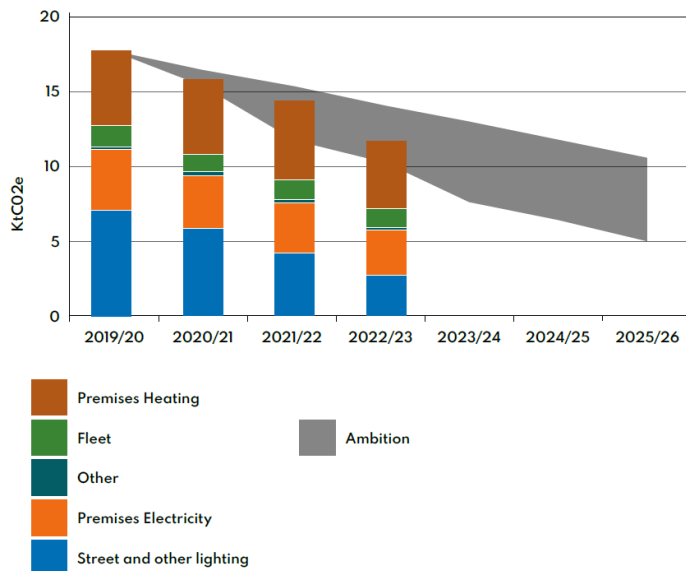
### 2.1 Council 2030 Net Zero Carbon Target

#### Local authority target



**On track with risk:** In 2022-2023 Surrey emitted 11,712 tonnes of carbon emissions. A 34% decrease in carbon emissions has been achieved since 2019/2020. Last year an 18% reduction was achieved. These reductions are broadly in keeping with meeting the Council's 2030 net-zero targets.

Figure 8: Changes in Surrey County Council's carbon emissions



The grey area on the graph represents a range of possible trajectories to meet net zero emissions by 2030. The most ambitious trajectory is a 69%<sup>7</sup> decrease by 2025 in line with what is technically feasible, and the lower ambition is 40% as set out in the Greener Futures Climate Change Delivery Plan 2021-2025.

Emissions reductions are compared to a baseline year. When assets are added or removed, the baseline needs to be adjusted<sup>iv</sup>. To date the baseline has reduced by over 1,000 tonnes<sup>8</sup> of carbon emissions though building rationalisation and improved data capture.

<sup>7</sup> The grey area on the graph represents the range of ambition explained in footnote 2.

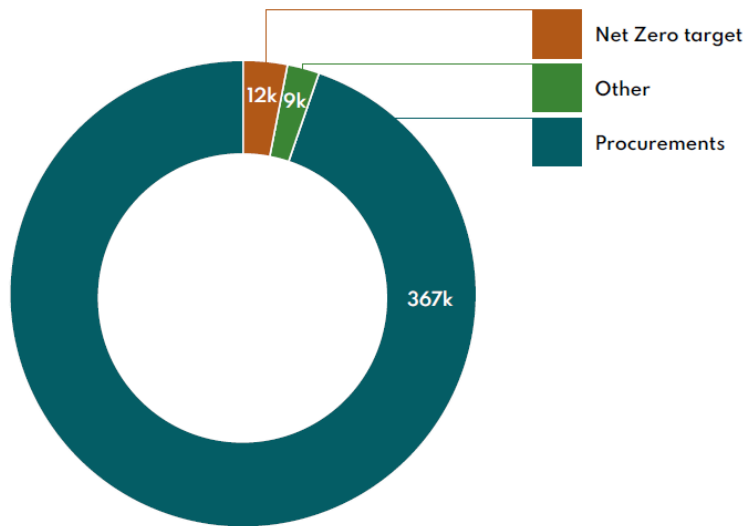
<sup>8</sup> The baseline has reduced from 18,833 to 17,714 tonnes of carbon emissions



## 2.2 The council’s indirect carbon impact

As well as those that we directly control, action is being taken to reduce emissions that we don’t directly control but we can influence<sup>9</sup> including buildings and fleet that are leased, goods and services procured on behalf of Surrey’s residents; and actions carried out on behalf of the Council by their staff, such as business travel and staff commuting. Although these wider emissions are not within the scope of the 2030 net zero target, we continue to take action to tackle them, with an initial focus on those we can measure.<sup>10</sup>

Figure 9: Surrey County Council’s total carbon impact



The graph showing Surrey County Council’s total carbon impact is a mixture of data collected directly (labelled other: including schools, leased buildings and business travel) and supply chain estimates (procurements).

The estimate of emissions from procured services are based on spend and are highly inaccurate<sup>11</sup>, but these emissions are expected to be high because many of the services provided by the Council are contracted. Work is ongoing to measure these emissions more accurately.

<sup>9</sup> These are known as scope 3 emissions as defined by national reporting guidelines <https://ghgprotocol.org/corporate-standard>

<sup>10</sup> The 2030 target is set out in the [SCC 3030 net zero carbon programme. NEW \(surreycc.gov.uk\)](https://www.surreycc.gov.uk)

<sup>11</sup> The estimate of emissions from procured services are based on spend, are very high level and cannot be tracked year-on-year.

### **3. Progress of action towards the council's 2030 target**

This section summarises progress against actions that Surrey County Council has committed to as part of delivering the 2030 net zero carbon target and to reduce our wider carbon impact. Key actions that the Council is taking to contribute to the county's 2050 net zero target are set out in the Greener Futures Climate Change Progress Report 2022-2023<sup>y</sup>.

Sections 3.1-3.3 mostly refer to actions that impact the 2030 net zero target.

Sections 3.4-3.6 mostly refer to actions taken to reduce the Council's wider carbon impact.

A full list of project progress and RAG ratings is found in Annex A.

### 3.1 Streetlighting



**3,881t**

Annual carbon saved



**£0M**

Funding leveraged



**£2.4M**

Annual bill savings



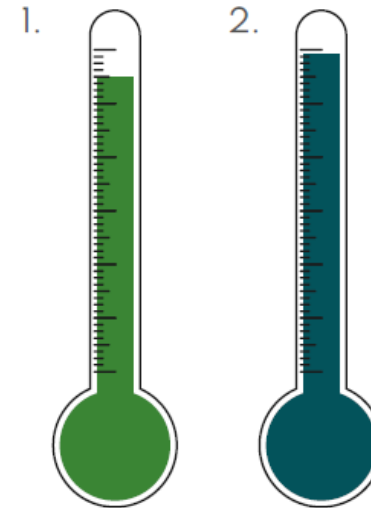
**52%**

Energy efficiency

**Progress:** The streetlighting LED replacement programme is on track and is expected to be completed next year. It has delivered a lasting beneficial impact that has helped the Council to be resilient against recent energy price rises. As a result bill savings in 2022-2023 were over £1M more than the previous year and further major bill savings are expected next year. Our electricity supply is 100% renewable.<sup>12</sup>.

**Impact:** This is a highly effective programme with a 64% reduction in streetlighting emissions. The aim is to convert 100% of all streetlights to LED which would achieve an emissions reduction of 72% by the end of a programme.

**Next step:** Beyond the LED replacement programme, no further major changes to the assets can be completed to decarbonise streetlighting further. However there is still scope to improve efficiencies and/or develop a dedicated clean electricity supply. A smart network has already been installed on all streetlamps to enable system improvements and street monitoring.



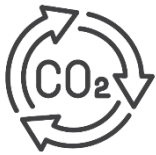
1. **82,818 streetlights** converted to LED

2. **Target of 89,096 streetlights** 100% converted to LED by 2024

On Track

<sup>12</sup> Although electricity is 100% renewable, this cannot be counted as part of our 2030 net zero target unless a separate power purchase agreement is in place.

### 3.2 Council buildings and renewables



**306t**

Annual carbon saved



**£3.6M**

Funding leveraged



**£0.4M**

Annual bill savings



**0.3MW**

Renewables

**Progress:** The new Grid Edge building management system pilot resulted in significant savings and has been rolled out to 4 buildings. The rollout of this or a similar system to more buildings is under consideration.

The Council was successful in winning significant Public Sector Decarbonisation Scheme (PSDS) grant funding to enable effective whole-building decarbonisation on several buildings, including the replacement of low carbon heating, insulation, as well as the installation of solar PV on roofs and in car parks. Planning retrofit projects has been a challenge where the future services are seeing significant change and the associated asset strategy is still in development as a result.

Some low carbon standards have been introduced as standard, resulting in low carbon heat pumps replacing gas boilers that have reached the end of their life.

A new build and building refurbishment design policy is in development. The six buildings trialling the standard are set to avoid 67 tonnes of carbon and avoid around £98k of additional energy bills. Six potential solar farm sites have been identified but Electricity grid constraints affecting the whole of the UK are a major barrier.

## **Case Study: Public Sector Decarbonisation Scheme (PSDS)**

### **The Pines**

Through PSDS an air source heat pump was installed at The Pines. As a result of this installation annual energy bills have been reduced by over £1,200 (8.9%).

We anticipate that this heat pump will facilitate a 24.5% carbon reduction for this building. Throughout its lifetime the heat pump will prevent the generation of 136 tonnes CO<sub>2</sub>e (6.8 tCO<sub>2</sub>e/yr).

The Greener Futures 2030 team secured funding for PSDS3b to the value of £2,547,004, this includes decarbonisation plans for schools and corporate buildings and could see 25 buildings decarbonised in the years 2023-2024.

### **Looking forward**

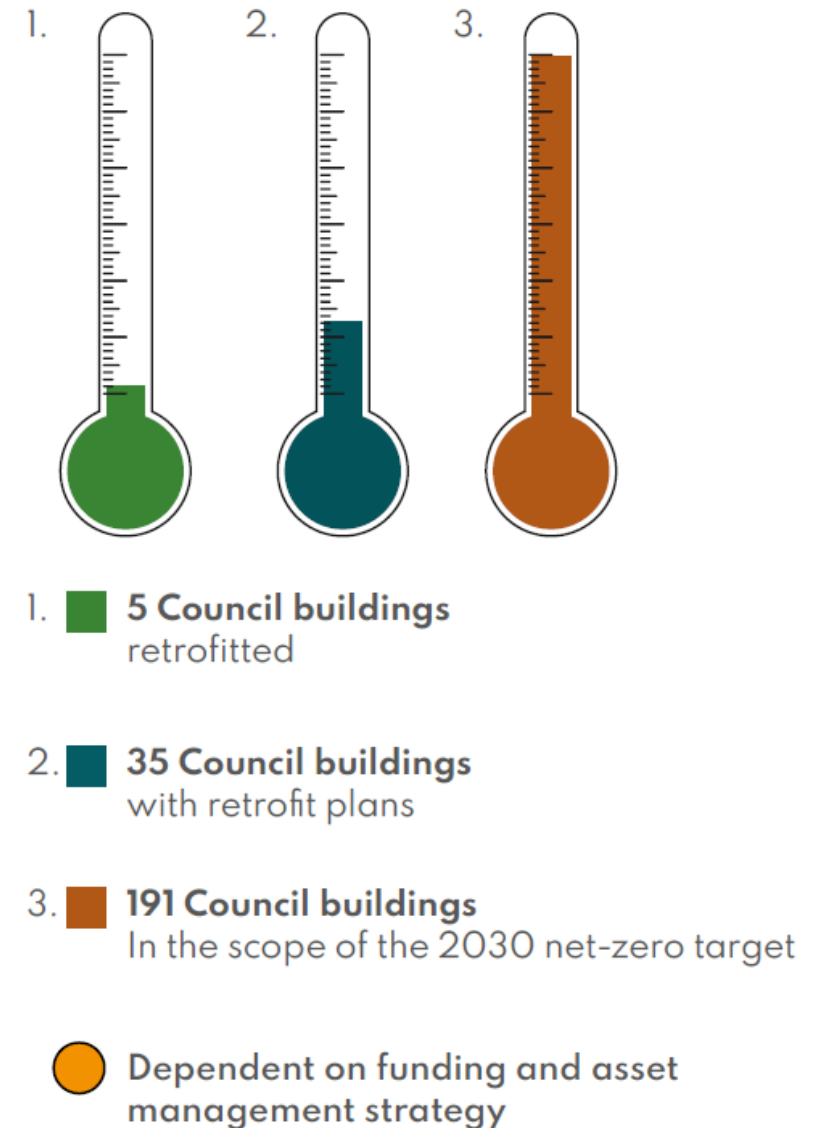
We are currently working towards our next application for PSDS3c which will be submitted in October of this year. The team hope to be putting an application in for a similar number of buildings as we work towards our 2030 target. We anticipate these works to be completed during 2024 – 2026.

**Impact:** Plans to cover the full scope of Council buildings and new builds are in place, but they need to take into account future changes to the council's buildings and services. The retrofit programme is broadly on track to decarbonise the majority of the Council's corporate estate by 2030, but has been rated amber because of the complexity of delivery. Six planned new builds have been designed to a low carbon standard with a view to applying the standard to all future new buildings and refurbishments, of which there are 84 currently in the pipeline. The amount of large-scale solar PV that was originally anticipated may not be realised before 2030 due to grid capacity, however work is currently being undertaken to explore innovative opportunities such as private wire arrangements.

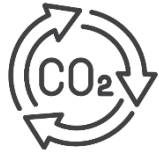
**Next step:** Carbon reduction is being embedded into the new building management contract, which has a target of 10% energy reduction and a requirement to contribute net-zero buildings.

The retrofit programme will continue but will be incorporated into the emerging asset management strategy to ensure efficient and effective delivery. Preparations will continue to attempt to access further grant funding from the Public Sector Decarbonisation Fund.

Low carbon standards will continue to be developed and trialled with a view to Cabinet adoption. Opportunities to unlock some large-scale renewables are being explored. In the meantime, an increase in rooftop solar PV is planned to partially compensate for the stalled large-scale solar PV projects and it may be possible to consider the purchase of a solar farm to enable 100% renewable energy supply that can be counted towards the Council's targets.



### 3.3 Fleet and active travel



**23t**

Annual carbon saved



**£0M**

Funding leveraged



**£0M**

Annual bill savings



**0**

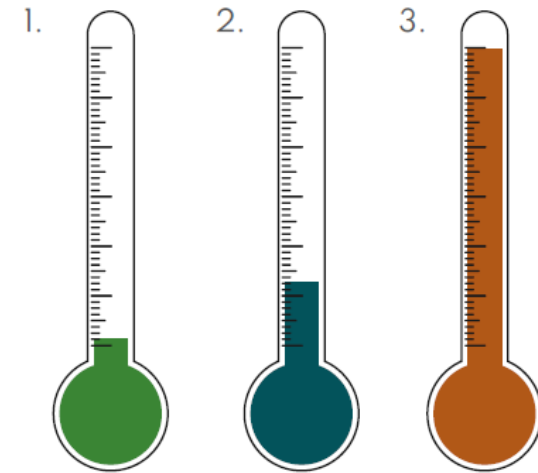
Added EV charging

**Progress:** A small number of the Council’s fleet are low carbon and some key sites have EV charging. Progress of fleet decarbonisation is taking longer than expected to ensure effective fleet management prior to decarbonisation.

Active travel facilities and a bus service has been put in place at Woodhatch Place, but no further active travel, public transport or EV charging plans are being actively developed.

**Impact:** The implementation of fleet management software is in progress, along with the development of policies that guide how vehicles are bought, managed and EV charging is delivered. Once in place, fleet decarbonisation can proceed. No plan to improve cycling facilities at key offices have been made.

**Next step:** Implementation of the fleet management and policies are being prioritised, without which further progress on infrastructure and fleet decarbonisation cannot be made.



1. **37 low carbon vehicles** in operation

2. **196 low carbon vehicles** needed by 2025

3. **527 low carbon vehicles** needed by 2030

**Sustainable transport policies** needed



### 3.4 Schools and leased buildings



**26t**

Annual carbon saved



**£0M**

Funding leveraged



**£0.06M**

Annual bill savings



**0MW**

Renewables

**Progress:** A solar rooftop Power Purchase Agreement (PPA) contract has been developed for the Council to install and supply electricity to buildings that the Council own but are managed by others, such as schools and leased buildings. The benefit of this contractual arrangement, in addition to carbon reduction, is that the school will be offered electricity rates much lower than the unit rates they can access through commercial energy providers and the Council will be able to generate a return on investment.

This is being piloted on ten schools that are also receiving low carbon heating and insulation measures.

No further action has been taken yet to support the reduction of carbon emissions in leased buildings to prioritise resource to decarbonise buildings within the scope of the 2030 net zero target.





### **Case Study: Solar PPA**

Of the three schools we are working with, one school has now signed their Power Purchase Agreement (PPA) and installation is scheduled to be completed at the end of October this year.

The onsite renewable energy generation system provides a multitude of benefits to the schools, including a preferential unit rate compared to their main energy supplier.

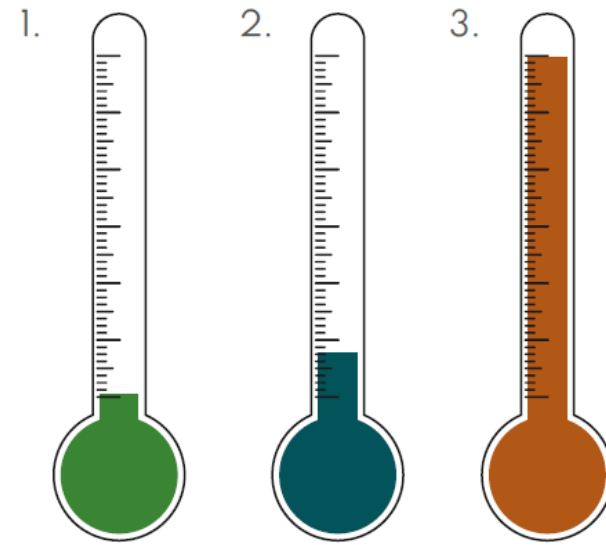
This initiative will save schools money from their energy costs; help reduce emissions and contribute to the Net Zero 2050 target. The solar panels will also have educational value to the pupils.

All schools will be invited to attend a webinar to learn more about the PPA offer, understand the benefits, and express their interest to take part in future phases.

**Impact:** If the solar PPA pilot is successful, there is potential to expand the offer to further schools and academies, NHS buildings and District & Borough Councils buildings. Initial discussions show there is significant interest amongst schools with around 40 potential schools in the next phase. Scale up is important in the absence of securing large-scale solar PV projects to generate income to pay back the capital cost of meeting net zero 2030 targets.

Measures other than solar alongside more proactive engagement will need to be considered to further support schools and leased buildings to decarbonise.

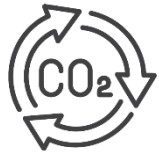
**Next step:** The findings of the solar PPA pilot will be reviewed and workshops will be undertaken with schools to understand demand and investment opportunity to help determine whether the scheme should be expanded to a wider set of schools and leased buildings.



1. ■ **1 school**  
with Local Authority solar scheme
2. ■ **20 schools**  
in pipeline for Local Authority solar scheme
3. ■ **126 schools**  
and leased buildings need solar PV installed  
by 2030

● Progress dependent on successful pilot

### 3.5 Procurements



**0t**

Carbon avoided



**£0M**

Funding leveraged



**No estimate**

Low carbon contract



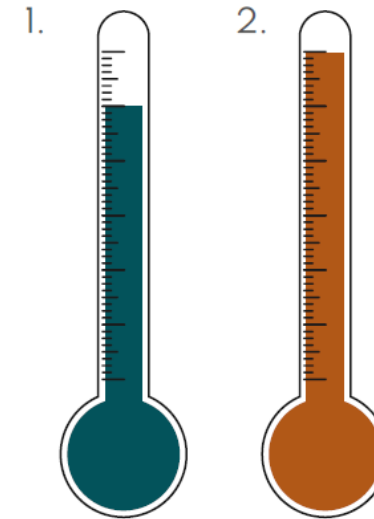
**0**

Social value

**Progress:** The Environmentally Sustainable Procurement Policy is in place across Surrey County Council, Brighton and Hove Council and East Sussex County Council<sup>vi</sup> and was nominated for the Local Government Chronicle Future Places award<sup>vii</sup>. Work with contract managers and suppliers is ongoing to successfully implement the policy. A method of more accurately measuring the carbon impact from three recent major procurements has shown that the current high-level estimates of supply chain carbon emissions are extremely inaccurate<sup>viii</sup>. A supply chain carbon tool is being procured to more accurately measure the carbon emissions within our supply chain by gathering data directly from suppliers.

**Impact:** The policy will apply to new above-threshold contracts<sup>ix</sup> so will have a significant influence but will not cover all Council contracts.

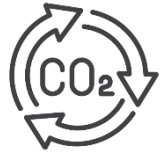
**Next steps:** Continue to implement the policy and improve carbon measurement.



- 1. ■ **£750m contract value** to be subject to Environmentally Sustainable Procurement Policy
- 2. ■ **£900m contract value** estimated total contract value

● Progress dependent on market conditions

### 3.6 Staff



**762t**

Carbon saving



**£0M**

Funding leveraged



**3.1M**

Avoided mileage



**153**

Green champions

**Progress:** Although there has been some progress in installing sustainable transport infrastructure at SCC hub locations, delays in implementing the staff travel plan have hampered efforts to support sustainable staff travel. Business travel has steadily increased since Covid.

The Green Champions Network has attracted interest across the Council and has created a significant group, with ten well attended engagement events including a Veganuary lunch and learn. It has not been possible to properly monitor whether these events have driven significant behaviour change across the Council.

The roll out of Carbon Literacy Training has been more successful, with all of the Corporate Leadership Team and several Directors trained with evidence of impact in some areas. Over 3,000 employees have completed the climate change training through Olive.





### **Case Study: Carbon Literacy Training**

The decisions we make in the workplace on a daily basis have the potential to reduce carbon emissions; from the way we travel to the goods and services we source.

We would like considerations relating to sustainability to be at the forefront of our staff's minds, to achieve this we have been successfully delivering Carbon Literacy Training to staff across the organisation.

We have provided Carbon Literacy Training to all 11 members of the Corporate Leadership Team and so far, four of them have been certified as Carbon Literate. On a broader note, over 150 people have completed the Carbon Literacy Training and over 90 are certified as Carbon Literate at SCC including some Elected Members.

In order to become certified as Carbon Literate, our staff took part in a day's worth of training and made two significant pledges to reduce a carbon footprint within their role and responsibilities at SCC.

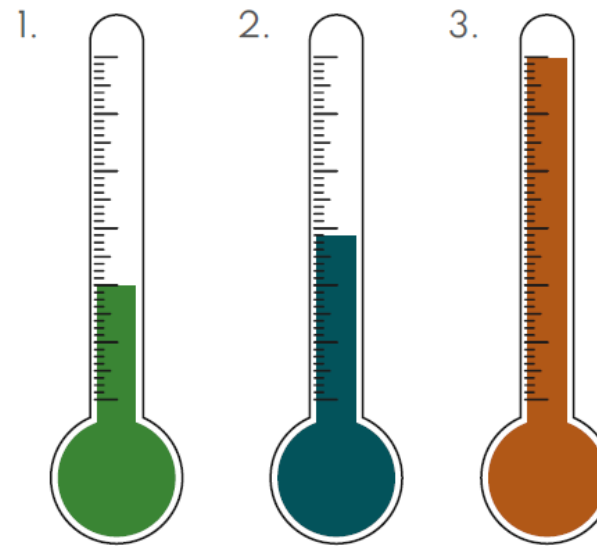
As a result of this work, we are now delighted to have been certified as a **Bronze Carbon Literate Organisation**. Over the coming months we plan to continue to deliver this training with a focus on our senior leadership teams, to ensure those driving our organisation forward have the knowledge to consider carbon emissions in everything we do.

**Impact:** Further action is needed to ensure that all service delivery and staff behaviour is consistent with delivering our 2030 and 2050 net zero targets.

**Next steps:** The staff travel plan will be updated.

Carbon Literacy Training will continue to focus on training senior leadership but also consider options to roll out climate change training more widely.

Actions to make the Green Champions Network more effective will be considered, and future business plans and the financial decision-making processes will be reviewed to ensure that Greener Futures is at the heart of everything we do.



- 1. ■ **3,357 staff**  
carbon awareness trained
  
- 2. ■ **5,000 staff**  
with carbon awareness training by 2025
  
- 3. ■ **10,127 staff**  
need carbon awareness training by 2030
  
- More staff engagement and action needed

**End**





## Annex A – Full list of projects and progress

Delivery Plan Action Number	PROJECT *=scope 1 or 2 ^ = scope 3 <sup>13</sup>	DESCRIPTION	PROGRESS/ RISK April 2022- March 2023	RAG STATUS
	<b>Streetlighting</b>			
36	Streetlighting*	LED replacement programme	<b>In delivery</b> – On track and near completion	Green
	<b>Council buildings and renewables</b>			
35	Estate rationalisation^	Consolidation of the Council estate to enable a more efficient and effective service.	<b>In delivery</b> – County Hall sold and service delivery plan being developed to inform estate plan.	Green
37	Building management*	Trial and roll out of building management systems such as grid edge in key buildings	<b>In delivery</b> – successful trial of Grid Edge software rolled out to 4 buildings. Exploring other systems for energy efficiency and management	Green
37	Council Building retrofit*	Heating and energy efficiency measures installed into existing buildings	<b>In delivery</b> – PSDS3a near complete. PSDS 3b/c in development.	Amber
37	Council renewables*	Solar PV installed onto existing buildings	<b>In delivery</b> – Solar PV being installed as part of PSDS projects.	Amber
39	New builds and refurbishments*^	Put in place and implement low carbon building standards.	<b>In development</b> – policy to be approved by Cabinet and costs considered.	Green
41	Large-scale renewables*	Deliver large ground-mounted Solar PV arrays.	<b>In development</b> – Grid constraints delaying progress.	Amber
42	Carbon Offset*	Put in place plans for carbon offset purchase.	<b>Not started</b> – carbon offsetting is not expected to be needed until 2030.	Grey
	<b>Fleet and active travel</b>			
39, 51	Council fleet *	Decarbonise fleet and put in place EV charging	<b>In development</b> – Some decarbonisation is taking place in conjunction with developing plans.	Red
50	Fleet management policies	Development of rules for the purchase of vehicles and management of EV charging.	<b>Not started</b> – decision needed on policy direction.	Red

<sup>13</sup> “Scope 1&2” projects reduce emissions within the scope of the 2030 net-zero target. Scope 3 projects, where the Council has less control, reduce emissions outside of the net-zero target.



51	Active travel infrastructure in buildings	Ensuring staff who cycle have storage and changing facilities.	<b>In delivery</b> – in delivery at Woodhatch Place but no active travel measures are planned at other Council buildings.	Red
	Projects to reduce wider emissions			
43, 44	Leased buildings and schools energy efficiency and heating	Technical and financial support to put in place low carbon heating and energy efficiency measures.	<b>In delivery</b> – A successful bid to the public sector decarbonisation scheme enables low carbon measures to be put in 10 schools.	Amber
43, 44	Solar PPA in SCC schools	A solar rooftop contract to reduce emissions and lower bills in schools.	<b>In delivery</b> – Pilot scheme with 10 schools is in progress.	Green
45	School loan scheme	A loan for capital works to decarbonise schools that would be paid back with energy savings.	<b>Closed</b> – consultation with schools showed that they did not want a loan scheme, so solar PPA contract was developed as an alternative option	Grey
46. 47. 48	Sustainable procurements	Implementation of sustainable policy to minimise and more accurately measure carbon.	<b>In delivery</b> – policy in place and being implemented with major new contracts.	Green
49	Responsible investments	Ensuring divestment of fossil fuels low carbon investment.	<b>In delivery</b> – Pension fund committed to be net-zero in line with 2050 targets.	Green
50	Staff travel plan	Policies and incentives to encourage staff to travel by walking, cycling and public transport where feasible.	<b>In development</b> – policy needs revising following changes in travel patterns from Covid.	Red
52	Green Champions	A scheme to encourage staff to behave sustainably in the workplace and more widely.	<b>In delivery</b> – after a good start, progress has slowed due to staff turnover.	Amber
52	Carbon Literacy Training	Roll out of Carbon Literacy Training to senior staff.	<b>In Delivery</b> – good progress with a plan to continue roll out to senior staff and consider options for climate change training for the whole organisation.	Green





## **Annex B – Emissions reduction plan**

Name: Surrey County Council

Publication date: November 2023

### **Commitment to achieving Net Zero**

**Surrey County Council is committed to achieving Net Zero for scope 1 and 2 emissions before 2030 at the latest.**

## Baseline Emissions Footprint

*Baseline emissions are the reference point against which emissions reduction can be measured.*

<b>Baseline Year: 2019/2020</b>	
<b>Re-baselined in 2023 due to a change in Council assets.</b>	
<p>In the base year for the Council’s NetZero plan, emissions were estimated to be 18,833 tCO<sub>2</sub>e. A re-baselining process has been carried out as part of the 2022/2023 inventory preparation due to the sale of assets (most notably the sale of County Hall) and a recategorization of some scope 1,2 and 3, buildings due to more accurate information.</p> <p>Scope 3 reporting is not complete but includes scope 3 buildings, business travel, water and transmission and distribution. High level procurement estimate based on spend which is not included in the figures is estimated to be 404,000 tCO<sub>2</sub>e.</p>	
<b>EMISSIONS</b>	<b>TOTAL (tCO<sub>2</sub>e)</b>
<b>Scope 1</b>	6,581
<b>Scope 2</b>	11,133
<b>Scope 3</b>	29,703
<b>Total Emissions</b>	47,417



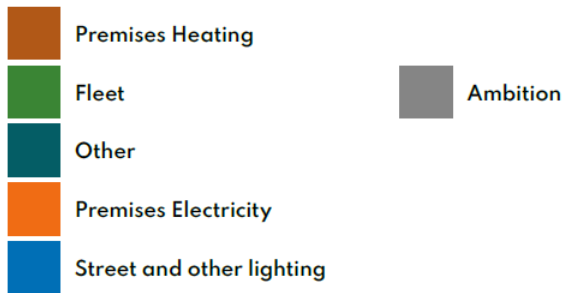
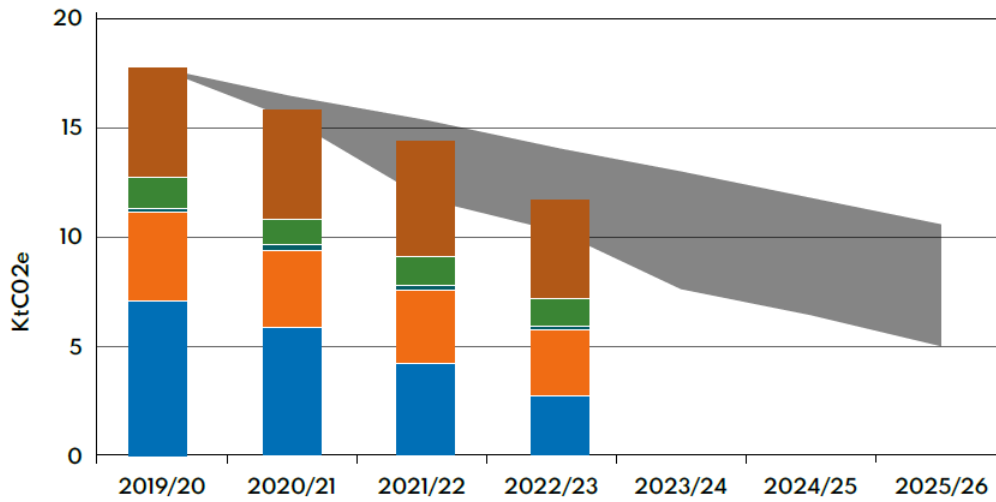


## Current Emissions Reporting

<b>Reporting Year: 2022/2023</b>	
A 34% emission reduction in scope 1 and 2 emissions has been achieved compared to the baseline. Scope 3 reporting is not complete but includes scope 3 buildings, business travel, water and transmission and distribution.	
<b>EMISSIONS</b>	<b>TOTAL (tCO<sub>2</sub>e)</b>
<b>Scope 1</b>	5,932
<b>Scope 2</b>	5,780
<b>Scope 3 (Included Sources)</b>	9,335
<b>Total Emissions</b>	21,067

# Emissions reduction targets

SCC 2030 Net Zero pathway.





## **To continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets by 2030:**

- 100% of 89,000 streetlights to be LEDs
- 100% of 191 scope 1 and 2 buildings with low carbon measures.
- Around 18MW additional solar PV.
- Over 90% of 854 scope 1&2 vehicles to be ULEV (ultra-low emission vehicles)
- Carbon targets and carbon management plans in place for all scope 3 buildings by 2030.
- All procurements over £5M to require Carbon Reduction Plans in line with Procurement Policy Note 06/21 which include net zero targets for 2050 at the latest.
- Business travel of staff reduced by 40% by 2025.

**We project that scope 1 and 2 carbon emissions will decrease over the next five years and emissions will be between 5,838 -11,299 tCO<sub>2</sub>e by 2025/6. This is a reduction of 40-69%. No estimate for scope 3 emissions reduction has been calculated.**

## **Carbon Reduction Projects**

### Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2019/2020 baseline. The carbon emission reduction achieved by these schemes equate to 6,002 tCO<sub>2</sub>e, a 34% reduction.

- 100% renewable electricity tariff
- 93% of 89,000 streetlights converted to LEDs
- 4% of 191 scope 1 and 2 buildings have low carbon measures installed
- Building management systems in 4 buildings
- 0.3MW additional solar PV has been installed
- 2% of 854 scope 1&2 vehicles are ULEV (ultra-low emission vehicles)

- 5% scope 1 and 2 sites have suitable EV charging
- (TBC) % of scope 1 and 2 sites have suitable active travel facilities
- 0.8% of 126 scope 3 buildings treated (1 school)
- Sustainable procurement policy in place
- 33% of 10,127 staff with carbon awareness training with 1.3% carbon literate

By 2023/2024 we hope to implement the following further measures:

- 100% of 89,000 streetlights converted to LEDs
- 14% scope of 191 1&2 buildings treated with low carbon measures
- 97.94kWp additional solar PV installed
- % of (TBC) of 495 scope 1&2 vehicles ULEV
- 18% scope 1 and 2 sites with suitable EV charging
- (TBC) scope 1 and 2 sites with suitable active travel facilities
- Sustainable staff travel policy in place
- 4% of 126 scope 3 buildings treated (5 schools)
- 40% of 10,127 staff with carbon awareness training with 1.6% carbon literate

## Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard<sup>14</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>15</sup>.

<sup>14</sup><https://ghgprotocol.org/corporate-standard>

<sup>15</sup><https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>



Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard<sup>16</sup>.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

*Signed by the Director of Environment*

---

<sup>16</sup><https://ghgprotocol.org/standards/scope-3-standard>



## Endnotes

---

- <sup>i</sup> Sixth Assessment Report, Intergovernmental Panel on Climate Change, March 2023: <https://www.ipcc.ch/assessment-report/ar6/>. See also: <https://www.wri.org/insights/2023-ipcc-ar6-synthesis-report-climate-change-findings>
- <sup>ii</sup> Surrey Adapt – Not yet published, but consider by Cabinet in October 2023
- <sup>iii</sup> Surrey County Council’s Net-Zero 2030 Progress Report, 2011; [https://www.surreycc.gov.uk/\\_\\_data/assets/pdf\\_file/0005/337109/SCC-2030-Corporate-Programme-Assessment.pdf](https://www.surreycc.gov.uk/__data/assets/pdf_file/0005/337109/SCC-2030-Corporate-Programme-Assessment.pdf)
- <sup>iv</sup> Greenhouse gas protocol, 2023, <https://ghgprotocol.org/>
- <sup>v</sup> Greener Futures Climate Change Progress Report, 2022; [https://www.surreycc.gov.uk/\\_\\_data/assets/pdf\\_file/0003/342471/Climate-Change-Whole-Programme-Assessment.pdf](https://www.surreycc.gov.uk/__data/assets/pdf_file/0003/342471/Climate-Change-Whole-Programme-Assessment.pdf)
- <sup>vi</sup> Surrey County Council, Brighton and Hove Council and East Sussex County Council all form part of the Orbis Shared Services Partnership.
- <sup>vii</sup> Local Government Chronicle 2023 sustainability awards, August 2023: <https://awards.lgcplus.com/lgca23/en/page/home>
- <sup>viii</sup> The contracts are Waste management, Bus service, and highways maintenance contract. The difference between the actual and estimated emissions was between -40% and +108%.
- <sup>ix</sup> Major contracts are those with a spend of over £5M per year or the nature of the contract means that there are significant opportunities to measure and reduce emissions.



This page is intentionally left blank



# Greener Futures Climate Change Progress Report 2022 - 2033

Page 213

November 2023



# Contents

**Executive Summary ..... 3**

**1. Introduction ..... 11**

**2. Approach to assessment ..... 12**

    2.1 Are we on track to meet our net-zero targets? ..... 12

    2.2 How impactful are the projects?..... 12

    2.3 How are Local Authority projects progressing? ..... 13

**3. Climate change in Surrey ..... 15**

    3.1 How climate change has already impacted Surrey’s residents and economy..... 15

    3.2 Surrey’s 2050 net zero target..... 16

    3.3 Surrey’s emissions split by sector ..... 17

    3.4 Surrey’s wider impact ..... 18

    3.5 Local authority carbon emissions ..... 19

    3.6 Local Authority indirect carbon emissions ..... 20

**4. Progress of action towards Surrey’s 2050 target 21**

    4.1 Fuel poor and vulnerable households - progress .... 22

    4.2 Fuel poor and vulnerable households – impact and next steps ..... 24

    4.3 Households - progress ..... 25

    4.4 Households – impacts and next steps ..... 277

    4.5 Active and sustainable travel - progress ..... 288

    4.6 Active travel – impacts and next steps..... 30

    4.7 Public transport – progress ..... 31

    4.8 Public transport - impacts and next steps ..... 32

    4.9 Businesses - progress ..... 34

    4.10 Businesses – impact and next steps..... 36

    4.11 Communities – progress ..... 37

    4.12 Communities – impact & next steps..... 389

    4.13 Planning, placemaking and infrastructure – progress ..... 40

    4.14 Planning, placemaking and infrastructure – impact & next steps ..... 42

    4.15 Trees and land management – progress ..... 43

    4.16 Trees and land management – impact & next steps ..... 45

    4.17 Local authority carbon reduction - progress ..... 46

    4.18 Local authority carbon reduction – impact & next steps ..... 52

**Annex A – Full list of active projects and progress...53**

# Executive Summary

This document reports how Surrey's Local Authorities<sup>1</sup> have been taking action to tackle climate change and where Surrey is on the journey to meet our 2050 net zero carbon emissions target.

The Greener Futures Climate Change Delivery Plan 2021 – 2025 (the Delivery Plan) has significantly increased climate action to overcome the barriers that residents and business face in reducing carbon emissions. Areas of success include grant funding, Warm Welcome services<sup>2</sup>, energy advice and funding for fuel poor households and small businesses, community engagement on active travel and green careers, decarbonising public transport, engagement with schools, community projects to support biodiversity and increase health & wellbeing, and actions to reduce Local Authority organisational emissions. Many actions have focused on supporting those most vulnerable to the impacts of climate change.

---

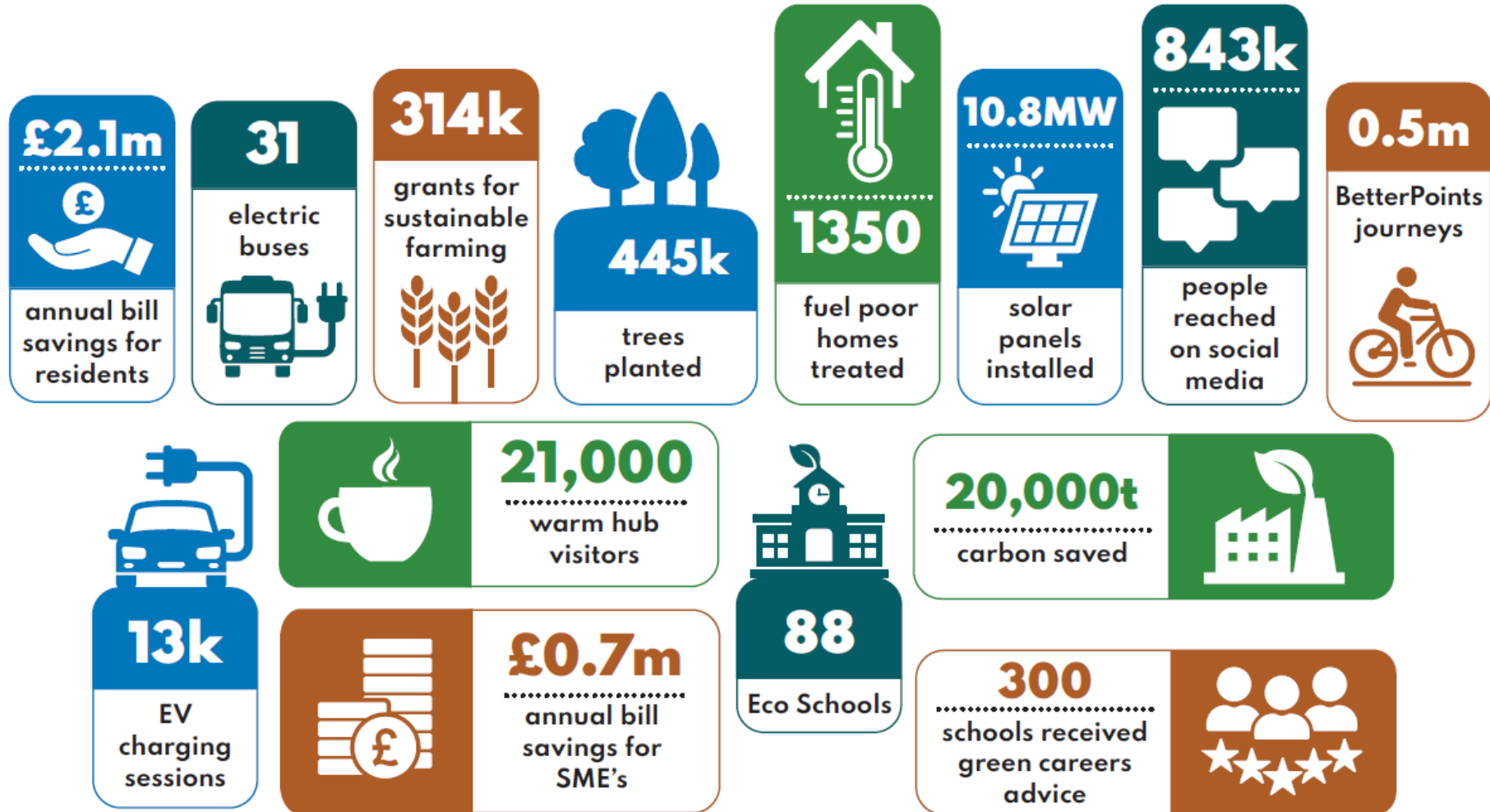
<sup>1</sup> Including Surrey County Council and 11 Borough and District Councils in Surrey.

<sup>2</sup> Formerly known as warm hubs





Figure 1: Summary of project successes up to March 2023



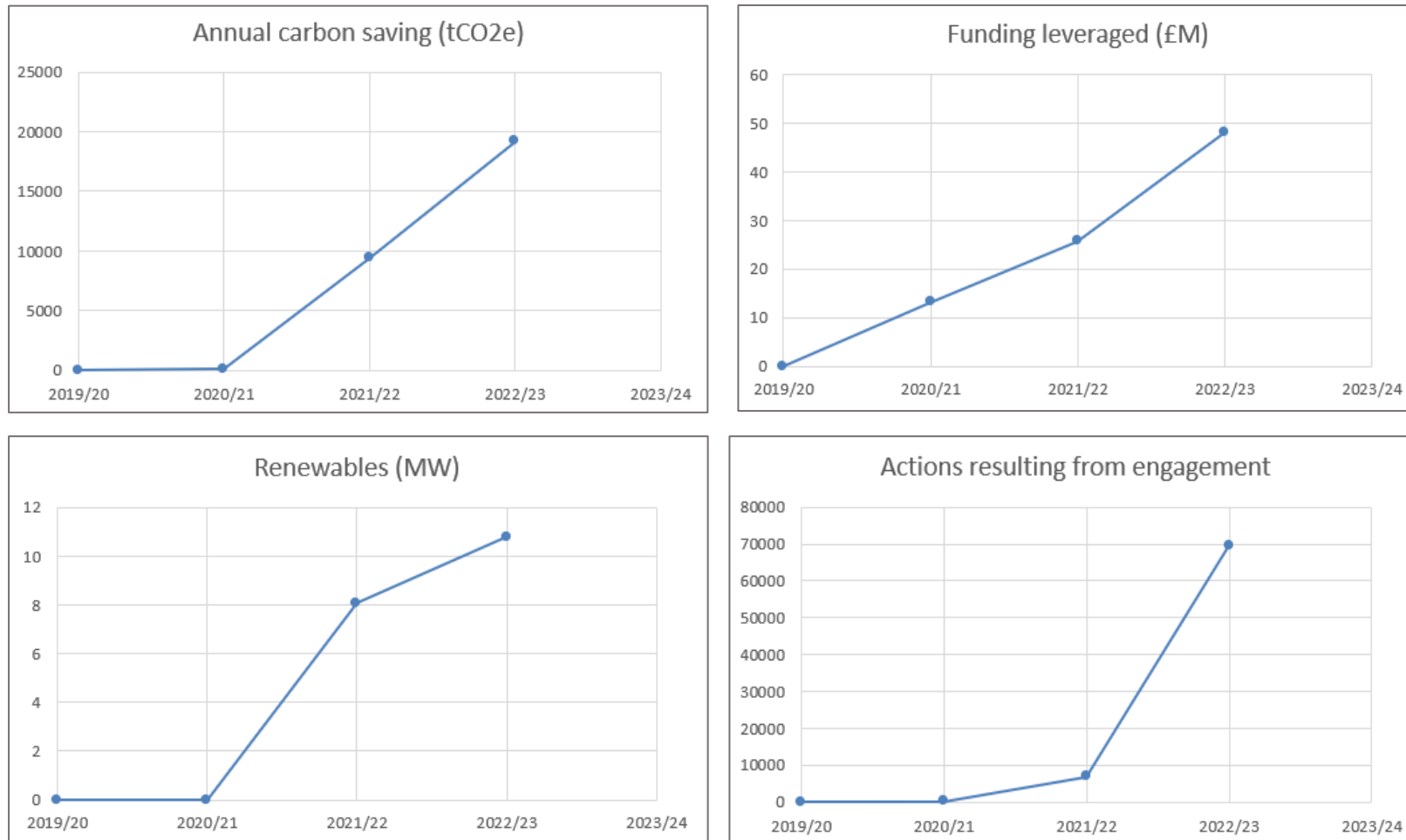
Projects across the whole Delivery Plan have delivered tangible benefits to March 2023 which, when collated, have had a significant impact compared to the first year, and are expected to rise next year as new projects come on stream. These include nearly 20,000 tonnes of carbon saved, £48 million of grants and private sector funding leveraged, and 10MW of additional renewable energy supply installed. An increase in meaningful engagement<sup>3</sup> has provided the tools and empowerment for residents and businesses to move towards sustainable lifestyles and take the lead in forging sustainable economic growth.

---

<sup>3</sup> Meaningful engagements is the summary of measurable action taken as a result of engagement supporting the Delivery Plan, for example, the uptake of grants, or those in receipt of support that is likely to have resulted in a change.



Figure 2: Summary of benefits from Delivery Plan projects



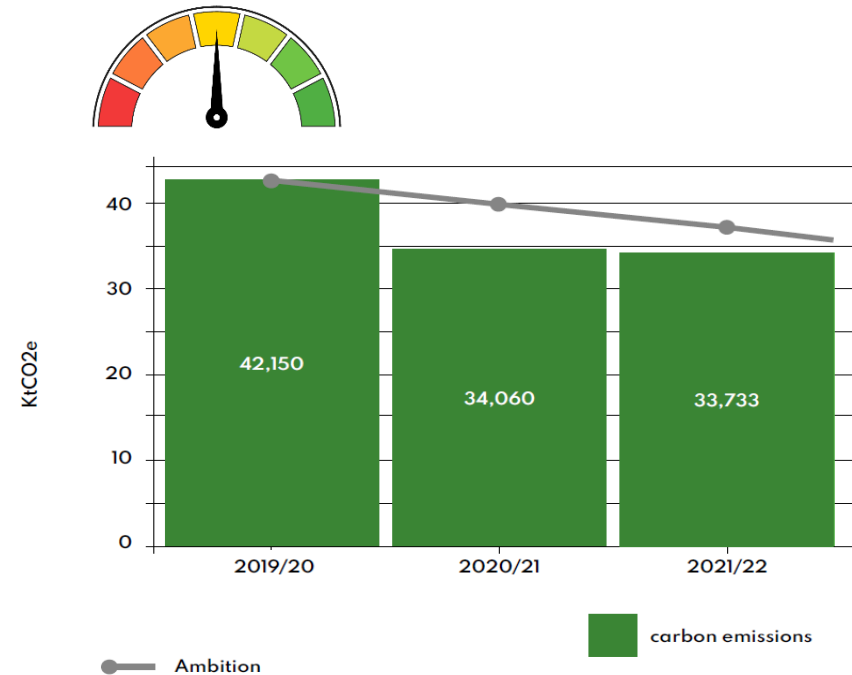
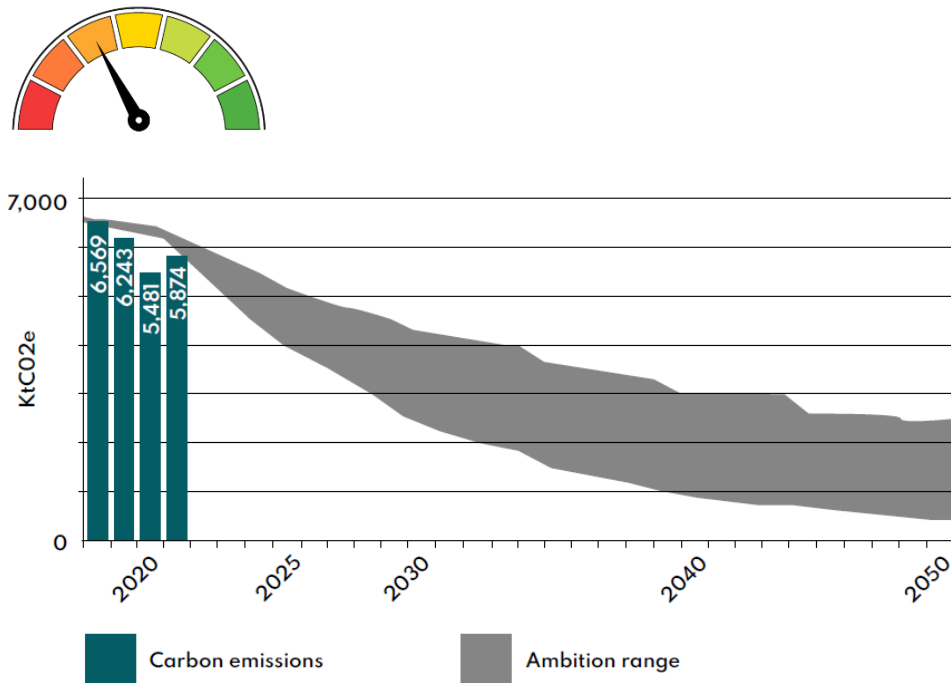


However, when that good progress is compared to the scale of the challenge, it is clear how much more needs to be done. Whilst Local Authorities are mainly progressing well with their organisational emission targets, the 2050 net zero target is at a high risk of going off track next year. In addition, evidence continues to strongly point to the fact that climate change is already having an impact in Surrey and that globally, we may already have reached the danger-zone of an average temperature rise of 1.5 °C. As such, reducing emissions and putting in place prevention measures are critical to reduce impacts on Surrey’s residents, economy, and natural environment.

Figure 3: Progress against Surrey’s net-zero targets

Figure 4: Local Authorities more ambitious targets

Page 219



Through the Delivery Plan, Local Authorities are seeking to play a key role, but are limited by the resources and powers available for them to act. There are 74 actions set out in the Delivery plan and although many of the projects are being delivered in line with expectations, some require barriers to be overcome in order to increase their impact. All nine sections of this report show a significant shortfall in what needs to be done across Surrey to meet the pace and scale of the challenge. This challenge must be met by all of Surrey, supported by sufficient funds and strong national policies to allow us to move away from fossil fuels to a more sustainable future. Throughout this report, indicators have been used to help us understand the impact that Local Authority projects are having against the scale of the challenge.

Figure 5: Summary of progress and action for the key indicator projects in section 4

Action area	What needs to happen by 2025	Likely LA impact by 2025	Progress to March 2023	Action to increase impact
Fuel poor households	7,830 households in need	2,444 households supported	1,380 households supported	Lobby for more grant funding, influence landlords and social housing and explore new funding mechanisms.
Household energy	335MW Additional renewable energy	25MW Solar PV installed	6.3MW Solar PV installed	Developing a One Stop Shop and loan scheme to make retrofit easier for households and support green skills.
Active travel	TBC km <sup>4</sup> new cycle and walkways	104km new cycle and walkways	13km new cycle and walkways	Improve active travel campaigns by linking to key delivery schemes and continue to design active travel infrastructure.
Public Transport	79 Low carbon buses	105 Low carbon buses	31 Low carbon buses	Expand Digital Demand Responsive Transport (DDRT) services <sup>5</sup> , consider priority bus routes and options to reduce fares.
Business	25,300 low carbon businesses	Not yet known <sup>6</sup>	870 Businesses received support	More grants, loans and training for small businesses, action on green skills and influence larger business to innovate and lead.
Community engagement	128k low carbon lifestyles	Not possible to estimate	70k actions taken by residents	Increase and improve community engagement and support projects with funding, training, and information.
Planning and place	2,500* public EV chargepoints	1,700 EV chargepoints delivered	134 EV chargepoints delivered	Continue to roll out infrastructure needed for low carbon transition, put new standards in place and lobby.
Trees and land management	600k additional trees	600k additional trees	445k additional trees	Expand action to support biodiversity decline and carbon absorption through forest management.
Local Authority 2030 targets	40% carbon reduction	40% carbon reduction	20% carbon reduction	Surrey's Local Authorities will continue to deliver carbon management plans where feasible

<sup>4</sup> Subject to completion of stage 1 Local Cycling and Walking Infrastructure Plans

<sup>5</sup> Surrey Connect: on demand bus service <https://www.surreycc.gov.uk/roads-and-transport/buses-and-other-transport/community-transport/surrey-connect>

<sup>6</sup> Subject to developing plans to provide financial support, advice and training for businesses.





Surrey's twelve Local Authorities will be focusing on the following key areas in the coming year to ensure that resources are being used to the best effect, where carbon emissions reduction is most challenging, wider benefits can be maximised and where Local Authorities can make a strong impact.

- Local Authorities will build on strong progress to support fuel poor households and those impacted by high energy and living costs. This will be done by continuing to deliver grants, better connecting into services that support our fuel poor or vulnerable residents, extending the reach of our energy bill information campaign, and focusing on Warm Welcome services in 50 key neighbourhoods.
- Access to low carbon transport services and the creation of great public places empowers Surrey citizens to make the behaviour changes needed to reduce emissions. The plan is to scale up the delivery of cycle routes and EV charging where feasible and supported, with a more sustainable and resident-led approach to placemaking and creating safe environments around schools. This will be complemented by an increase in engagement, community projects and volunteering.
- Local Authorities have a role to play in supporting Surrey's businesses to take advantage of the substantial market opportunity the green economy brings, to decarbonise their operations, and adapt to the growth in skilled green jobs needed. This will be done through new funding programmes, improved engagement, training and advice, and encouraging innovation.
- The capability to deliver solar PV on households and schools will be scaled up, and community-led energy advice will be linked to a new core retrofit service working with established installers in Surrey. These actions will help reduce the barriers to retrofit for households by helping them navigate retrofit options, provide links to suitable services, and reduce the high up-front costs of measures.
- The delivery of key strategies and policies to improve land management and increase biodiversity, and the continuation of our 1.2M tree target will slow the decline of species loss and help to reduce the impact of floods and extreme hot weather.
- Local Authorities will continue to decarbonise their own organisations and use their influence more widely to lobby for faster change to be facilitated by national policy and funding.

# 1. Introduction

It has been two years since the publication of the Greener Futures Climate Change Delivery Plan 2021-2025<sup>i</sup> which set out to save between 1.2 and 2.4 million tonnes of carbon dioxide by 2025, in line with Surrey's Climate Change Strategy<sup>ii</sup>. Local Authorities seek to play a key role in supporting net zero carbon emissions across Surrey by 2050 and have more stretching targets for their organisational emissions, but action is also needed from residents, businesses and national government.

This is the second progress report<sup>iii</sup> to be published since Surrey County Council declared a Climate Emergency in 2019. It sets out the achievements we have made in supporting residents and businesses to reduce their emissions and which areas we are looking to focus on next year.



## 2. Approach to assessment

### 2.1 Are we on track to meet our net-zero targets?

In sections 3.1 and 3.5, the extent to which carbon emission reductions are likely to be in line with our 2050 net zero target is visually represented by a gauge, see image to the right.



### 2.2 How impactful are the projects?

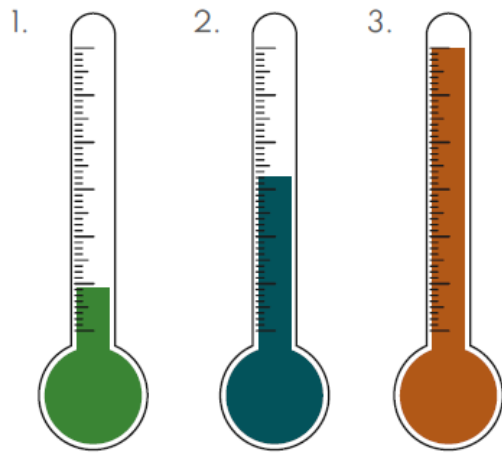
In section 4, each project is given an impact rating which shows the contribution to meeting the 2050 net zero target. Due to the many factors at play, this is more a matter of judgement than of measurement. Factors include the potential breadth and scale of the projects being undertaken and planned within each area, the level of influence Local Authorities have and the extent to which other actors - such as national government, those with access to funding or a greater degree of control over emissions - have a role to play. A more detailed explanation of the rating will be set out in the “impact” paragraphs within each section.

Figure 6: Table showing impact ratings for section 4

Section impact rating	Key factors that inform rating
<b>Impact: Green</b>	Local Authority projects are progressing at the pace and scale needed to fully play their part, or providing intervention that is above and beyond what is expected of a Local Authority.
<b>Impact: Amber</b>	Local Authority projects are progressing well, but some barriers may mean that their full potential impact or the full scope of Local Authority intervention may not be realised.
<b>Impact: Red</b>	Local Authority projects that are necessary to achieve net-zero targets are not progressing at the pace or scale needed due to major barriers such funding prioritised elsewhere, or external factors that are beyond the control of the Council including changes needed to national policy or funding levels.

One key project in each section has been chosen to illustrate how projects are progressing against the scale of the challenge. In many cases, Local Authorities are not expected to meet the full scale of the challenge and a significant proportion of the gap is expected to be met by others.

Figure 7 Table showing impact ratings for section 4



- 1. **Project progress**  
up to March 2023
- 2. **Forward plans**  
made by Local Authorities
- 3. **Overall ambition**  
required to meet Surrey's 2050 net-zero targets





## 2.3 How are Local Authority projects progressing?

A red-amber-green (RAG) status is associated with every individual project that Surrey Local Authorities committed to in the Greener Futures Climate Change Delivery Plan 2021-2025 compared to expectations set out in March 2022. A full list of project progress is found in Annex A.

Figure 8: Table showing impact ratings of projects set out in Annex A

<b>Project impact rating</b>	<b>Key factors that inform rating</b>
<b>Green</b>	On schedule
<b>Amber</b>	Off schedule but possible to get back on track
<b>Red</b>	Off track and not possible to get back on track without significant additional resource



## 3. Climate change in Surrey

### 3.1 How climate change has already impacted Surrey's residents and economy

The Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6)<sup>iv</sup> describes the climate impacts we are seeing as “an atlas of human suffering and a damning indictment of failed climate leadership”; and that adverse climate impacts are already more far-reaching and extreme than anticipated. Overshooting on the target of 1.5 degrees centigrade of global temperature rise, even temporarily, will lead to severe, irreversible impacts, species extinction and loss of human lives from heat stress; and hard limits on adaptation are already being reached in some places. It further states that carbon emissions must peak immediately and before 2025 at the latest. Even if we do meet our targets globally, transformative adaptation is needed to meet our ability to withstand the climate impacts in a 1.5 °C warmer world. The IPCC emphasises the importance of ensuring that adaptation measures drive systemic change, cut across sectors and are distributed equitably across at-risk regions. The World Economic Forum's Global Risk Report of 2023<sup>v</sup>, highlights two of the highest risks over the next 10 years as failure to mitigate climate change; and failure of climate change adaptation.

In England, and specifically in Surrey, we have already faced severe climate impacts to date. In 2022 we faced our hottest summer with the most severe heatwaves (reaching over 40 °C for the first time ever), along with record-breaking wildfire seasons, as well as contending with regular flood events. In 2023 we have faced the hottest June ever on record, followed by the wettest July, and the longest heatwave over 30 °C ever recorded for the month of September. On top of specific record-breaking climate events, we are seeing changing weather patterns in the county that are already impacting the council's service delivery and infrastructure (such as damage to road surfaces and pothole creation). To respond to the multiple cross-cutting risks presented, climate change impacts have been elevated as a Corporate Risk for Surrey County Council, and as per the Delivery Plan, the Surrey Climate Change Adaptation and Resilience Strategy, known as “Surrey Adapt”<sup>vi</sup>, has been developed to coordinate our response to climate impacts and risks, in a 1.5 °C, 2 °C and 4 °C warmer world.

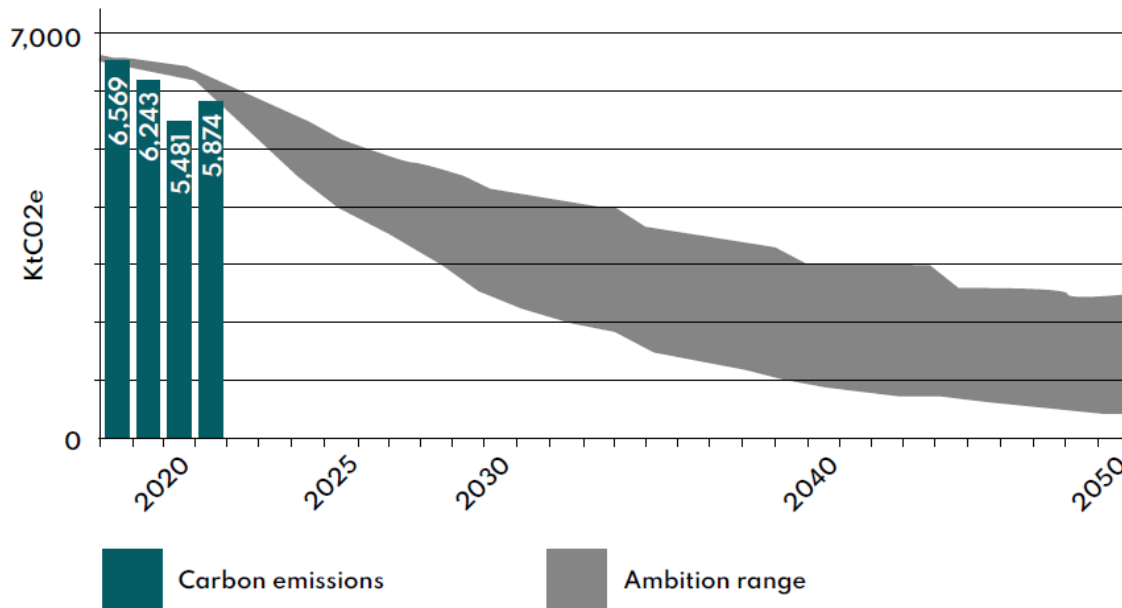


### 3.2 Surrey's 2050 net zero target



**On track with high risk of going off track next year:** In 2021 Surrey emitted 5.9M<sup>7</sup>tonnes of carbon emissions. Only an 11% decrease in emissions has been achieved since 2019, whereas a 17% decrease was required to stay on track. Since 2020 carbon emissions have increased by 7% but should have reduced by around 6% to stay on track.

Figure 9: Changes in Surrey's carbon emissions (KtCO<sub>2</sub>e)



The grey area on the graph in figure 9 represents the range of possible trajectories to meet net zero by 2050<sup>vii</sup>, the most ambitious (the bottom of the curve) is broadly in line with national legislation<sup>viii</sup> and within a 1.5°C global temperature rise scenario<sup>ix</sup>. National datasets<sup>x</sup> have been used to measure Surrey's emissions. The latest available data<sup>8</sup> is from 2021; the year that the Greener Futures Climate Change Delivery Plan 2021-2025 was published. The increase in emissions compared to 2020 is likely to reflect the lifting of covid restrictions.

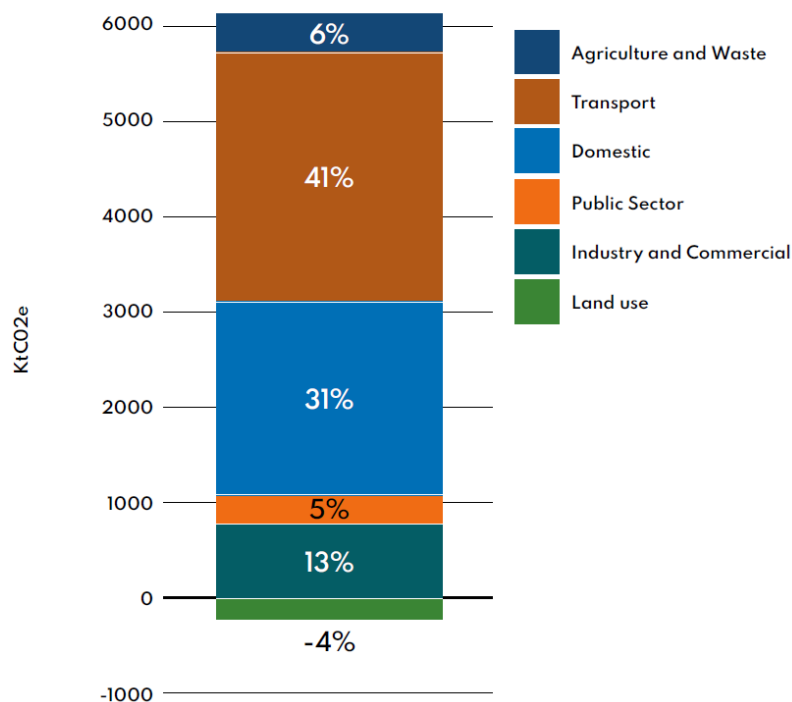
<sup>7</sup> These are known as scope 1 and 2 emissions as defined by national reporting guidelines <https://ghgprotocol.org/corporate-standard>

<sup>8</sup> National emissions data is published once per year, two years after the time period.

### 3.3 Surrey's emissions split by sector

The bar chart in figure 10 shows the different contributions of each sector to Surrey's carbon emissions in 2021. The greatest challenges lie in decarbonising the transport sector and the energy used by households and businesses. As a proportion of the Surrey's emissions, the transport sector is becoming increasingly prominent, representing 38% emissions in 2019, 40% in 2020 and 41% in 2021. Although Local Authority emissions are reducing, wider public sector emissions are also becoming more prominent within Surrey's total emissions. Wider public sector includes institutional buildings linked to education and public health, which appear to be stalling in their efforts to decarbonise.

Figure 10: Surrey's carbon emissions by sector in 2021 (ktCO<sub>2</sub>e)

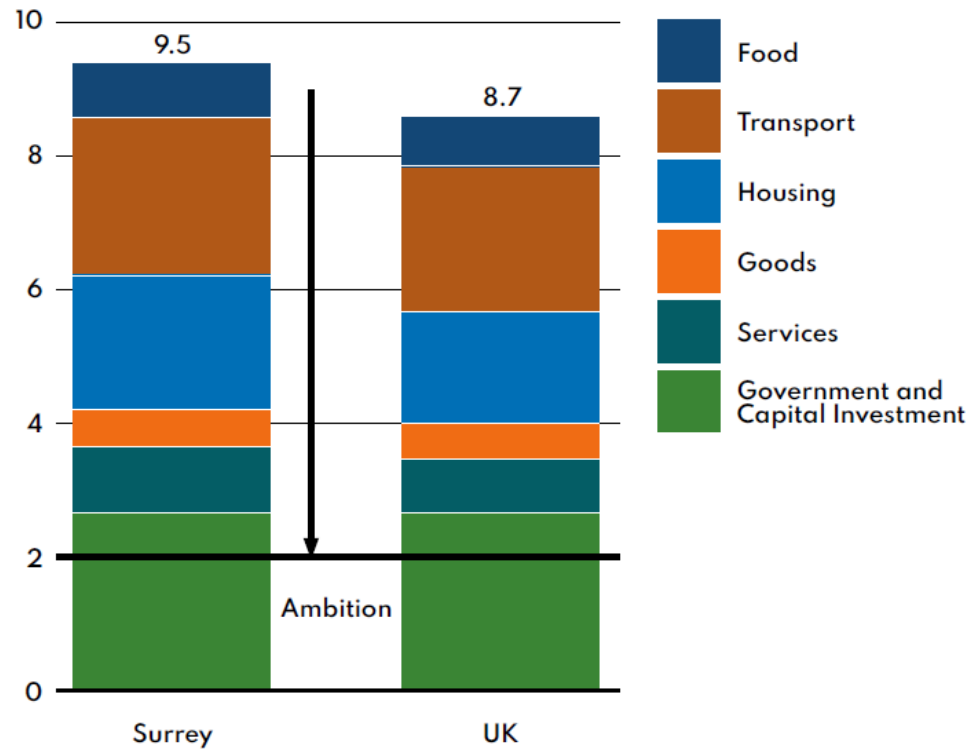




### 3.4 Surrey's wider impact

At 9.5 tonnes per year, the average emissions per Surrey resident is higher than the UK average<sup>xi</sup>. To achieve sufficient emissions reduction, residents need to produce less than 2 tonnes of carbon per year by 2050.

Figure 11: Carbon emissions of an average Surrey resident in 2021 compared to the average UK resident (tCO<sub>2</sub>e)



Emissions arising from the food, goods and services that residents purchase are not included in the scope of the 2050 net zero target but are likely to be 2-3 times greater than those that are included in the scope. They continue to be an important part of actions that residents, businesses and other organisations can take through purchasing low-carbon products and services, eliminating waste, eating a high-plant diet and traveling sustainability outside of Surrey.

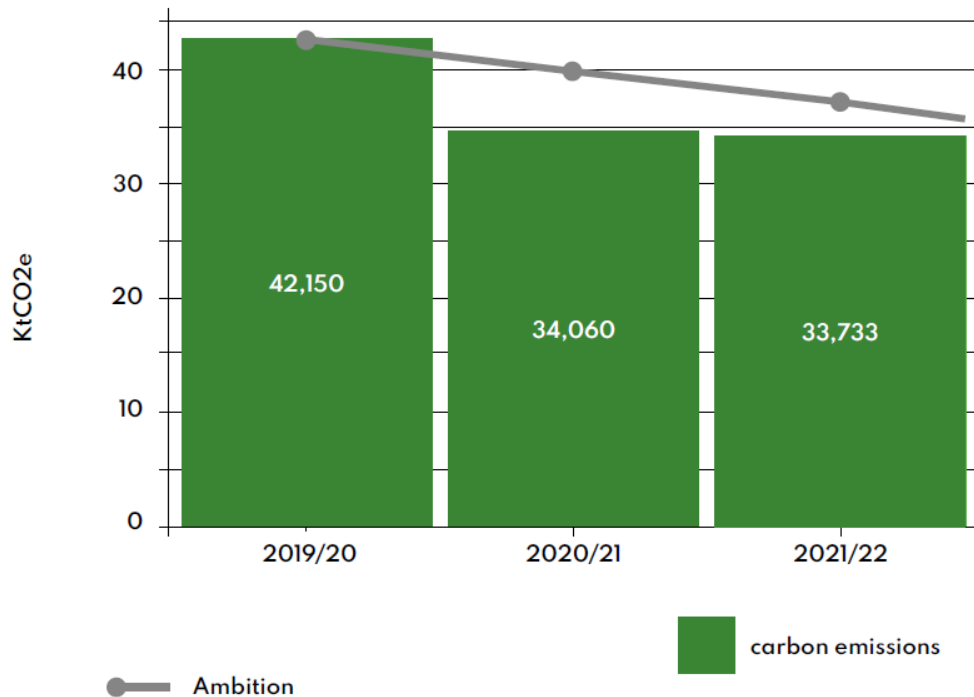
The consequences of climate change, such as higher temperatures and more extreme weather conditions, can impact residents' health and wellbeing, and biodiversity, in multiple ways. For example, higher temperatures make air pollutants more concentrated, having an amplified effect on human and environmental health.

### 3.5 Local authority carbon emissions



**On track with risk:** In 2021-2022, Surrey’s twelve Local Authorities emitted 34 kilotonnes of carbon<sup>9</sup>. Since the 2019-2020 baseline, Local Authority carbon emissions have fallen by 20%, exceeding the 13% reduction that was required. However, the rate of emissions reduction has slowed with emissions only falling by 1% between 2020-2021 and 2021-2022.

Figure 12: Changes in Local Authority carbon emissions (ktCO<sub>2</sub>e)



Since 2019-2020, all twelve Local Authorities have reduced their organisational carbon emissions, and ten out of twelve councils have made significant reductions of between 14-34%. In six cases, emissions have increased in 2021-2022 compared to the previous year due to the predicted bounce-back from the impacts of Covid. More detail on Surrey County Council’s net zero programme is set out in a separate report<sup>xii</sup>.

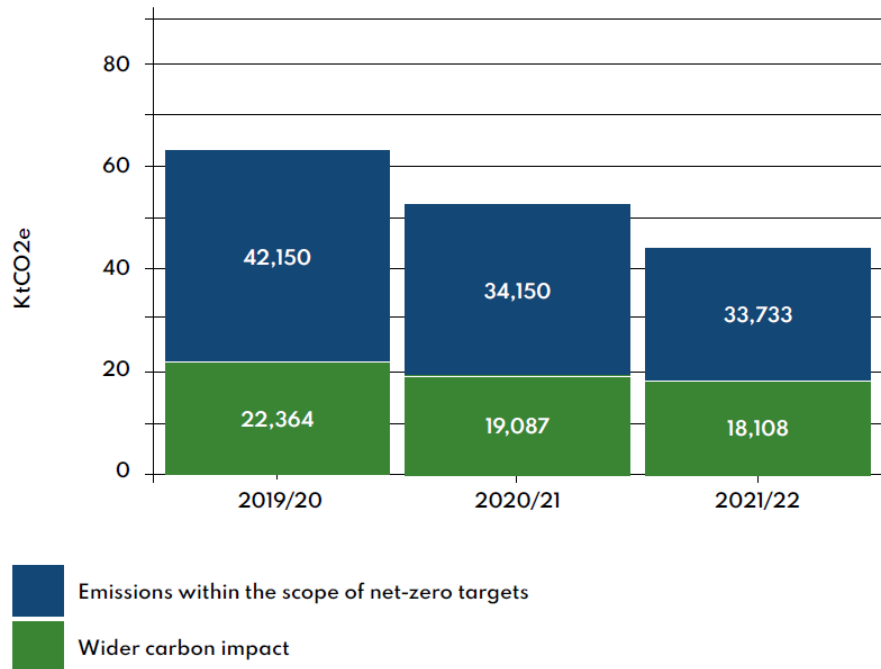
<sup>9</sup> These are known as scope 1 and 2 emissions as defined by national reporting guidelines <https://ghgprotocol.org/corporate-standard>



### 3.6 Local Authority indirect carbon emissions

Seven out of twelve Local Authorities have committed to measuring their indirect carbon impact<sup>10</sup> (scope 3 emissions), but the data collection is at an early stage with three already measuring emissions from business travel and leased buildings<sup>11</sup>. As a result, in future years the estimates of Local Authorities indirect carbon impacts are likely to be much higher as more data is collected.

Figure 13: Local authority carbon emissions including indirect emissions (ktCO2e).



<sup>10</sup> These are known as scope 3 emissions as defined by national reporting guidelines <https://ghgprotocol.org/corporate-standard>

<sup>11</sup> Surrey County Council’s high-level estimate of emissions from procured services have been excluded but are discussed in the Surrey County Council net zero 2030 progress report.

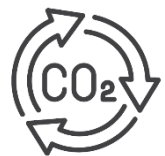
## 4. Progress of action towards Surrey's 2050 target

This section summarises progress against actions that Local Authorities have committed to, with partners, as part of the Greener Futures Climate Change Delivery Plan 2021-2025. These actions lead, enable and inspire residents and businesses by making it easier and more affordable for Surrey's citizens to live sustainable lifestyles and feel empowered to act on climate change.

Whilst the Delivery Plan seeks ambitious action in all areas, it acknowledges that Local Authorities directly control less than 1% of Surrey's carbon emissions, and therefore the delivery of Surrey's net zero 2050 target is dependent on many wider factors including accelerated action from Surrey's residents, businesses and public sector, and critical funding and policy change from national government.



## 4.1 Fuel poor and vulnerable households - progress



**2,059t**

Annual carbon saved



**£33M**

Funding leveraged



**£0.5M**

Annual bill savings



**130**

Warm hubs

**Progress:** Excellent progress has been made to win and distribute government’s Sustainable Warmth grants delivered through Action Surrey<sup>xiii</sup>. Surrey is the highest performing Local Authority in the South-East; receiving and delivering the majority of available grant funding (see case study below). On average, energy bill savings for off-gas households that benefited from the grants were £812 per year.

101 Warm Welcome services (formerly warm hubs) and an energy bill information campaign, including a free energy advice tool, supported residents impacted by the rise in energy costs. This involved bringing together 300 volunteers, providing 2,600 instances of energy advice and distributing 3,500 fuel vouchers, over 4,700 meals and around 4,700 items to improve warmth and energy efficiency.



### **Case Study: Sustainable Warmth**

A resident of Reigate & Banstead received external wall park-home insulation and the EPC of the property increased 2 bands from G to E. This is expected to save 1.7 tonnes carbon, 6467 kW of energy, and £274 on energy bills annually.

The resident said: "The process of applying was simple to understand and the application forms relatively easy to complete. The work carried out to the exterior of my home caused minimal disruption. All in all, I am very pleased to have been a part of the scheme and to have had the work carried out. Thank you for including me in the programme."

## 4.2 Fuel poor and vulnerable households – impact and next steps

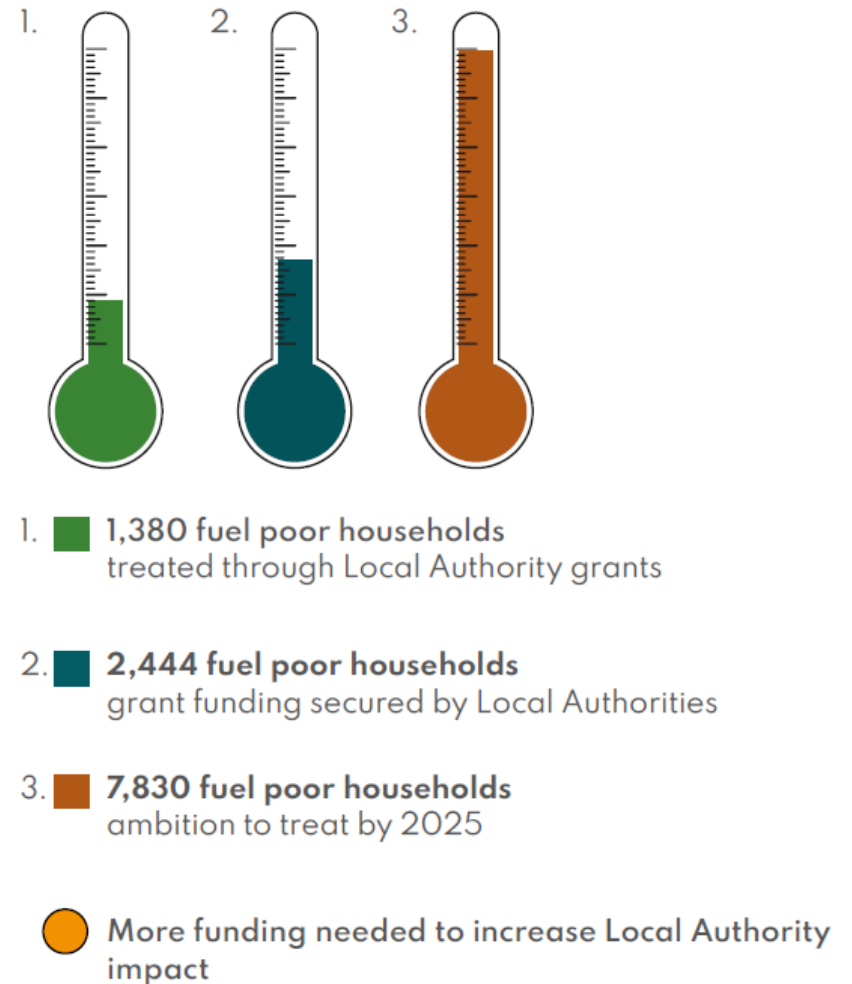
**Impact:** Despite progress there is scope for the energy efficiency grants to improve their impact by maximising carbon and bill savings. Roughly double the amount of grant funding is needed from government to match the pace and scale of fuel-poor household decarbonisation required by the Delivery Plan. Some of this will be delivered through the decarbonisation of Local Authority-owned social housing and through household decarbonisation schemes funded by energy company obligations (ECO)<sup>xiv</sup>.

A further gap in funding is support for households that are not classed as fuel poor but are impacted by the rise in energy costs.

**Next steps:** Delivery of all available grant funding will continue, and further options to maximise funding via ECO and carbon trading will be explored.

Warm Welcome services and energy bill information campaigns will run again during subsequent winter periods.

Lobbying efforts will seek further funding for this area, and options to further support social housing decarbonisation, tenants and landlords will be explored.



### 4.3 Households - progress



**1,165t**

Annual carbon saved



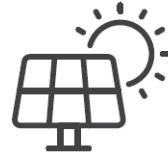
**£11.8M**

Funding leveraged



**£1.6M**

Annual bill savings



**15.8k**

Solar panels

**Progress:** So far, the primary focus to support households to decarbonise has been on solar PV schemes where householders who invest in solar PV get a return through reduced energy bills and selling excess electricity produced. Phase 1 of Surrey Solar Together, which offers residents solar PV panels and batteries at reduced price resulting from the bulk-purchase nature of the programme, was successfully delivered. 1,186 households purchased solar panels which saved residents £1.6M per year in energy bills. Following a delay to resolve contractual issues, phase 2 of Surrey Solar Together has been launched and is on track to almost double the solar installed from the first phase.

Projects to help households with the high up-front costs of low carbon heating or energy efficiency measures are not yet in delivery, but Local Authorities are working with communities to trial approaches that inform households of retrofit needs through the use of thermal imaging.



### **Case Study: Community Thermal Imaging Project**

Trained community volunteers offer free home energy surveys and use thermal imaging as a way to explain where residents can improve their properties, and signpost them to available support. Participants have said:

“Many thanks for the report. There is lots of useful information and good suggestions. We live in a very old, listed house so options are more limited than for some others, but plenty that we can do.”

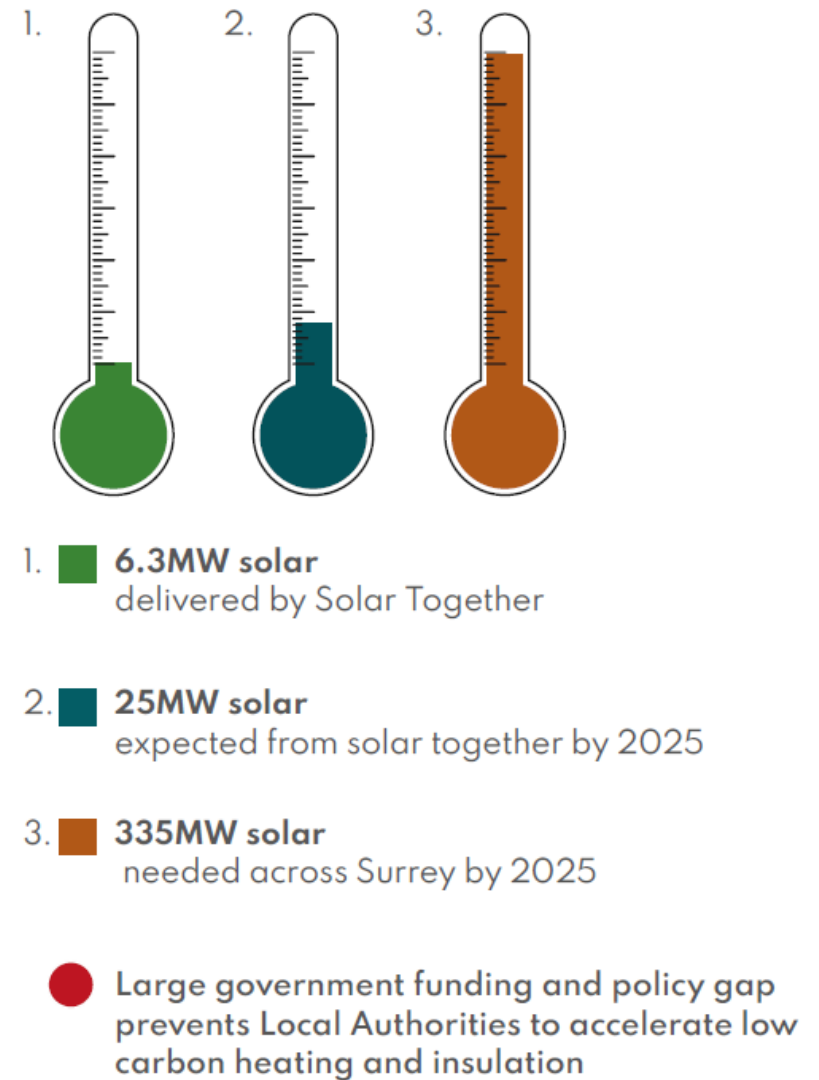
“Thank you so much for your time and the report. I will share it also with my landlord. After reviewing it with my partner and hearing from the landlord, I’ll share back any feedback.”

## 4.4 Households – impacts and next steps

**Impact:** Solar Together has had a major impact, but there is still a gap where the wider market needs to move much faster to enable a tripling of renewable energy that is needed each year, requiring further action from Government and network operators.

Increasing renewable energy is important, but it is not possible to achieve net zero without a move away from fossil-fuel heating towards low carbon alternatives such as heat pumps in new and existing homes. Here the challenge is much greater and suitable funding and policies are needed for Local Authorities (LAs) to play a much more active role.

**Next step:** A number of additional projects are in development including a One Stop Shop for home decarbonisation, which has won a £0.7M grant through the Government’s Local Energy Advice Demonstrator scheme. It seeks to provide retrofit advice for 6,000 households, leading to 320 households improving the energy efficiency of their property and saving over 1 kilotonne of carbon in the pilot phase. The project includes setting up a One Stop Shop hub which will seek to become financially sustainable in 3-4 years, and may include a pilot loan scheme to help 30 households with upfront costs. In addition, further phases of Solar Together, or a similar scheme, will be delivered to maximise household solar PV.



## 4.5 Active and sustainable travel - progress



**150t**

Annual carbon saved



**£3.3M**

Funding leveraged



**1,558**

Residents engaged



**15,350**

Pupils trained

**Progress:** Active travel engagement with a key focus on behaviour change has taken place through the provision of cycle and walking training and the introduction of the BetterPoints app, where 0.5M active travel journeys were logged and with 70% of users saying they are more likely to walk or cycle as a result of the app. Increased investment in maintaining and improving the condition of the highway has contributed to safer journeys by active travel, resulting in cleaner air and improved health through physical activity.

Concept design and early engagement work has commenced on Local Cycling & Walking Implementation Plans (LCWIPs), feasibility designs for 40 cycling & walking schemes and 7 Local Streets have commenced for further engagement and funding bids. 19 school road safety schemes are in design with 2 completed. Local authorities have supported 115 schools to develop sustainable travel plans (see case study) and undertake Bikeability and Feet First cycling and walking training for 15,000 primary school children.

### **Case study: School Active Travel Plans**

Horley Infant School is one of two schools in Surrey to receive a platinum Modeshift Stars award. As 1 in 4 cars each morning travel to/from schools, initiatives in schools to reduce air pollution, improve safety and reduce carbon emissions are essential.

Horley Infant School says: "We encouraged pupils to travel by foot or bike by providing Bikeability sessions, or at least walk the last 10 minutes to school, as this would mean fewer cars outside the school gates. Our incentive and enthusiasm for greener, cleaner and safer travel for all at Horley Infant School (and the wider community) has gone from strength to strength and has led us to appreciate the important collective causes and has ignited a new interest in sustainable travel."

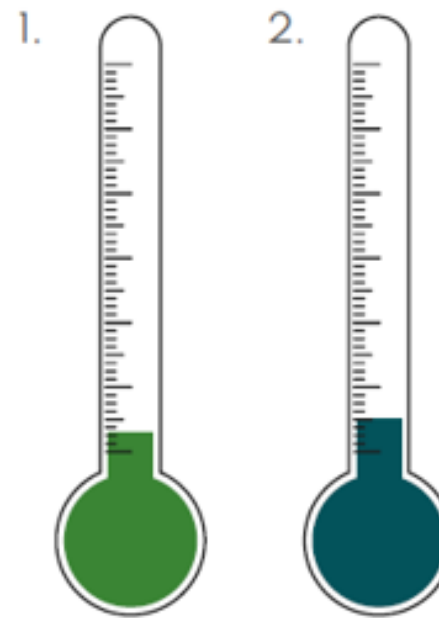
## 4.6 Active travel – impacts and next steps

**Impact:** High car ownership rates led to over 14 billion kilometres of car travel on Surrey’s roads. A comprehensive, connected network of active travel infrastructure alongside measures to reduce private vehicle use are essential to create the shift towards active travel needed to meet the 2050 net zero target. Active travel infrastructure can only be delivered by Local Authorities, but high levels of opposition from residents and a change in government focus and funding means that delivery is extremely challenging.

Significant levels of further investment from Government will be required to support local sustainable places where active travel measures become first choice for short journeys.

**Next steps:** Active travel campaigns will be improved by linking to key delivery schemes to promote their acceptability and uptake.

More active travel schemes will be designed and approved ready for implementation.



1. ■ 13km new cycleway and walkway built

2. ■ 104km new cycleway and walkway in design

● Funding, policy and resident opposition to large-scale active travel infrastructure



## 4.7 Public transport – progress



**569t**

Annual carbon saved



**£16.4M**

Funding leveraged



**18.7M**

Passenger journeys



**3,000**

Surrey LINK users

**Progress:** £49m has been invested in a programme to improve and decarbonise the bus service in Surrey. Despite challenges with the supply chain, 16 hydrogen buses (see case study) and 36 hybrid buses are currently in operation as well as 15 electric community transport minibuses. In addition, real time passenger information has increased and more bus priority measures have been delivered.

Following a successful trial in Mole Valley, five new digital demand responsive transport (DDRT) services started on 4 September, forming part of the expanding Surrey Connect network in Cranleigh, Farnham, Longcross, Tandridge and West Guildford. The Surrey 'Link' card went live in July, enabling all young people aged 20 and under to travel on buses for half the adult fare. The Link card is issued for free, with 3,000 young people already signed up.



### **Case study: Public transport - Zero Emission Hydrogen buses in East Surrey**

Councillor Matthew Furniss, Cabinet Member for Transport, Infrastructure and Growth said, *"I am delighted that Surrey County Council and Metrobus continue to work together to help deliver our ambition to become a net zero county by 2050, to improve public transport and to encourage more people to use buses in Surrey."*

Surrey County Council has invested £16.4m to roll out 34 of 54 hydrogen fuel cell buses across the county – creating one of Britain's largest hydrogen bus fleets and offering our residents cleaner, greener bus travel.



## 4.8 Public transport - impacts and next steps

**Impact:** The Bus Improvement Plan and associated frameworks are in place to allow for a complete decarbonisation of the bus fleet by 2050, with significant investment required from the Council due to lack of funding from the Department for Transport.

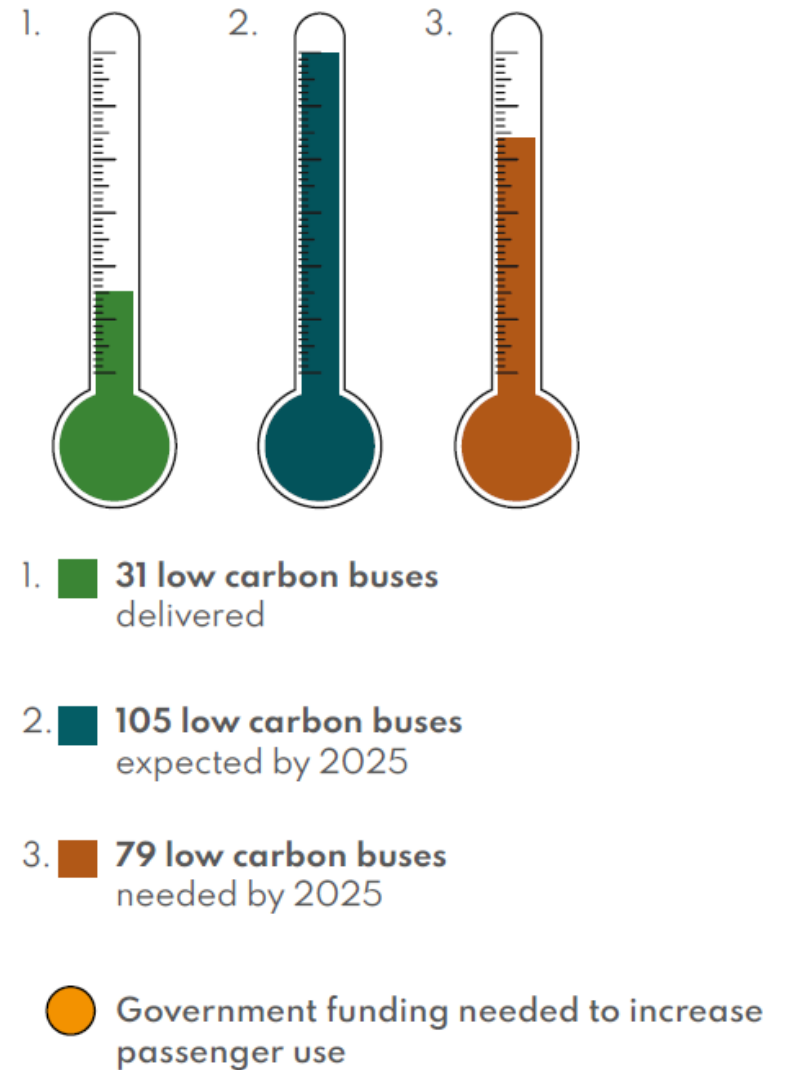
Passenger volumes have not returned to pre-covid levels and need to dramatically increase to enable a significant reduction in car journeys.

**Next step:** As outlined above, bus fleet decarbonisation will continue.

There is an opportunity to develop local supplies of low carbon hydrogen fuel to serve the new bus fleet and other heavy road vehicles that are hard to electrify.

DDRT services will expand using electric minibuses.

More priority bus routes will be put in place and, using the new funding, options to enhance bus services with the greatest potential for patronage growth and / or commerciality are being assessed for implementation.



## 4.9 Businesses - progress



**1,088t**

Annual carbon saved



**£5.5M**

Funding leveraged



**£0.6M**

Bill savings



**1.2MW**

Renewables

**Progress:** Low Carbon Across the South East (LoCASE) was an European Union funded scheme targeted at small and medium enterprises (SMEs) offering grants for decarbonisation measures. The project was delivered in Surrey from 2021 to 2023. The Surrey LoCASE scheme exceeded its target, enabling 217 business to receive grants, helping them to reduce carbon emissions and save money on energy bills. LoCASE also provided 783 business with environmental advice and provided training to 68 businesses through the 'Net Zero 360' course (see case study).

The challenge to meet the green skills gap has been incorporated into the Surrey Skills Improvement Plan and actions to raise awareness of green job opportunities has begun with a green careers video circulated to 800 schools nationally. A heat pump installer training pilot enabled 17 gas boiler installers to gain in-demand low carbon skills. 280 businesses are engaged in the Sustainable Business Network with 70 taking action.

### **Case study: OCB Construction**

Installed a solar PV system on it's premises and upgraded company van to electric.

OCB supply and install solar PV systems in South London and the home counties.

The vehicle upgrade and solar array reduced both costs and environmental impact.

5.43 CO2e saved annually, £2,640 annual cost saving.



### 4.10 Businesses – impact and next steps

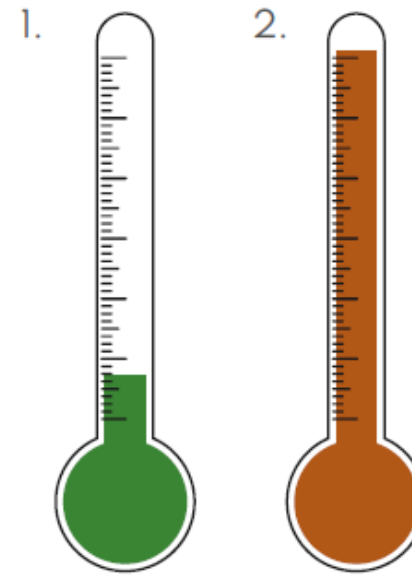
**Impact:** Moving to a green economy presents a huge business opportunity; green jobs are predicted to grow in Surrey by 8% by 2030 and the housing retrofit market alone is estimated to have a market opportunity of £10 billion to 2050.

Local Authorities have a role to play but many of the 65,000 businesses in the county would not need or seek Council support, as the provision of low carbon goods and services becomes standard.

**Next step:** Work will continue to form a strategic approach to enable the growth of a sustainable economy in Surrey, alongside ensuring that appropriate training opportunities are available to ready the workforce.

Key opportunities include embedding green/sustainability advice into business support services following the transfer of Local Enterprise Partnership functions to the council, the development of low carbon industrial clusters and stimulation of innovation.

Further funding schemes and training to support SMEs are in development including a decarbonisation loan programme, EV van and EV taxi grant programmes, and the Rural England Prosperity Fund grant programme.

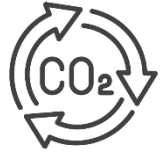


1. **870 businesses**  
received sustainable business support

2. **25,300 businesses**  
need to decarbonise by 2025

**More leadership and investment from private sector and Government needed**

## 4.11 Communities – progress



**No  
estimate**

Annual carbon  
saved



**£0**

Funding  
leveraged



**842k**

Social media  
hits



**88**

Green Flag  
schools

**Progress:** The Delivery Plan actions have resulted in at least 70,000 behaviour-change events across Surrey’s residents, businesses and community groups this year, due in part to an improved approach to communications and engagement which reached around 843k people. Information campaigns include Rethinking waste<sup>xv</sup>, Planet Woking<sup>xvi</sup>, an active travel special edition in Surrey Matters, tree planting guidance, energy bills support, and many more.

Around 232 schools were engaged with over 47 events, which led to 58 active travel plans developed, 88 EcoSchools<sup>xvii</sup> with green flag status, and 63 sign ups to “Let’s-go-zero”<sup>xviii</sup>. Many community engagement projects are underway including: Community Energy Pathways<sup>xix</sup>, a Green Social Prescribing pilot<sup>xx</sup>, climate action plans targeted at parish councils, Urban Biodiversity Opportunity Areas<sup>xxi</sup>, Your Fund Surrey small grants<sup>xxii</sup> (see case study) and volunteer retrofit surveys<sup>xxiii</sup>. These promote energy reduction, wellbeing through nature, biodiversity, deliver small grants and support decarbonisation.



### **Case Study: Elmbridge Eco Hub**

“The SCC awarded us a grant of £500 to help us develop an area of our community garden. We turned this area from monoculture grass into a sustainable gravel garden, populated with draught tolerant, pollinator friendly plants... The area is now used as part of our educational tours to illustrate how gardens in the UK will look in years to come if we do nothing to mitigate the effects of climate change. Although beautiful, and wildlife friendly, it is very different from a typical garden seen in the UK today. The benefits of course are that the plants rarely if ever need watering, but the green lawns and commons we are used to now will become a rare sight.”

“The community garden was a finalist in this year’s **annual community awards** and is being judged for **Britain in Blooms “It’s your Neighbourhood” awards** this coming autumn. The garden was also a finalist in this year’s **Surrey Wildlife Trust community award.**”



## 4.12 Communities – impact & next steps

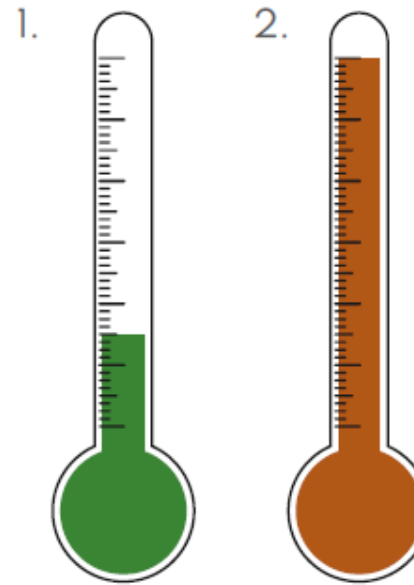
**Impact:** Residents can influence around a third of all carbon emissions by living sustainable lifestyles through their choices of energy, food, travel and shopping<sup>xxiv</sup>. It is not possible for Local Authorities to impact all 1.2M residents, and many other organisations are better placed to influence.

Nevertheless, there is scope for Local Authorities to improve their approach to engagement through prioritisation and targeting of areas where Local Authorities have the greatest impact and continuing to develop a more community-focused approach with shared messaging, including funding opportunities.

**Next steps:** A joint communication plan will be developed amongst Borough and District Councils and anchor community organisations to ensure that residents and businesses gain knowledge and take opportunities to live more sustainable lifestyles.

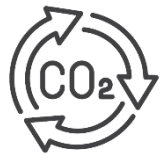
Work with schools will continue but will expand to include a programme of energy workshops to deliver alongside solar schemes.

Community and volunteer projects will continue and will be informed by the needs of residents including a second phase of the Community Energy Pathways programme.



1. ■ **70k low carbon actions** have resulted from engagement due to projects in the Delivery Plan
  2. ■ **128k residents** need to be supported to reduce their emissions to less than 2t per year by 2025
- **Local Authorities** have limited levers to encourage more sustainable lifestyles

## 4.13 Planning, placemaking and infrastructure – progress



**133t**

Annual carbon saved



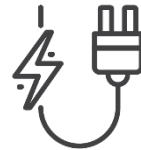
**£0.5M**

Funding leveraged



**0**

Compatible plans



**12,714**

Charging sessions

**Progress:** The Surrey Climate Change Adaptation and Resilience Strategy<sup>xxv</sup>, “Surrey Adapt”, was presented to cabinet in October 2023. An action plan is being developed with an initial focus on Surrey County Council Directorates and Local Authorities assessing the climate change risks to key service delivery areas.

Local Authorities are working towards low carbon standards in Local Plans, supported by a net zero guide and accompanying evidence base. Many of the Borough and District Councils have already produced sustainable planning documentation. The Healthy Streets Design Guide has been published to inform future planning decisions (see case study). Furthermore, plans that ensure major infrastructure is compatible with net zero targets is in development.

Following successful pilot phases that installed 134 EV chargepoints, a provider has been appointed to accelerate the number of publicly available EV chargepoints across the county to enable more residents to shift towards electric vehicles.

### **Case Study: Infrastructure – Healthy Streets Design Guide**

“In October 2022, SCC Cabinet endorsed the Healthy Streets for Surrey Guide and agreed to its adoption as County Council policy for the design of streets in all new developments in the county. The six core street design principles include green streets that enrich Surrey’s biodiversity, enhance the environment and improve air quality... In 2022-2023, DLUHC Pathfinder funding enabled production of an SCC website to provide developers and other professions with a reference point for Surrey’s design code, while also supporting those without background knowledge.”

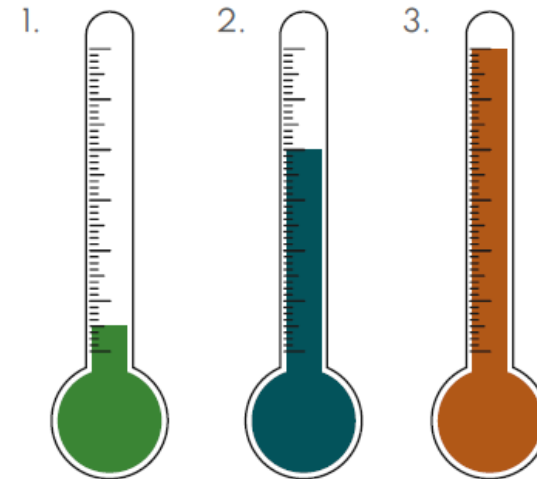
## 4.14 Planning, placemaking and infrastructure – impact & next steps

**Impact:** Local Authorities have key responsibilities to deliver infrastructure and placemaking. Anything built today must be future-proofed for a low carbon future to protect residents from extreme weather conditions, prevent harm to Surrey’s economy and reduce future retrofit and disaster management costs. To achieve this, there is an opportunity to ensure that resilience and low carbon standards are implemented in full.

The roll-out of EV charging by Local Authorities is important, with the gap requiring more changepoints to be installed by businesses on private land<sup>12xxvi</sup>.

**Next steps:** An adaptation and resilience action plan will be developed and implemented to build resilience into Local Authority service provision and beyond. The evidence base and costs of low carbon building standards will continue to be explored and implemented in planning and infrastructure settings.

The maximum number and fair roll out of EV charge points will be delivered through the Connected Kerb contract.



- 1. **134 EV chargepoints**  
delivered through Local Authorities
- 2. **1,700 EV chargepoints**  
to be delivered through Local Authorities
- 3. **2,500 EV chargepoints**  
needed in public spaces by 2025

**Gap in low carbon planning policies at national and local level**

<sup>12</sup> Figures are subject to change following the completion of the EV Chargepoint network plan.

## 4.15 Trees and land management – progress



**No estimate**

Annual carbon saved



**£1.1m**

Funding leveraged



**0ha**

Managed woodland



**0ha**

Biodiversity net gain

**Progress:** The Land Management Framework and Local Nature Recovery Strategy (LNRS) are being developed to improve biodiversity, help reduce impacts of flooding, droughts and heat on the natural environment, and to absorb carbon. The Council is preparing to become the statutory authority for nature recovery under the requirements of the Environment Act 2022.

Tree planting is on track to meet the council's target for 1.2M new trees by 2030, with plans to start a local tree nursery. Five Local Authority sites have been identified as suitable for Biodiversity Net Gain (BNG) and a register is being set up to support the biodiversity credits market in preparation for the new requirement for developments to deliver 10% BNG as a minimum. The Farming in Protected Landscapes (FIPL) grant programme has delivered £0.1M funding last year and Local Authority farms are working towards improved management.

**Case study: Tree planting at the High Ashurst Estate**

As part of SCC's ambition to plant 1.2m trees by 2030, the council is preserving a Victorian-era orchard at the High Ashurst Estate, an outdoor education centre managed by Surrey Outdoor Learning and Development (SOLD).

The project both preserves our garden heritage and offers a learning opportunity for young people and people with disabilities. The planting and aftercare have been a major success, with flourishing trees that are likely to show fruit for 2024. The scheme was designed to maximise the use of space around an apple shaped footpath, creating a wellbeing space for all visitors to enjoy.

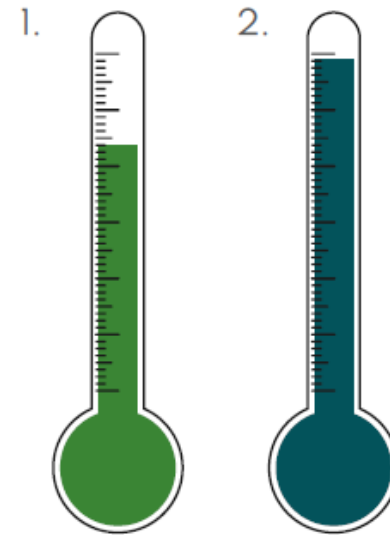


## 4.16 Trees and land management – impact & next steps

**Impact:** The tree planting programme remains strong and has many benefits to our environment, wildlife and the communities who are making it possible.

Local Authorities, as well as other partners, landowners and developers, need to put in place a wide range of additional action to prevent further biodiversity loss, increase the carbon absorption from land and use our natural resources to effectively mitigate extreme heating and flooding.

**Next step:** More work needs to be done with partner organisations and through the planning system to ensure that new biodiversity and carbon sequestration requirements are embedded into infrastructure and land change schemes (such as the River Thames Scheme). Consultants will support in the development and trading of BNG and carbon units and ecosystem services.



1. **444,507 trees** planted

2. **600,000 trees** expected to be planted in line with target

**More action needed from big land owners to change the way land is managed**



## 4.17 Local authority carbon reduction - progress



**8,417t**

Annual carbon saved



**£8.4M**

Funding leveraged



**3,575**

Staff trained in climate change



**2.5MW**

Renewables

**Progress:** Eight Local Authorities have retrofit and fleet decarbonisation programmes which are around 7% complete. 94 low carbon vehicles are in operation with 34 suitable EV charging sites. Four Local Authorities have sustainable procurement policies and five have travel plans in place. 25% of Local Authority staff have had some climate change awareness training with 193 certified as Carbon Literate. The number of Local Authority staff able to deliver training has doubled to eight since last year. All councils continue to undertake communications and four are actively lobbying Government on the environment agenda.

### **Woking Borough Council Case Study**

Woking Borough Council has begun a pilot of an energy monitoring software system called Energi Raven, produced by local company SAV Systems. The product is designed to help identify potential energy, carbon, and financial savings on a building-by-building basis. The pilot will monitor eight council owned buildings: Civic Offices, Export House, Woking Leisure Centre, Pool in the Park, Hoe Valley Community Building, Sportsbox, Wolsey Place Shopping Centre and Hale End Court. The online dashboard displays live consumption for gas, water and electricity and can provide monthly and year on year comparisons. Alarms can be set to proactively manage spikes in consumption. The six-month trial will conclude towards the end of 2023.





### **Elmbridge Borough Council Case Study**

In early June 2023, Elmbridge Borough Council installed a solar panel car port in the Civic Centre pay and display car park. The car port comprises 63 solar panels on a lightweight V-frame spanning across the parking bays with minimum impact on the surrounding area.

The electricity generated by the solar panels is fed directly back into the electrical services at the Civic Centre. The annual electricity generation by the solar panels is anticipated to be 22,224 kWh, which is around 4% of the annual electrical energy used at the Civic Centre, equating to an annual electricity cost savings of £6,000.



### **Guildford Borough Council Case Study**

In February 2023, Guildford Borough Council adopted a new Climate Change Action Plan. Building on the actions already taken, the plan reinforces their commitment to reach net zero emissions by 2030 and it lays out the framework for how to achieve it.

The plan outlines goals to reduce the Council's own carbon emissions, which account for 1% of all borough emissions. This is alongside targets for improving air quality, preserving wildlife habitat and restoring biodiversity. The plan also recognises the council's role in supporting and enabling community action on climate change across the borough.



**Mole Valley District Council Case Study**

Mole Valley District Council has taken steps to become a Carbon-Literate organisation through the delivery of Carbon Literacy Training. The first Carbon Literacy Training course was completed at the end of July and a second course is due to train 15 staff members including three members of the Senior Leadership Team. Following the training, the council is planning to apply to become a Bronze Carbon Literate Organisation.



**Tandridge District Council Case Study**

Tandridge District Council’s net zero carbon homes building programme is due to be completed by April 2024 on sites in Auckland Road and Windmill Close. This includes a fabric first approach, Air Source Heat Pumps, Solar PV, and triple glazing. Tandridge are working with a specialist energy consultant at the design and planning stage of new schemes, so houses are built to accommodate the equipment and orienting roofs to maximise efficiency of renewables.

Tandridge are committed to delivering our new housing schemes with biodiversity net gain which includes 1-4-1 tree replacement, planting native hedgerows and green roofs where appropriate.



### **Spelthorne Borough Council Case Study**

Spelthorne Borough Council recently worked with the Open University and Talking Tree to secure funding from the Local Government Association's Net Zero Innovation Programme. This funding was used to run workshops with the community to design community led actions on climate change. The workshops were documented by 6 young people from the Youth Hub who were trained in digital documenting and editing for the project.

The projects were ranked, and 2 projects were chosen to be taken forward by the group – community food growing and rewilding areas of the borough. Another Incredible Edible group has since been set up and an area of land transformed into a community food garden, encouraging residents to learn about seasonal food and reducing food miles.



### **Surrey Heath Borough Council Case Study**

Surrey Heath Borough Council is currently due to have 46 new electric vehicle chargers installed in 7 sites by the end of October. This project began in August and will bring the total number of council owned chargers to 50. This installation importantly makes owning and charging an electric vehicle in Surrey Heath more accessible; and with the phasing out of petrol and diesel vehicles these charging points will become increasingly useful in the local community. The project is being funded fully by a private firm and £151k of government funding from the Office of Zero Emission Vehicles.



Image: Freepik.com

### **Waverley Borough Council Case Study**

Retrofitting of affordable homes at Ockford Ridge is commencing in Godalming and will deliver much-needed zero carbon in operation, social and affordable housing for existing and new tenants. Waverley Borough Council appointed Southeast based developer Thakeham to build more social and affordable homes with a focus on sustainability and minimising energy costs.



### **Reigate & Banstead Borough Council Case Study**

Reigate & Banstead Borough Council have been delivering Social Housing Decarbonisation Fund Wave 1 with Raven Housing Trust and Accent Housing. Housing retrofit measures include solar PV, low carbon heating, insulation, doors, windows and ventilation.

This £4m work is retrofitting 78 properties across the Reigate & Banstead borough and Surrey Heath borough areas.



### **Epsom & Ewell Borough Council Case Study**

Epsom & Ewell Borough Council has installed its first rapid and ultra rapid electric vehicle charging points in Council owned car parks. At Depot Road Car Park an ultra-rapid dual charge point was installed in early 2023 and has seen over 200 successful charges in its first two months. At the Town Hall Car Park a rapid charge point has also recently gone live.

These add to the 10 fast charge points installed across 3 Council owned car parks last year. The new charge points will further 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.



### **Runnymede Borough Council Case Study**

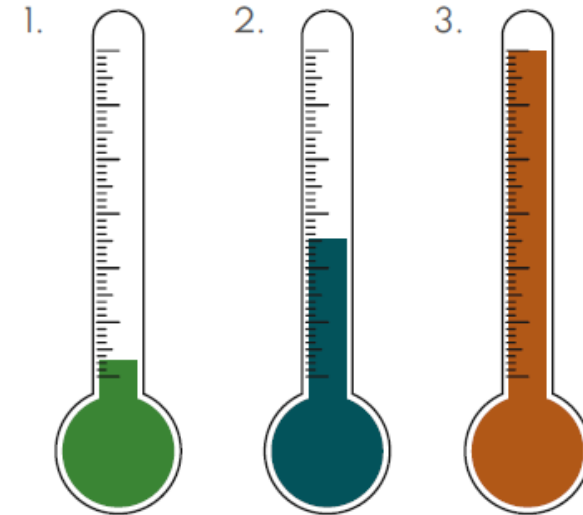
Runnymede Borough Council's and Surrey Heath Borough Council's Meals at Home service began transitioning to an electric fleet in May 2023. There are now 7 new EV vehicles added to the fleet for the 2 Boroughs and supporting infrastructure has also been approved. Although the onboard ovens will remain diesel-powered due to there being no alternative options currently available, the change to electric vehicles should decrease emissions by at least 7.7 tonnes per year across the partnership's fleet. This change will also help secure the sustainability of this invaluable service going forward. Every day the Meals at Home service delivers nutritiously balanced, ready to eat hot dishes to over 200 residents, as part of the Community Services Partnership with Surrey Heath Borough Council.



### 4.18 Local authority carbon reduction – impact & next steps

**Impact:** Most of Surrey’s Local Authorities have produced Climate Action Plans which contain the actions needed to become net-zero organisations, whilst also seeking to reduce their climate impact more widely by supporting their residents and businesses to accelerate their emission reduction. Although Local Authorities continue to be committed to the climate change agenda, they also face unprecedented financial pressures that may hamper the speed and scale of delivery. Further work is needed to fully embed climate change into all service areas.

**Next steps:** Local Authorities will continue to deliver their action plans where feasible and work together to share knowledge and resources to best effect. This work will be overseen by the Greener Futures Partnership Steering Group, with senior representatives from each of the 12 Local Authorities.



1. ■ 27 LA-owned buildings retrofitted

2. ■ 130 LA-owned buildings to treat by 2025

3. ■ 326 LA-owned buildings to treat by 2030

○ More resource needed for Local Authorities to increase impact

End

## Annex A – Full list of active projects and progress

CC Action Number	Project	Description	Progress/ risk April 2022- March 2023	Status
	Fuel poor and vulnerable households			
1	Sustainable Warmth	Delivering grant funding for fuel poor households	<b>In delivery</b> – Strong delivery of HUG scheme continues.	Green
1	Energy bill campaign	Social media campaign and supporting energy tool to help people understand how to reduce their bills	<b>In delivery</b> – Energy bill campaign completed. Tool available online and in all libraries. Will run again this year.	Green
1	Warm hubs / Warm Welcome	Community hosted warm spaces, meals and energy advice in local venues	<b>In delivery</b> – 100 warm hubs last year – strategic approach this year focusing on key locations.	Green
2	Social housing	Support their decarbonisation and bid for the social housing decarbonisation fund	<b>In development</b> –Further funding is now available and subject to availability of match funding from B&Ds.	Red
3	Landlord engagement	Highlighting minimum energy efficiency standard for landlords	<b>In development</b> – Stalled due to GDPR issues officers are seeking Legal advice	Amber
4	Landlord loans	To support the upgrading of rented accommodation and reduce bills for tenants.	<b>Not started</b> – dependent on results of the SME loan scheme pilot.	Red
	Households			
6, 9	One Stop Shop scheme	Linking volunteer action, a One-Stop Shop retrofit delivery engine and loan scheme to support residents to put low carbon measures in homes to reduce bills.	<b>In development</b> -Successful Local Energy Advice Demonstrator funding bid and seeking to launch in Autumn	Green
7	Solar Together	A collective buying scheme to help residents purchase solar panels.	<b>In delivery</b> -Round 1 complete. Round 2 launched with installations due to be completed by March 2024	Green
	ACTIVE TRAVEL			
12	Mobility hubs and services	Real time information app to facilitate public transport use.	<b>Not started</b> – no action expected before March 2026	Red
13, 61	Digital demand response transport	A pilot in Mole Valley to trial more flexible public transport options.	<b>In delivery</b> – pilot successful and expansion to 5 further areas has taken place since September 2023	Green





14, 19	Road vehicle demand management	Consideration of options such as emission-based charging	<b>Not started</b> – no action expected before March 2026	Red
16	Active travel engagement	An engagement campaign and promotion of rewards app to encourage active travel.	<b>In delivery</b> – Campaign and delivery of BetterPoints app successfully delivered. Further campaign activity planned.	Green
24,44	School travel plans	Support for schools undertaking Modeshift Stars travel plans.	<b>In delivery</b> – 115 schools being actively supported to produce sustainable travel plans.	Green
24,44	School cycle training	Cycle safety training level 1 (year 4) and level 2 (year 6)	<b>In delivery</b> – 6,250 pupils trained at level 2. Aim of increasing numbers to 75% of all year 6 pupils (9750)	Green
24,44	School walking training	Foot first walking training to build confidence when walking to school.	<b>In delivery</b> -4,500 pupils trained. Aim of increasing numbers to 75% of all year 6 pupils (9750)	Green
17, 56	Liveable Neighbourhoods	Improving places to enable residents to enjoy their local area and access local services.	<b>In development</b> – Local area planning in all boroughs is complete and have identified 250 potential zones, with 7 in design. Opposition by some residents and reduced funding is reducing the number and scale of schemes moving forward.	Red
17, 56	Road safety outside school schemes (including school streets)	Reducing traffic to support safety and healthy lifestyles.	<b>In progress</b> – but could form part of Liveable Neighbourhoods	Red
59	Active travel infrastructure	Putting in new and/ or improved cycling and walkways to aid active travel.	<b>In development</b> – plans for active travel infrastructure are being put in place.	Green
<b>PUBLIC TRANSPORT</b>				
13, 61	Ultra-low emission (ULEV) buses	Replacement of diesel buses with low carbon alternatives	<b>In delivery</b> -Vehicle replacement programme has commenced.	Green
13, 61	Ultra-low emission (ULEV) mini-buses	Electrification of community transport vehicles	<b>In delivery</b> - Vehicle replacement programme has commenced.	Green
15	Promotion of low emission vehicles and car clubs	To reduce journeys with petrol and diesel vehicles.	<b>Not started</b> – no action expected before March 2026	Red
18	Reduce freight	Such as the development of delivery hubs and last mile cargo bike services.	<b>Not started</b> – no action expected before March 2026	Red
<b>BUSINESS</b>				
10, 30	Small business grants	Low Carbon Across the South East (LoCASE) delivers grant funding for energy efficiency measures and business support to small businesses.	<b>In delivery</b> – exceeded targets to delivery grant scheme.	Green



10	Small business loans	A pilot to replace LoCASE by providing loans for energy efficiency measures and sustainable business support to small businesses.	<b>In development</b> – Business case has been approved. Launch date in early 2024	Green
10	Sustainable business course	Net 360 business course – teaching small businesses to measure emissions and put in place carbon management plans.	<b>In delivery</b> – ended in June 2023 and new course being developed.	Green
20	EV Taxi Grant	Grant funding to incentivise the replacement of diesel taxis with electric alternatives.	<b>In development</b> – Launch in Autumn to March 2025.	Green
10	EV Van Grant	Grants funding to support the purchase of electric vans using the A3.	<b>In delivery</b> – Started in July 23 and will expand to business in Autumn	Green
30, 34	Rural Prosperity Grants	Delivering grants to support the sustainable development and entrepreneurship of rural businesses.	<b>In development</b> – Looking to launch in Autumn	Green
31	Business innovation	Bringing together industry and academia to solve major climate change challenges.	<b>In development</b> - On track, first event scheduled for Feb 2024	Green
31	Industrial decarbonisation support	Support the creation of industrial clusters to develop joint strategic decarbonisation projects and obtain funding	<b>In delivery</b> – On track, planning workshops with high emission industries in Surrey in September 2023	Green
32	Business engagement	Influencing top performing Surrey business leaders and supporting the CREST sustainability awards.	<b>In delivery</b> – Restructuring SME support to drive more practical decarbonisation action.	Amber
33	Green Skills	Delivery of the skills improvement plan and realising an expansion of green skilled workforce in key areas.	<b>In delivery</b> – On track and looking to scale up support to improve access and courses to fit futures green economy.	Green
<b>COMMUNITIES</b>				
5, 8, 21, 54	Strategic engagement	Changing our approach to engagement to support community empowerment and increasing reach.	<b>In delivery</b> – a Greener Futures Engagement strategy is in place. Regular comms through growing networks and more resources has enabled greater community engagement. Web hub and social media channels not yet available.	Amber
22, 23	Urban Biodiversity	Improving urban biodiversity opportunity areas which allows for more wildlife.	<b>In delivery</b> – Working group formed and strong momentum across no. of organisations for next 2 planting seasons	Green
22, 23	Home retrofit	Volunteers providing free advice to households focused on poor areas	<b>In delivery</b> – Significantly delayed due to ensuring safe access of assessors into resident's homes, and how to claim back any lost training money.	Amber
22, 23	Parish action plans	Supporting parishes to put in place and deliver climate action plans	<b>In development</b> – Pilot launched with 10 early adopter parishes, but speed of uptake is slow.	Green



24, 44, 45	Schools decarbonisation	Engagement to encourage schools to take action on climate change through the Eco schools programme and let's go zero.	<b>In delivery</b> - On track and likely to succeed expectations for Ecoschools, Let's go zero and Modeshift stars.	Green
24	Solar PPA programme for public buildings	A scheme to install solar panels public buildings like schools, academies, NHS, Surrey Police, and D&Bs buildings	<b>In development</b> - Successful pilot underway and currently assessing potential for scale up, risks and opportunities, and exploring interest from public bodies in Surrey	Green
25	Community energy	Providing communities with the skills and support needed to develop community energy projects	<b>In delivery</b> - The start of the second phase of this programme has been delayed but it is expected to start in Autumn 2023	Amber
26	Community grants	Small grants provision, capacity building and a community toolkit to increase funding for sustainability projects.	<b>In delivery</b> - Ongoing work to support community groups with funding through large & small YFS pots. GF work completed in March. Members received pack in August	Green
27	Volunteering	Strategic development of volunteering to increase participation and outcomes.	<b>In delivery</b> - Qualitative and quantitative research to inform barriers and opportunities completed. First step volunteering programme has been delivered.	Green
27	Green Social Prescribing	A pilot to support residents mental and physical wellbeing through access to greenspace and nature	<b>In delivery</b> - Test and learn phase has been delivered and will inform next steps.	Green
28	Encouraging reuse	Put in place two reuse and repair cafes	<b>In development</b> - At an early stage of development	Amber
<b>PLACES</b>				
53, 62	Infrastructure	Provide clear carbon and sustainability targets at the design stage	<b>In development</b> - technical standards are in development.	Amber
55	Placemaking	Implement a pipeline of placemaking projects	<b>In development</b> - SCC Placemaking function established and a £35 million capital pipeline planned to 2027 - 2028	Green
57, 58	Planning	Planning guidance to strengthen local plans.	<b>In development</b> - Healthy streets design guide launched, and low carbon buildings guide in development	Green
60	Public EV charging infrastructure	Increase the number of publicly available EV charge points to support an increase in electric vehicles.	<b>In delivery</b> - Connected Kerb appointed to put at least 300 publicly available charge points per year.	Green
63	Energy planning	Develop Local Area Energy Plans (LEAPs)	<b>In development</b> - We have access to the UKPN's and SSEN's LEAP tools and are analysing how these can be harnessed to develop our own LEAPs	Amber

64	Waste	Increase efficiencies and reduce emissions from waste services	<b>In delivery</b> – New waste services contract will measure carbon impacts and work to reduce emissions	Green
65	Flooding	Implement local flood risk management strategy and action plan.	<b>In delivery</b> -flood action plan being implemented	Green
66	Adaptation and resilience	Develop a climate change adaptation and resilience plan.	<b>In development</b> – Adaptation and resilience strategy due to be considered by Cabinet	Green
21, 29, 69	Lobbying	Influencing the wider policy and funding landscape for a greener future in Surrey	<b>In delivery</b> – some lobbying has taken place but more is needed.	Amber
	<b>LAND MANAGEMENT</b>			
67	Land management Surrey-wide	Develop a land management framework for Surrey	<b>In development</b> – framework being developed	Amber
67, 72	Nature recovery	Develop and deliver the Local Nature Recovery Strategy	<b>In development</b> – preparation to become the statutory authority for nature recovery and biodiversity net gain.	Green
68	Local Authority land management	A land management policy for Local Authority land.	<b>In development</b> – policy drafted and is being implemented	Green
70	Woodland management	Bring 3,300ha woodland back into management	<b>In development</b> – 3 countryside stewardship management agreements in place with and 20 plans being reviewed.	Red
71	Tree planting	Work with communities to plant 1.2 million trees by 2030	<b>In delivery</b> – 1.2M trees on track to be delivered by 2030	Green
72	Biodiversity	Use Local Authority land to increase biodiversity and support facilitate the set up of the biodiversity credit market.	<b>In development</b> – 5 Local Authority sites have been identified as potential for biodiversity net-gain.	Amber
72	Biodiversity investment	Develop the investment vehicles to fund carbon sequestration and biodiversity.	<b>In development</b> – progress hampered by staff shortage.	Red
73	Farming	deliver the Farming in Protected Landscapes grant.	<b>In Delivery</b> – grants continue to be delivered	Green
74	Local Authority-owned farms	Manage Local Authority owned farmland in line with the principles of the land management framework	<b>In development</b> – Land use policy being drafted	Green
	<b>LOCAL AUTHORITY EMISSION TARGETS</b>			
36	Streetlighting	LED replacement programme	<b>In delivery</b> -near completion	Green
37	Estate retrofit	Put insulation, low carbon heating into Local Authority buildings	<b>In delivery</b> – 7 local authorities have retrofit programmes in place	RAG not assigned



38	New buildings	Develop a low carbon design standard for all buildings	<b>In development</b> – low carbon building standards in development	RAG not assigned
39, 51	Local Authority fleet	Install suitable active travel facilities, EV charging and fleet replacement with low carbon alternatives	<b>In delivery</b> -8 local authority have EV and fleet decarbonisation programmes in place with 34 chargepoints installed and 51 low carbon vehicles.	RAG not assigned
41	Local Authority renewables	Delivery of ground-mounted renewable projects	<b>In development</b> – A few large-scale solar projects are being considered but grid constraints are a barrier.	RAG not assigned
42	Carbon offset projects	Trailing a range of potential carbon offset projects.	<b>In development</b> – most Local Authorities have not yet considered carbon offset projects.	RAG not assigned
43	Leased buildings	Consider options to influence the introduction of carbon targets or support to decarbonise buildings owned by Local Authorities but leased to others.	<b>Not started</b> – a few local authorities have considered how to tackle emissions from leased buildings and schools.	RAG not assigned
46, 47, 48	Sustainable procurement	Assess carbon impact of contracts, put in place and implement a sustainable procurement policy.	<b>In delivery</b> – 6 Local Authorities have a sustainable procurement policy in place	RAG not assigned
49	Responsible investment	Ensuring Local Authorities have responsible and sustainable investments and pension pots.	<b>In delivery</b> – Pension funds have sustainability policies in place.	RAG not assigned
50	Staff travel	Put in place sustainable staff travel plans, policies and incentive schemes.	<b>In development</b> – 5 local authorities have a sustainable staff travel policy in place.	RAG not assigned
52	Staff behaviour	Engage and empower staff to reduce emissions in their workplaces and more widely.	<b>In delivery</b> -10 out of 11 councils have climate awareness training and 4 have a green champions scheme.	RAG not assigned
52	Support for other public sector organisations	Share knowledge and expertise to support the police and NHS to achieve ambitious net-zero targets.	<b>In delivery</b> – Collaboration with Surrey Police, NHS and schools.	RAG not assigned

# End

<sup>i</sup> Greener Futures Climate Change Delivery Plan 2021-2025, 2021 <https://mycouncil.surreycc.gov.uk/documents/s82192/Annex%20-%20Climate%20Change%20Delivery%20Plan%20Main%20Report-Cabinet%20Draft.pdf>

<sup>ii</sup> Surrey's Climate Change Strategy, 2020; <https://www.surreycc.gov.uk/community/climate-change/what-are-we-doing/climate-change-strategy/2020>

<sup>iii</sup> Greener Futures Climate Change Delivery Plan Progress report, 2022 [https://www.surreycc.gov.uk/\\_data/assets/pdf\\_file/0003/342471/Climate-Change-Whole-Programme-Assessment.pdf](https://www.surreycc.gov.uk/_data/assets/pdf_file/0003/342471/Climate-Change-Whole-Programme-Assessment.pdf)

<sup>iv</sup> Sixth Assessment Report, Intergovernmental Panel on Climate Change, March 2023: <https://www.ipcc.ch/assessment-report/ar6/>. See also: <https://www.wri.org/insights/2023-ipcc-ar6-synthesis-report-climate-change-findings>

<sup>v</sup> The Global Risks Report 2023, 18<sup>th</sup> Edition, World Economic Forum, [https://www3.weforum.org/docs/WEF\\_Global\\_Risks\\_Report\\_2023.pdf](https://www3.weforum.org/docs/WEF_Global_Risks_Report_2023.pdf)

<sup>vi</sup> The Surrey Adapt Strategy, Surrey County Council, October – yet to be published - proposes a goal of adapting to a world 2°C warmer and preparing for scenarios up to +4°C, for long lived infrastructure and long-term decision making. This goal is clearly backed by climate science and reflects central government advice.

<sup>vii</sup> SCATTER, data set from March 2023 was used for the carbon pathway, <https://scattercities.com/>

<sup>viii</sup> Climate Change Act 2008, 2019 Amendment, Gov 2023, <https://www.legislation.gov.uk/ukpga/2008/27>

<sup>ix</sup> Global Warming of 1.5 °C, Intergovernmental Panel on Climate Change, 2018, <https://www.ipcc.ch/sr15/>

<sup>x</sup> UK Local Authority and regional greenhouse gas emissions national statistics, 2005-2021; Gov Statistics, July 2023:

<https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fassets.publishing.service.gov.uk%2Fmedia%2F64a67b3a4dd8b3000f7fa546%2F2005-21-uk-local-authority-ghg-emissions-update-060723.xlsx&wdOrigin=BROWSELINK>

<sup>xi</sup> Local Authority Consumption Accounts, October 2023; <https://localfootprint.uk/charts/>

<sup>xii</sup> Surrey County Council's Net Zero 2030 Carbon Programme Assessment, Surrey County Council, 2022: not yet published.

<sup>xiii</sup> Action Surrey, 2023; <https://www.actionsurrey.org/>

<sup>xiv</sup> Green Deal and Energy Company Obligation (ECO) Statistics, October 2023, <https://www.gov.uk/government/collections/green-deal-and-energy-company-obligation-eco-statistics>

<sup>xv</sup> Rethinking Waste, Surrey Environment Partnership, <https://www.surreyep.org.uk/new-scheme-to-help-residents-reduce-waste-launches/>

<sup>xvi</sup> Planet Woking, Woking Borough Council, October 2023; [www.planetwoking.co.uk/Woking Works Go Green support and advice to help your business target net carbon zero](http://www.planetwoking.co.uk/Woking_Works_Go_Green_support_and_advice_to_help_your_business_target_net_carbon_zero),

<sup>xvii</sup> Ecoschools, October 2023; <https://www.eco-schools.org.uk/>

<sup>xviii</sup> Ashden, October 2023; <https://ashden.org/schools-campaign/>

<sup>xix</sup> Community Energy South, October 2023;

<https://communityenergysouth.org/pathways/#:~:text=The%20Community%20Energy%20Pathways%20programme%20helps%20local%20people%20to%20set,resulting%20in%20lower%20energy%20bills.>

<sup>xx</sup> Surrey Heartlands Green Social Prescribing, October 2023; <https://www.surreysays.co.uk/environment-and-infrastructure/green-social-prescribing-news/>





---

<sup>xxi</sup> Urban Biodiversity Opportunity Areas, October 2023; <https://www.surreycc.gov.uk/community/climate-change/things-you-can-do/urban-greening>

<sup>xxii</sup> Small grants for community projects, October 2023; <https://www.surreycc.gov.uk/community/news/categories/greener-futures/helping-community-projects-tackle-climate-change>

<sup>xxiii</sup> Surrey Retrofit Surveys, October 2023; <https://www.surreysays.co.uk/environment-and-infrastructure/surrey-retrofit-survey/>

<sup>xxiv</sup> The Future of Urban Consumption in a 1.5°C world, June 2019: <https://www.arup.com/perspectives/publications/research/section/the-future-of-urban-consumption-in-a-1-5c-world> and <https://take-the-jump.org/the-science>

<sup>xxv</sup> The Surrey Adapt Strategy, Surrey County Council – yet to be published

<sup>xxvi</sup> KPMG report for Surrey County Council, 2019, unpublished

**SURREY COUNTY COUNCIL****CABINET****DATE: 28 NOVEMBER 2023****REPORT OF CABINET MEMBER: MATT FURNISS, CABINET MEMBER FOR ENVIRONMENT, INFRASTRUCTURE AND GROWTH****LEAD OFFICER: MICHAEL COUGHLIN, EXECUTIVE DIRECTOR FOR PARTNERSHIPS, PROSPERITY AND GROWTH****SUBJECT: APPROVAL TO PROCURE: SKILLS BOOTCAMPS****ORGANISATION STRATEGY PRIORITY AREA: GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT; ENABLING A GREENER FUTURE****Purpose of the Report:**

Skills Bootcamps help Surrey County Council meet its strategic priority of *Growing A Sustainable Economy So Everyone Can Benefit* and guiding mission *No One Left Behind* through providing skills training to enable residents to access careers in sectors of the economy where there are skills gaps. Further Education (FE) colleges and independent training providers will be commissioned to deliver Skills Bootcamps across Surrey to residents seeking to either upskill to allow progression within their existing job or re-skill to transition into a new role. Training providers delivering Bootcamps will engage closely with local businesses to support participants to understand and access suitable roles in key sectors of the economy (including digital, green, advanced manufacturing and health and social care), as well as undertaking targeted promotional and outreach work ensuring that under-represented groups get equitable access to Skills Bootcamps.

**Recommendations:**

It is recommended that Cabinet:

1. Gives 'Approval to Procure' for the commissioning of Skills Bootcamps in Surrey up to the value of £2.325m for financial year 2024-25 in the priority sectors identified, should SCC be successful in its bid for Bootcamps
2. Approves the delegation of the appropriate procurement route to market and any contract award decisions to the Executive Director responsible for Economic Growth in consultation with the Cabinet Member for Highways, Transport and Economic Growth

## Reason for Recommendations:

Skills Bootcamps are an established mechanism for addressing skills gaps in key sectors of the economy. There is funding available from the Department for Education to cover the costs of delivery of Skills Bootcamps by local FE colleges and training providers, as well as Surrey County Council's setup and contract management costs.

## Executive Summary:

### Summary of Bootcamps

1. Skills Bootcamps are an established model of addressing skills gaps in priority areas of the economy where there are recognised skills challenges. Funded by the Department for Education (DfE), they are free, flexible courses of up to 16 weeks for adults aged 19 or over. They give people the opportunity to build up valuable sector-specific skills based on local employer demand and provide a direct path to a job on completion.
2. Skills Bootcamps are primarily aimed at delivering flexible training at levels 3-5 (medium to higher level technical skills), and level 2 in some sectors. They are co-designed or shaped with employers to respond to their skills shortages. This training is for adults who are either in work, self-employed, unemployed or returning to work after a break. The overall objective of Skills Bootcamps is to either re-skill participants to enable them to move into a new job or upskill them to allow them to progress within their existing roles. The Skills Bootcamp model consists of initial screening, technical training and progression support, all accompanied by wraparound coaching or mentoring to ensure participants make the expected progress.



Figure 1 – Skills Bootcamps model

3. There is no training cost to employers who recruit individuals who have completed a Skills Bootcamp. Employers contribute to the cost of training if they want to use Skills Bootcamps to train their existing employees. Large employers contribute 30% of the cost, and small or medium employers (SMEs) contribute 10%. Existing employees may need time to study and attend classes depending on their working hours and status and the flexibility of the course.
4. Skills Bootcamps can then lead to an '*Accelerated Apprenticeship*' where learners with existing skills and knowledge can have those recognised as prior learning, enabling them to complete their apprenticeship at a quicker pace.



5. At a national level, DfE set the priority areas within which they expect Skills Bootcamps to be delivered, albeit tailored to suit specific local needs. The priority sectors for DfE are:
  - Digital – such as digital marketing or coding
  - Technical training in areas like construction, logistics (HGV driving) or engineering
  - Green skills, such as solar technology or agricultural technology
6. The latest data available for Skills Bootcamps shows there were 16,120 starts nationwide between April 2021 and March 2022. Data from the period September 2020 – March 2021 showed the 54% of bootcamp participants reported a positive outcome including new employment or new roles, responsibilities or opportunities in current employment as a result of the training received.<sup>1</sup>

### **Bootcamps in Surrey**

7. Since their introduction in September 2020, Skills Bootcamps in Surrey have predominantly been delivered as online courses via national training providers. Whilst there is a wide range of courses currently available, many are not aligned to the specific needs of the Surrey economy, its businesses or learners. In terms of training providers based in the county, only Activate Learning (Guildford College) are actively delivering courses.
8. For 2023/24 Surrey County Council (SCC) joined a partnership model, led by Hampshire County Council, on a £1.8m bid to deliver Skills Bootcamps in digital skills (including cyber, digital marketing and software development) and green skills (retrofit and electric vehicles). This should deliver 380 bootcamp placements for learners across Surrey and Hampshire by end March 2024.
9. Whilst SCC was pleased to be involved in the partnership model with HCC, we had the opportunity to submit our own individual bid for 2024/25. By submitting our own bid, SCC has greater control over the sectors supported, the procurement process to provide opportunities for Surrey based training providers and the communications of the opportunities available to Surrey residents and businesses. It also aligns with our wider ambitions to take a more active role in both the skills agenda and on business support activity and aligns with the transition of LEP functions coming to SCC from April 2024, to deliver more on a specific county geography.
10. SCC has chosen sectors for our Skills Bootcamp bid based on alignment between the national DfE priorities and those identified locally, including through the *Surrey Skills Plan*, the *Enterprise M3* and all of *Surrey Local Skills*

---

<sup>1</sup> <https://explore-education-statistics.service.gov.uk/find-statistics/skills-bootcamps-outcomes>

*Improvement Plan* (LSIP) and insights from our business engagement activities. These sectors are:

- a. Digital (cyber, gaming and createch)
- b. Green (retrofit, electrical, business sustainability)
- c. Technical: advanced engineering
- d. Health and social care

11. All of these areas are identified as either priority sectors within the LSIP or have communicated that skills gaps are stifling their growth and innovation. In particular, the technical sector has a significant higher national average percentage of jobs within the LSIP area, yet employers have identified gaps in roles and skills within this sector, whilst we also know that the green jobs sector is expected to have an annual increase of 8% in jobs until 2030. Like everywhere across the UK, the health and social care sector is an area that is seeing high vacancies, high turnover rates and are struggling to recruit and retain new talent.

12. Partnerships with businesses are key to successful delivery of Skills Bootcamps, including a requirement that all participants who successfully complete the technical training receive a guaranteed interview as part of the progression support. Engagement with businesses has been undertaken as part of the development of the Skills Bootcamps application (see below), and we will continue to connect businesses with colleges and independent training providers to ensure the success of Skills Bootcamps in Surrey.

13. Partnerships with training providers, including FE colleges, will also be vital and are a significant part of the driver to take on responsibility for bootcamps in Surrey. SCC would like to see more provision happen within the county and to help provide our Surrey based training providers, particularly our FE colleges, with the opportunity to access new funding streams.

14. Our Skills Bootcamp application consists of £2.325m in training to be commissioned from colleges and training providers, as well as a maximum of £349,000 to cover Surrey County Council's costs of setup and contract management of Skills Bootcamps. Budgeted costs are fully funded by DfE and include £30,000 to cover the costs of existing staff time. The Economy and Growth Team are currently working with the Procurement team to assess the best options for delivering the commissioning of Bootcamps.

<b>Consultation:</b>
----------------------

15. Consultation has been undertaken with a range of businesses as part of the development of the Skills Bootcamp proposal. This includes with representatives of the Surrey Cyber Security Cluster, 'Guildford.Games' members and the Surrey Green Skills Panel. Feedback has shaped both the sectors included in the bid and the proposed technical content of the Skills Bootcamps.

16. Consultation has also been undertaken with key colleges and training providers in Surrey, including Activate Learning, East Surrey College and Nescot. This has included understanding their interest in delivering Skills Bootcamps, as well as capacity and subject areas/sectors where they have particular strengths. We have also sought input into the most suitable route to procure Skills Bootcamp provision.

17. This item is being considered by CLT on 25 October and iCab on 31 October.

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

18. There are four key risks associated with this bid:

1. The inability to recruit enough learners onto Bootcamps, due to tight labour market in Surrey. This would have an operational impact of not meeting target Bootcamp participant numbers, financial impact (due to income being linked to participant numbers) and a reputational impact in terms of how Surrey is viewed by DfE and key businesses. To manage this risk we will build on existing relationships and partnerships: colleges, Skills Leadership Forum, No One Left Behind Skills and Employment Network, partnership agreement with Department for Work and Pensions (DWP). We will also continue to engage with SCC services and teams including Children, Families and Learning (Adult Learning, Virtual School, school transitions team), as well as with businesses to promote the upskilling opportunities and implementation of a targeted comms/marketing campaign to potential learners. This engagement has already been initiated to maximise learners numbers, including building on work done in partnership with Hampshire as part of the 2023-24 Bootcamp provision and through relevant cluster development work.
2. The inability to secure enough employers for guaranteed interviews and progression opportunities. The impact of this would be mainly operational through Bootcamp participants not making expected progression, with some potential financial and reputational impact. To mitigate this we will continue to leverage existing relationships with businesses including 220 of Surrey's largest or fastest growing, clusters representing an additional 120 businesses and forty business networks including Surrey Chamber of Commerce, Federation of Small Businesses, local Chambers and networking groups. We will also ensure providers selected for Bootcamp delivery have existing relationships with businesses as part of the procurement process and implement a targeted communications and marketing campaign to businesses.
3. The inability to secure providers at the right quality or price to deliver Bootcamps results in an inability to meet target Bootcamp participant numbers. This will be managed through continuing to engage with major

colleges and training providers in Surrey to maximise chances of them submitting a suitable tender to deliver Skills Bootcamps, promoting via existing relationship with Association of Learning Providers in Surrey as well as direct to existing providers of relevant Skills Bootcamps deliverable online.

4. The bid for funding is unsuccessful in the first instance. If that is the case, the procurement will cease.

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

19. Both the £2.325m in training and up to a maximum of £349,000 to cover Surrey County Council's budgeted costs of setup and contract management of Skills Bootcamps will be fully grant-funded by DfE if the bid is successful.
20. The funding we provide to training providers for the actual training is linked to successful delivery of Skills Bootcamps, with 40% payable on learner enrolment, 30% on completion and 30% on progression within/into a job. This means that the Council is very unlikely to make payments that are not reimbursed by the DfE grant and performance management processes will be in place to help ensure providers are delivering against their targets.
21. Performance management will be important as the only risk of spending and having to repay grant funding relates to our setup and contract management costs. These include procurement, collection and submission of learner data to DfE, provider engagement and performance management and marketing and communications of Bootcamps, with all costs based on the corporate rate card. The contract management costs are linked to the overall contract value (and capped at 15%), so any under-performance against delivery targets will impact on contract management income. As a result, we will initially take a base case of 80% of total contract value and scale contract management budgets accordingly and will look to reduce contract management costs through use of existing resources wherever possible.

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

22. Significant progress has been made in recent years to improve the Council's financial resilience and the financial management capabilities across the organisation. Whilst this has built a stronger financial base from which to deliver our services, the increased cost of living, global financial uncertainty, high inflation and government policy changes mean we continue to face challenges to our financial position. This requires an increased focus on financial management to protect service delivery, a continuation of the need to be forward looking in the medium term, as well as the delivery of the efficiencies to achieve a balanced budget position each year.
23. In addition to these immediate challenges, the medium-term financial outlook beyond 2023/24 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 the stable provision of services in the medium term.

24. The proposed procurement will be fully funded by DfE grant, as such, the Section 151 Officer supports the recommendation.

**Legal Implications – Monitoring Officer:**

25. Officers are recommending approval of recommendations 1 and 2. As the estimated value of the services to be procured is above the UK Procurement Threshold for services, any procurement must be conducted in accordance with the requirements of the Public Contracts Regulations 2015 in addition to the requirements in Table 2.7a of the Council’s PCSOs. Legal Services will provide support for the procurement as and when required.

26. As to the second recommendation Section 9E of the Local Government Act 2000 permits this delegation.

**Equalities and Diversity:**

27. An EIA has been developed and is available below.

**Other Implications:**

Area assessed:	Direct Implications:
Compliance against net-zero emissions target and future climate compatibility/resilience	£875,000 (38%) of the Skills Bootcamp funding is targeted at development of green skills, aligning with our 2050 net zero and wider greener futures priorities.
Public Health	Research shows that social determinants, including access to employment and skills development, can be more important than health care or lifestyle choices in influencing health outcomes.

**What Happens Next:**

28. The Economy and Growth team will continue to work with Procurement to explore options on the most suitable route to market to procure Skills Bootcamps, including the use of available established Frameworks. Once we have had the bid approved by DfE, we will make a decision on the most appropriate route and take all necessary steps to commence Bootcamp delivery by April 2024.

-----

**Report Author:** Jack Kennedy, Head of Economy and Growth,  
jack.kennedy@surreycc.gov.uk

**Annexes:**

Annex 1- Equalities Impact Assessment

**Sources/background papers:**

<https://www.surrey-chambers.co.uk/report/em3-including-all-of-surrey-lsip-final-report/>

<https://investinsurrey.co.uk/wp-content/uploads/2022/11/Surrey-Skills-Plan.pdf>

---

# Equality Impact Assessment

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

Yes

## 1. Explaining the matter being assessed

Is this a:

- A new service or function

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

Skills Bootcamps are designed to support residents to develop the skills required to progress in suitable jobs, with a particular focus on sectors of the economy where there are skills gaps.

Surrey County council has bid for £2.3m of Bootcamp funding for 2024-25, with Bootcamps to be delivered by further education colleges and independent training providers, working closely with employers to support residents to gain skills for target sectors and progress into/within jobs.

This is the first time Surrey County Council has bid for funding to commission Skills Bootcamps for local residents. It is important to ensure equal access to these by residents.

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

“Everyone benefits from education, skills and employment opportunities that help them succeed in life” and “Businesses in Surrey thrive”.

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

(Delete the ones that don't apply)

- County-wide

**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. For each include:**

- Name: Luke McCarthy
- Organisation: Surrey County Council
- Role on the assessment team: Project manager
  
- Name: Jack Kennedy

# Equality Impact Assessment

- Organisation: Surrey County Council
- Role on the assessment team: Manager
  
- Name: Stephanie Lawal
- Organisation: Surrey County Council
- Role on the assessment team: Project support (NGDP)

## We plan to consult with the following as we further develop the work:

- Employers
- Colleges/training providers
- Potential participants

## 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

Though not included in the Equality Act 2010, Surrey County Council recognises that there are other vulnerable groups which significantly contribute to inequality across the county and therefore they should also be considered within EIAs. If relevant, you will need to include information on the following vulnerable groups (Please **refer to the EIA guidance** if you are unclear as to what this is).

- Members/Ex members of armed forces and relevant family members (in line with the Armed Forces Act 2021 and [Statutory Guidance on the Armed Forces Covenant Duty](#))
- Adult and young carers\*
- Those experiencing digital exclusion\*
- Those experiencing domestic abuse\*
- **Those with education/training (literacy) needs**
- Those experiencing homelessness\*
- Looked after children/Care leavers\*
- Those living in rural/urban areas
- **Those experiencing socioeconomic disadvantage\***
- Out of work young people)\*
- Adults with learning disabilities and/or autism\*
- People with drug or alcohol use issues\*
- People on probation
- People in prison



# Equality Impact Assessment

- Migrants, refugees, asylum seekers
- Sex workers
- Children with Special educational needs and disabilities\*
- Adults with long term health conditions, disabilities (including SMI) and/or sensory impairment(s)\*
- Older People in care homes\*
- Gypsy, Roma and Traveller communities\*
- Other (describe below)

(\*as identified in the Surrey COVID Community Impact Assessment and the Surrey Health and Well-being Strategy)

(Those highlighted in bold above are the protected characteristics who may have challenges in equitable access to Skills Bootcamps, and which are specifically covered below.)

# Equality Impact Assessment

## Age including younger and older people

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

Potential barriers for younger people:

- Those aged under 19 not eligible (Department for Education restriction)
- May not be aware of what sectors, roles or courses are suitable for them.
- May not have relevant experience of how to search for/apply for jobs or of the 'world of work' (e.g. office etiquette).

Older people

- May lack digital literacy
- Many older people (especially 50+) became Economically Inactive as a result of Covid, and are not currently actively looking for work.
- May face discrimination from some potential employers, particularly in relation to entry-level roles

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

Younger people:

- Those aged under 19 interested in similar training will be signposted to relevant courses at local colleges and/or apprenticeships.
- Ensure wraparound coaching/mentoring support delivered as part of Skills Bootcamps is of sufficient quality to meet young people's needs.
- Ensure businesses involved with Bootcamp delivery are made aware of young people's needs.

Older people:

- Include both in person and online Bootcamps (Council and providers).
- Ensure providers can support digital access where required (Council and providers).
- Include targeted promotion to older people as part of comms campaign, including working via relevant partner organisations (Council).
- Ensure businesses involved with Bootcamp delivery are made aware of the value which older people can bring to their business (Council and providers).

**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?**

The focus on supporting older people to return to the labour market aligns with other Council initiatives aligned with No One Left Behind.

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

Negative employer perceptions of older people are likely embedded, so it is unlikely that these can be fully addressed within this project.

# Equality Impact Assessment

## Disability

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

Details on the service users/residents that could be affected. What information (data) do you have about them? How might they be impacted in a positive or negative way? (try to be as specific as possible)

- May have physical barriers to accessing the training
- May lack digital literacy
- May have language barriers
- May experience discrimination from potential employers

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

- Ensure training providers have the facilities to meet different physical and needs people may have in accessing Skills Bootcamps (Council)
- Ensure businesses involved with Bootcamp delivery are made aware of different individuals' needs and how best to aid them (Council and providers)
- Include both in person and online Bootcamps (Council and providers) to aid accessibility.
- Ensure providers can support digital access where required (Council and providers).
- Include targeted promotion to people with disabilities as part of communications campaign, including working via relevant partner organisations (Council).

**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?**

- Providers complete needs assessment for individuals with disabilities to ensure they have the access they require to take part in the skills bootcamp.
- The focus on supporting disabled people to receive the skill training to aid them to join the labour market aligns with other Council initiatives aligned with No One Left Behind.

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

Potential discrimination or perceptions from employers towards people with disabilities which may not be fully addressed in the bootcamp project.

# Equality Impact Assessment

## 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.**

- Some race groups may not be aware of what sectors, roles or courses are available and are suitable for them.
- May face discrimination from some potential employers based on their race.
- Some race groups may have language and cultural barriers to receiving the training
- May not have relevant or adequate experience of how to search for/apply for jobs or of the 'world of work' (e.g. office etiquette) if a person from a race group is an immigrant or is new to the UK.
- May have language barriers

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

- Include targeted promotion to people of all race groups as part of a comms campaign, including working via relevant partner organisations (Council) enhancing awareness to the varied opportunities the Skills Bootcamp can provide.
- Ensure wraparound coaching/mentoring support delivered as part of Skills Bootcamps is of sufficient quality to meet people's needs of varying cultures and races.
- Ensure businesses involved with Bootcamp delivery are made aware of the value which people from culturally diverse backgrounds and races can bring to their business (Council and providers).
- Include English language support for residents who require it for the Skills Bootcamp.

**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?**

- The focus on supporting people of all race groups to receive the skill training to aid them to join the labour market aligns with other Council initiatives aligned with No One Left Behind.
- Providers complete needs assessment for individuals from different races and cultural backgrounds to ensure they have the needs they require to take part in the skills bootcamp.

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

- May not be enough funding and planning resources to aid those with language and other cultural barriers or race barriers such as English tutors and translators.
- Potential negative employer perceptions of people from different cultures and immigrants that are potentially embedded, so it is unlikely that these can be fully addressed within this project.

# Equality Impact Assessment

## Sex

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

- Some professions may be dominated by a particular gender and there may be a lack of awareness of the accessibility to that sector to another gender.
- Some may face discrimination based on their sex from potential employers such as women in work who may need to take maternity leave.

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

- Include targeted promotion to women to apply for the Skills Bootcamp in sectors that are less represented by women as part of comms campaign, including working via relevant partner organisations (Council).
- Ensure businesses involved with Bootcamp delivery are made aware of the value which either gender can bring to their business (Council and providers).

**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?**

- The focus on supporting less represented genders in their respective sectors to receive the skill training to aid them to join the labour market aligns with other Council initiatives aligned with No One Left Behind.

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

Identify negative impacts that can't be mitigated and explain why, together with evidence.

- Potential negative employer perceptions of genders in sectors that are not typically represented, that are potentially embedded, so it is unlikely that these can be fully addressed within this project.
- Potential discrimination or perceptions from employers towards a particular gender which may not be fully addressed in the bootcamp project.

# Equality Impact Assessment

## Those with education/training (literacy) needs

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

- May lack literacy skills to participate in the bootcamp training
- May lack digital literacy
- May have language barriers
- May experience discrimination from potential employers

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

- Ensure procurement processes ensure providers have the rights support available for those with education/training (literacy) needs and how best to aid them (Council)
- Include both in person and online Bootcamps (Council and providers) to aid individuals who require assistance in person
- Ensure providers can support digital access where required (Council and providers).
- Ensure wraparound coaching/mentoring support delivered as part of Skills Bootcamps is of sufficient quality to meet people's needs of varying literacy levels
- Include English language support for residents who require it for the Skills Bootcamp.

12

**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?**

- The focus on supporting individuals with literacy needs to receive the skill training to aid them to join the labour market aligns with other Council initiatives aligned with No One Left Behind.

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

- May not be enough funding and planning resources to aid those with literacy needs such as English tutors and translators
- Potential negative employer perceptions of people from with literacy needs that are potentially embedded, so it is unlikely that these can be fully addressed within this project
- Potential discrimination or perceptions from employers towards people with literacy needs that may not be fully addressed in the bootcamp project.

# Equality Impact Assessment

## Those experiencing socioeconomic disadvantage

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

- May not be aware of what sectors, roles or courses are suitable for them.
- May not have relevant experience of how to search for/apply for jobs or of the 'world of work' (e.g. office etiquette).
- May not have access to digital equipment and may lack digital literacy
- May face discrimination from some potential employers based on their socioeconomic background, particularly in relation to entry-level roles
- May not have relevant or adequate experience of how to search for/apply for jobs or of the 'world of work' (e.g. office etiquette) if a person is experiencing socioeconomic disadvantage
- May not have same level of support or connections from family and friends to access suitable opportunities

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

- Include targeted promotion to people of all people of all backgrounds as part of a comms campaign, including working via relevant partner organisations (Council) enhancing awareness to the varied opportunities the Skills Bootcamp can provide.
- Ensure wraparound coaching/mentoring support delivered as part of Skills Bootcamps is of sufficient quality to meet people's needs of varying socioeconomic backgrounds, including ensuring sufficient connections with suitable industry professionals

**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?**

- The focus on supporting individuals experiencing socioeconomic disadvantage to receive the skill training to aid them to join the labour market aligns with other Council initiatives aligned with No One Left Behind.

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

- May not be enough funding and planning resources to provide the right level of support
- May not be able to overcome the lack of networks/connections faced by those from disadvantaged backgrounds

## 3. Staff

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 2 is recommended: **Adjust the policy/service/function** to remove barriers identified by the EIA or better advance equality

### Explanation:

The actions outlined above and the plans already in place ensure equality of opportunity for range of Surrey residents.



# Equality Impact Assessment

## 5. Action plan and monitoring arrangements

Insert your action plan here, based on the mitigations recommended.

Involve you Assessment Team in monitoring progress against the actions above.

Item	Initiation Date	Action/Item	Person Actioning	Target Completion Date	Update/Notes	Open/ Closed
1	Nov 2023	Include consideration of providers' Equality policies and practice within Procurement	Procurement partner (Claire Sibley)	Dec 2023		
2	Nov 2023	Ensure sufficient quality and quantity of wraparound support to meet the needs of all participants	Economy Lead (Luke McCarthy)	Dec 2023		
3	Dec 2023	Include targeted comms campaigns for key groups identified in EIA	Strategic marketing manager (Tim Ridgway)	Feb 2024		

## 6a. Version control

Version Number	Purpose/Change	Author	Date
1	Initial drafting, including for Cabinet authorisation to procure	Luke McCarthy	13 <sup>th</sup> Oct 2023
2	Updated to include addition to SCC priority groups	Luke McCarthy/Stephanie Lawal	15 <sup>th</sup> Nov 2023

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.

# Equality Impact Assessment

## 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
Head of Service	
Executive Director	
Cabinet Member	
Directorate Equality Group/ EDI Group (If Applicable) (arrangements will differ depending on your Directorate. Please enquire with your Head of Service or the CSP Team if unsure)	

### Publish:

It is recommended that all EIAs are published on Surrey County Council's website.

Please send approved EIAs to: [equalityimpactassessments@surreycc.gov.uk](mailto:equalityimpactassessments@surreycc.gov.uk)

### EIA author:

## 6c. EIA Team

Name	Job Title	Organisation	Team Role

If you would like this information in large print, Braille, on CD or in another language please contact us on:

Tel: 03456 009 009

Textphone (via Text Relay): 18001 03456 009 009

SMS: 07860 053 465

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

This page is intentionally left blank

## SURREY COUNTY COUNCIL

## CABINET



DATE:	28 NOVEMBER 2023
REPORT OF CABINET MEMBER:	DAVID LEWIS, CABINET MEMBER FOR FINANCE AND RESOURCES
LEAD OFFICER:	LEIGH WHITEHOUSE, DEPUTY CHIEF EXECUTIVE AND EXECUTIVE DIRECTOR FOR RESOURCES (S151 OFFICER)
SUBJECT:	2023/24 MONTH 6 (SEPTEMBER) FINANCIAL REPORT
ORGANISATION STRATEGY PRIORITY AREA:	NO ONE LEFT BEHIND / GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT / TACKLING HEALTH INEQUALITY / ENABLING A GREENER FUTURE / EMPOWERED AND THRIVING COMMUNITIES / HIGH PERFORMING COUNCIL

<b>Purpose of the Report:</b>
-------------------------------

This report provides details of the County Council's 2023/24 financial position, for revenue and capital budgets, as at 30th September 2023 (M6) and the expected outlook for the remainder of the financial year.

Regular reporting of the financial position underpins the delivery of all priority objectives, contributing to the overarching ambition to ensure No One Left Behind.

#### Key Messages – Revenue

- Local government continues to work in a challenging environment of sustained and significant pressures. **At M6, the Council is forecasting an overspend of £0.9m against the 2023/24 revenue budget, after the application of the contingency budget.** The details are shown in Annex 1 and summarised in Table 1 (paragraph 1 below).
- In addition to the residual overspend, £15.5m of net risks to the forecast position have been quantified, a reduction since month 5 (further details in paragraph 3).
- The application of the contingency reduces the overall net forecast overspend position and enables Directorates to focus on maximising the opportunities to offset further risks of overspends, in order to contain costs within available budget envelopes.
- Alongside, the identification of these areas of focus, the Council has assessed the level of reserves, balancing the need to ensure ongoing financial resilience with the need to ensure funds are put to best use. The level of reserves held by the Council provides additional financial resilience should the residual forecast overspend not be effectively mitigated.

#### Key Messages – Capital

- A capital budget reset was approved by Cabinet on 31<sup>st</sup> October 2023, to ensure that the budget reflects spend profiles more accurately, taking into account known delays, additional in-year approvals and reflecting the current supplier market and wider economic conditions impacting on programme delivery.

- At month 6, capital expenditure of £267.7m is forecast for 2023/24, a variance of £0.4m to the re-set budget of £267.3m. Further details are set out in paragraph 12.

### Recommendations:

It is recommended that Cabinet:

- Notes the Council's forecast revenue budget (after the application of the full contingency budget) and capital budget positions for the year.

### 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.

### Executive Summary:

- At M6, the Council is forecasting a full year overspend of £0.9m against the revenue budget, unchanged since the M5 report. Table 1 below shows the forecast revenue budget outturn for the year by Directorate (further details are set out in Annex 1):

Table 1 - Summary revenue budget forecast variances as of 30<sup>th</sup> September 2023

	M6 Forecast £m	Annual Budget £m	M6 Forecast Variance £m
Adult Social Care	438.9	438.9	0.0
Public Service Reform & Public Health	38.1	38.1	0.0
Children, Families and Lifelong Learning	277.5	257.1	20.4
Environment, Transport & Infrastructure	155.0	153.8	1.2
Surrey Fire and Rescue	39.2	38.7	0.5
Customer & Communities	20.8	20.7	0.1
Resources	83.5	82.6	0.8
Communications, Public Affairs and Engagement	2.2	2.2	(0.0)
Prosperity, Partnerships & Growth	2.1	2.2	(0.1)
Central Income & Expenditure	45.9	48.0	(2.1)
Directorate Position	1,103.1	1,082.2	20.9
Contingency	0.0	20.0	(20.0)
Corporate Funding	(1,102.2)	(1,102.2)	0.0
Overall	0.9	(0.0)	0.9

- The £20.9m forecast overspend relates primarily to the following:
  - Adult Social Care - balanced outturn forecast, unchanged since last month.** There remains significant pressure on ASC's care package budget due to demand and market pressures on care packages and the forecast impact of assessed fees & charges debt across the year, requiring increases to the bad debt provision or write off where debt is deemed irrecoverable. The underlying care package budget position has remained the same this month, which represents an important improvement from increased spending commitments in recent months. Pressures in care package budgets are mitigated by additional grant funding and underspends outside of the care package budget. Within the latest position there is a £2.5m shortfall against the strengths-based practice efficiency target, the delivery of which is impacted by a focus on fulfilling statutory obligations in the context of the new CQC assurance regime. This

is forecast to be fully offset by overachievement of efficiencies relating to the completion of the closure of in-house Older People care homes.

- **Children, Families and Lifelong Learning - £20.4m overspend, £2.3m deterioration** since August. The forecast overspend position is due to number of factors:
  - A £4.7m pressure in relation to Home to School Transport Assistance (H2STA); despite the net increase in transport budgets of £14.6m for 2023/24, the H2STA budget is experiencing significant pressures from unit costs over and above what was anticipated. This is partly related to the tender of c30% of contracts, where prices have come in higher than budget. The contracts are for three years, so although we are experiencing higher costs this year, it should enable some stability of costs in the next two years.
  - A forecast overspend of £15.4m in external social care placements for our children looked after. This is due to a national lack of market sufficiency and price inflation, meaning children are having to be placed in extremely high-cost placements, as there are no viable alternatives. Intelligence from other County Council's suggest this is an issue affecting a large proportion of local authorities due to the lack of alternative options in the placement market.
  - Further risks remain for placements, with volatility in demand on services and prices paid. The current forecast assumes an increase in the use of in-house provision will be delivered by the end of the year.
  - Legislative changes and matching of special guardianship rates to fostering child allowances results in a £1.7m pressure in 2023/24.
  - Demand pressures within children with disability of £1.5m reflecting a continuation of the demand experienced in 2022/23.
  - These pressures are partially mitigated by a net improvement on Unaccompanied Asylum Seeking Children budgets due to increased grant rates (£0.8m), underspends on in-house fostering due to a lower number of children supported through in-house foster carers (£1.1m) and reduced current capacity for in-house residential provision (£0.6m).
- **Environment, Transport & Infrastructure - £1.2m overspend, £0.1m improvement** since August. The change relates to various small improvements in the Environment Service reducing their reported pressure by 0.1m. Other existing pressures include £0.8m within Highways & Transport due to a range of smaller items including additional staffing (including highway inspectors) and reduced income related to the housing market, and delayed parking enforcement, partly offset by concessionary fares saving due to lower patronage and other savings or reduced spend; £0.2m in the Planning, Performance & Support service due to additional capacity to support service improvements and legislative change and resources to support community engagement; £0.1m due to an additional interim director to support the Planning, Place and Infrastructure services; and £0.1m additional resource in Emergency Management. In addition, Highways & Transport face other pressures which are being monitored and are currently expected to be contained within the overall service budget envelope.
- **Surrey Fire and Rescue - £0.5m overspend, unchanged** since August, due to a backdated national pay award agreed in March at a higher rate than budgeted for, partly mitigated by vacancies.
- **Resources - £0.8m overspend, unchanged** since August. The overspend is mainly due to the anticipated reduction in income from the provision of payroll services caused

by a decrease in customer numbers (£0.3m) as well as staffing pressures in Legal Services and People & Change due to agency and restructure costs (£0.4m).

- **Customer & Communities - £0.1m overspend, unchanged** since August. The overall overspend position is due mainly to under recovery of income in Libraries, offset by staffing underspends. The libraries' income budget was set at 2019/20 levels as footfall continued to recover after the pandemic, however it is now considered unlikely that income will fully recover. The service is seeking new revenue streams to replace income reductions.
  - **Communications, Public Affairs and Engagement – balanced, £0.1m improvement** since August. The improvement since last month is due to later than anticipated recruitment.
  - **Central Income & Expenditure – improvement of £2.1m** since August, relating to one-off additional business rate income from the Business Rates pool gain and additional grant income due to higher than forecast inflationary compensation.
3. In addition to the forecast overspend position, emerging risks and opportunities are monitored throughout the year. Directorates have additionally identified net risks of £15.5m (a reduction of £3.8m since M5), consisting of quantified risks of £16.2m, offset by opportunities of £0.7m. These figures represent the weighted risks and opportunities, taking into account the full value of the potential risk or opportunity adjusted for assessed likelihood of the risk occurring or opportunity being realised.
  4. Directorates are expected to take action to mitigate these risks and maximise the opportunities available to offset them, in order to avoid these resulting in a forecast overspend against the budget set.

### **Children's Social Care – the national picture**

5. There is a growing evidence base that there are sustained and increasing pressures in the sector and a need to influence government thinking regarding sustainable levels of resourcing.
6. The [County Councils Network \(CCN\)](#) has released the findings of its Budget Survey 2023 (conducted with the Society of County Treasurers) ahead of the Autumn Statement later this month. It says "While all council frontline services are experiencing higher than expected costs, the survey shows a combination of stubbornly high inflation, rising demand and 'broken' provider markets for children's care placements mean in-year spending on children's services is spiralling out of control with almost half (£319m) of the projected £639m overspend attributable to this service".
7. In a joint letter to the Permanent Secretaries in the DfE, DLUHC and Treasury, the Association of Directors of Children's Services, the Local Government Association and Solace highlight concerns about the increasing costs of children's social care placements and drawing attention to the increasingly urgent need to act, to ease pressure in the short and medium term.
8. There is strong and consistent evidence that the issues we are facing in children's social care and Home to School Transport are replicated across neighbouring and other peer counties and are the largest financial pressures for those councils.

### **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 the budget.

Table 2 - DSG HNB Summary



2023/24 DSG HNB Summary	Budget £m	Forecast £m
Education and Lifelong Learning	231.7	231.7
Place Funding	22.7	22.7
Children's Services	2.3	2.3
Corporate Funding	2.0	2.0
<b>Total expenditure</b>	<b>258.7</b>	<b>258.7</b>
DSG High Needs Block	(218.3)	(218.3)
<b>Deficit</b>	<b>40.4</b>	<b>40.4</b>

10. The second monitoring report for the safety valve agreement in 2023/24 was submitted in September and has been approved by the Department for Education, with a further £3m funding paid to SCC. The report confirmed that the Council remains on track with its agreed trajectory, although also noted continued pressures both within the system and through rising inflation. This brings the total DfE contributions to £6m in this financial year and £70m in total. Reporting requirements are now for 3 submissions during each financial year with the next submission being due in December.

### Capital Budget

11. The 2023/24 Capital Budget was approved by Council on 7th February 2023 at £319.3m, with a further £92.7m available to draw down from the pipeline and £15m budgeted for Your Fund Surrey. After adjustments for 2022/23 carry forwards and acceleration, the revised budget was £326.4m.

12. During August a re-set of the capital budget was undertaken, to ensure that the budget reflects spend profiles more accurately, taking into account known delays, additional in-year approvals and reflecting the current supplier market and wider economic conditions impacting on programme delivery. The re-set budget of **£267.3m** was approved by Cabinet on 31 October 2023.

13. Capital expenditure of **£267.6m** is forecast against this budget, as summarised below.

**Table 3 - Summary capital budget**

	Reset Budget at M5	Outturn Forecast at M6	M6 Forecast Variance	Increase / Decrease / Unchanged
Strategic Capital Groups	£m	£m	£m	
<b>Property</b>				
Property Schemes	100.7	100.8	0.1	Increase
ASC Schemes	1.6	1.6	0.0	Unchanged
CFLC Schemes	2.4	2.4	0.0	Unchanged
<b>Property Total</b>	<b>104.7</b>	<b>104.8</b>	<b>0.1</b>	Increase
<b>Infrastructure</b>				
Highways and Transport	121.9	121.9	0.0	Unchanged
Infrastructure and Major Projects	15.9	15.9	0.0	Unchanged
Environment	9.5	9.7	0.3	Increase
Surrey Fire and Rescue	6.0	6.0	0.0	Unchanged
<b>Infrastructure Total</b>	<b>153.4</b>	<b>153.6</b>	<b>0.3</b>	Increase
<b>IT</b>				
IT Service Schemes	9.2	9.2	0.0	Unchanged
<b>IT Total</b>	<b>9.2</b>	<b>9.2</b>	<b>0.0</b>	Unchanged
<b>Total</b>	<b>267.3</b>	<b>267.6</b>	<b>0.4</b>	Increase

14. The overall variance is attributable to the following:

- **Property Schemes - £0.1m acceleration** reflecting accelerated spend on Looked After Children schemes (£2.4m), reflecting the acquisition of properties for care leavers accommodation. This is offset by slippage on Depots due to procurement and other delays (£2.3m).
- **Environment Schemes - £0.3m acceleration** reflecting the impact of inflation on Surrey Flood Alleviation schemes (£0.2m) and accelerated spend on the grant funded Greener Homes Sustainable Warmth scheme (£0.1m)

#### **Consultation:**

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

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

16. 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:**

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

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

18. Significant progress has been made in recent years to improve the Council's financial resilience and the financial management capabilities across the organisation. Whilst this has built a stronger financial base from which to deliver our services, the increased cost of living, global financial uncertainty, high inflation and government policy changes mean we continue to face challenges to our financial position. This requires an increased focus on financial management to protect service delivery, a continuation of the need to be forward looking in the medium term, as well as the delivery of the efficiencies to achieve a balanced budget position each year.

19. In addition to these immediate challenges, the medium-term financial outlook beyond 2023/24 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 the stable provision of services in the medium term.

20. The Council has a duty to ensure its expenditure does not exceed the resources available. As such, 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:

21. 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.
22. 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:

23. 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.
24. 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:

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

-----  
**Report Author:** Leigh Whitehouse, Executive Director of Resources,  
 leigh.whitehouse@surreycc.gov.uk

### Consulted:

Cabinet, Executive Directors, Heads of Service

### Annexes:

- Annex 1 – Detailed Outturn position
- Annex 2 – Balance Sheet indicators – Q2 2023/24

## Detailed Revenue Outturn position

Annex 1

Service	Cabinet Member	Gross budget	Net budget	Forecast	Outturn variance
Family Resilience	S Mooney	£58.4m	£58.4m	£59.3m	£0.9m
Education and Lifelong Learning	C Curran	£28.2m	£28.2m	£28.2m	£0.0m
Commissioning	S Mooney	£69.6m	£69.6m	£74.3m	£4.7m
Quality & Performance	S Mooney	£10.2m	£10.2m	£10.0m	(£0.3m)
Corporate Parenting	S Mooney	£94.1m	£94.1m	£109.2m	£15.1m
Exec Director of CFLL central costs	S Mooney	-£3.3m	-£3.3m	-£3.3m	£0.0m
<b>Children, Families and Lifelong Learning</b>		<b>£257.1m</b>	<b>£257.1m</b>	<b>£277.5m</b>	<b>£20.4m</b>
Public Health	M Nuti	£35.8m	£35.8m	£35.8m	£0.0m
Public Service Reform	M Nuti	£2.3m	£2.3m	£2.3m	£0.0m
<b>Public Health and PSR</b>		<b>£38.1m</b>	<b>£38.1m</b>	<b>£38.1m</b>	<b>£0.0m</b>
<b>Adult Social Care</b>	<b>M Nuti</b>	<b>£439.7m</b>	<b>£438.9m</b>	<b>£438.9m</b>	<b>£0.0m</b>
Highways & Transport	M Furniss / K Deanus	£67.1m	£67.1m	£67.9m	£0.8m
Environment	M Heath/ N Bramhall	£82.6m	£81.5m	£81.5m	£0.1m
Infrastructure, Planning & Major Projects	M Furniss	£2.8m	£2.8m	£2.9m	£0.1m
Planning Performance & Support	M Furniss	£1.9m	£1.9m	£2.1m	£0.2m
Emergency Management	K Deanus	£0.5m	£0.5m	£0.6m	£0.0m
<b>Environment, Transport &amp; Infrastructure</b>		<b>£154.9m</b>	<b>£153.8m</b>	<b>£155.0m</b>	<b>£1.2m</b>
<b>Surrey Fire and Rescue</b>	<b>D Turner- Stewart</b>	<b>£44.5m</b>	<b>£38.7m</b>	<b>£39.2m</b>	<b>£0.5m</b>
Armed Forces and Resilience	K Deanus	£0.1m	£0.1m	£0.1m	(£0.0m)
Communications	T Oliver	£2.1m	£2.1m	£2.2m	£0.0m
<b>Communications, Public Affairs and Engagement</b>		<b>£2.2m</b>	<b>£2.2m</b>	<b>£2.2m</b>	<b>(£0.0m)</b>
PPG Leadership	T Oliver	£0.3m	£0.3m	£0.3m	(£0.0m)
Economic Growth	M Furniss	£1.8m	£1.8m	£1.7m	(£0.1m)
<b>Partnerships, Prosperity and Growth</b>		<b>£2.2m</b>	<b>£2.2m</b>	<b>£2.1m</b>	<b>(£0.1m)</b>
Community Partnerships	D Turner-Stewart	£1.9m	£1.9m	£1.9m	(£0.0m)
Customer Services	D Turner-Stewart	£2.9m	£2.9m	£3.1m	£0.2m
Customer Experience	D Turner-Stewart	£0.5m	£0.5m	£0.5m	£0.0m
Cultural Services	D Turner-Stewart	£8.3m	£8.3m	£8.7m	£0.4m
Customer and Communities Leadership	D Turner-Stewart	£2.2m	£2.2m	£1.7m	(£0.4m)
Registration and Nationality Services	D Turner-Stewart	-£1.5m	-£1.5m	-£1.5m	(£0.0m)
Trading Standards	D Turner-Stewart	£1.9m	£1.9m	£1.9m	(£0.0m)
Health & Safety	D Turner-Stewart	£0.0m	£0.0m	£0.0m	£0.0m
Coroners	K Deanus	£4.5m	£4.5m	£4.5m	(£0.0m)
<b>Customers and Communities</b>		<b>£20.7m</b>	<b>£20.7m</b>	<b>£20.8m</b>	<b>£0.1m</b>
Land & Property	N Bramhall	£26.3m	£25.1m	£25.4m	£0.3m
Information Technology & Digital	D Lewis	£20.2m	£20.2m	£20.2m	£0.0m
Twelve15	D Lewis	-£1.3m	-£1.3m	-£1.4m	(£0.1m)
Finance	D Lewis	£7.6m	£7.6m	£7.6m	(£0.1m)
People & Change	T Oliver	£7.8m	£7.8m	£8.0m	£0.2m
Legal Services	D Lewis	£5.9m	£5.9m	£5.9m	(£0.0m)
Joint Orbis	D Lewis	£6.2m	£6.2m	£6.2m	£0.1m
Democratic Services	D Lewis	£3.8m	£3.8m	£3.8m	£0.0m
Business Operations	D Lewis	£0.7m	£0.7m	£1.0m	£0.3m
Executive Director Resources (incl Leadership Office)	D Lewis	£3.5m	£3.5m	£3.7m	£0.2m
Corporate Strategy and Policy	D Lewis	£1.1m	£1.1m	£1.1m	(£0.0m)
Transformation and Strategic Commissioning	D Lewis	£1.7m	£1.7m	£1.6m	(£0.1m)
Procurement	D Lewis	£0.1m	£0.1m	£0.1m	£0.0m
Performance Management	D Lewis	£0.2m	£0.2m	£0.2m	£0.0m
<b>Resources</b>		<b>£83.9m</b>	<b>£82.6m</b>	<b>£83.5m</b>	<b>£0.8m</b>
<b>Central Income &amp; Expenditure</b>	<b>D Lewis</b>	<b>£48.0m</b>	<b>£48.0m</b>	<b>£45.9m</b>	<b>(£2.1m)</b>
<b>Overall before funding</b>		<b>£1,091.2m</b>	<b>£1,082.2m</b>	<b>£1,103.1m</b>	<b>£20.9m</b>
<b>Contingency</b>	<b>D Lewis</b>	<b>£20.0m</b>	<b>£20.0m</b>	<b>£0.0m</b>	<b>(£20.0m)</b>
<b>Corporate Funding</b>			<b>-£1,102.2m</b>	<b>-£1,102.2m</b>	<b>£0.0m</b>
<b>Overall</b>		<b>£1,111.2m</b>	<b>£0.0m</b>	<b>£0.9m</b>	<b>£0.9m</b>

## Balance Sheet Indicators

### Prudential Indicators (capital expenditure, borrowing and commercial & service investments)

1. The Council measures and manages its capital expenditure, borrowing and commercial and service investments with reference to the following indicators, which are reported to Cabinet on a quarterly basis.

Table 1 :Estimates of Capital Expenditure

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	Actual	Forecast	Budget	Budget	Budget	Budget	Budget
	£m	£m	£m	£m	£m	£m	£m
Capital Programme - Budget	199	268	333	222	164	178	898
Capital Programme - Pipeline	0	0	206	202	143	44	595
Your Fund Surrey	3	10	15	15	15	0	45
Sub-total Capital Programme	202	278	555	439	323	221	1,538
Commercial Spend	0	26	2	3	0	0	4
<b>TOTAL</b>	<b>202</b>	<b>304</b>	<b>556</b>	<b>442</b>	<b>323</b>	<b>221</b>	<b>1,542</b>

### Estimates of Capital Financing Requirement

2. The Council's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure on service delivery and on investments and reduces by the annual Minimum Revenue Provision and capital receipts used to replace debt.

Table 2 :Estimates of Capital Financing Requirement

As at 31 <sup>st</sup> March	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
	£m	£m	£m	£m	£m	£m
Capital Programme	940	1,058	1,399	1,605	1,766	1,858
Investment Programme	442	468	469	472	472	472
<b>TOTAL CFR</b>	<b>1,382</b>	<b>1,526</b>	<b>1,868</b>	<b>2,077</b>	<b>2,238</b>	<b>2,330</b>

### Proportion of Financing Costs to Net Revenue Stream

3. This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from council tax, business rates and general government grants.

Table 3 : Proportion of Financing Costs to Net Revenue Stream

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Ratio of Financing Costs to Net Revenue Stream	4.0%	4.8%	6.2%	8.1%	9.2%	10.1%

### Net Income from Commercial and Service Investments to Net Revenue Stream

- This is an indicator of affordability and highlights the net financial impact on the authority of its entire non-treasury investment income.

Table 4: Net Income from Commercial and Service Investments to Net Revenue Stream

	2022/23 Actual	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
Total net income from service and commercial investments	23.1	20.1	21.1	21.3	21.3	21.3
Proportion of net revenue stream	2.22%	1.83%	1.88%	1.96%	1.97%	1.98%

### **Treasury Management – Borrowing**

- The Council borrows to finance its capital spending that is not funded from grants, third party contributions, capital receipts or reserves. The Council's long-term debt stands at £464.0m and has not increased this year.
- As at 30 September 2023, 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 2023, continued the policy of internal borrowing and where necessary, to borrow short-term to meet cash flow liquidity requirements. Table 5 below shows a net £8m increase in the Council's short-term borrowing activity since 30 June 2023.

Table 5: Short term borrowing as at 30 September 2023

	£m
Debt outstanding as at 30 June 2023	102
Loans raised	90
Loans repaid	(82)
Quarter movement	8
Current Balance as at 30 September 2023	110

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

- The weighted average interest rate of the Council's short term external debt is 5.17% at 30 September 2023 (1.04% at September 2022).

### **Investments**

- The Council's average daily level of investments has been £98m during 2023/24 (up to the end of Q2), compared to an average of £138m during 2022/23 (up to the end of Q2). The lower cash investment balances reflect management of the Council's cash flow and the lower short-term borrowing undertaken.
- The Bank of England (BoE) base rate was increased twice in April and June to 5.00% with a further increase to 5.25% in August. 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 2023/24, MMF investments ensure sufficient liquidity and to reduce credit risk exposure.

10. Table 6 shows the weighted average return on all investments the Council received in the quarter to 30 September 2023 is 5.02%. This compares to a 5.16% average Bank of England (BoE) base rate for the same period.
11. Table 6: Weighted average return on investments compared to Bank of England (BoE) base rate.

	2023/24		2022/23		2021/22	
Period	Average BoE Base Rate	Weighted return on investments	Average BoE Base Rate	Weighted return on investments	Average BoE Base Rate	Weighted return on investments
Quarter 4 (Mar)	-	-	0.95%	0.77%	0.10%	0.01%
Quarter 3 (Dec)	-	-	1.61%	1.48%	0.10%	0.02%
Quarter 2 (Sep)	5.16%	5.02%	2.82%	2.56%	0.13%	0.03%
Quarter 1 (Jun)	4.44%	4.33%	3.85%	3.67%	0.45%	0.28%

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

### Debt

12. During the three months to 30 September 2023, the Council raised invoices totalling £115m. Overdue debt is the total debt less those balances not immediately due (i.e. less than 30 days old). There was a total £46.7m of overdue debt at the end of September, a decrease of £14.7m since the last quarter.
13. Unsecured social care overdue debt has increased by £0.7m 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.
14. General debt increased has decreased by £0.9m since the last quarter.
15. Integrated Care Board debt has also decreased by £13.9m since the last quarter, due to the payment of some large outstanding invoices.

Table 7: Age profile of the Council's debt as at 30 September 2023

Account group	<1	1-12	1 to 2	over 2	Gross	Overdue	Q1 Overdue	
	month	months	years	years	debt	debt	debt	Change
	£m	£m	£m	£m	£m	£m	£m	£m
Care debt – unsecured	5.2	11.7	5.5	4.9	27.3	22.1	21.4	0.7
Care debt – secured	0.2	4.7	2.9	4.0	11.8			
<b>Total care debt</b>	<b>5.4</b>	<b>16.4</b>	<b>8.3</b>	<b>9.0</b>	<b>39.1</b>	<b>22.1</b>	<b>21.4</b>	<b>0.7</b>
Schools, colleges and nurseries	1.8	2.3	0.0	0.0	4.1	2.4	1.4	1.0
Integrated Care Boards	9.1	15.7	1.2	0.2	26.2	17.1	31.0	(13.9)
Other local authorities	0.7	0.3	0.1	0.0	1.0	0.4	1.8	(1.5)
General debt	12.7	3.1	0.7	1.0	17.5	4.8	5.7	(1.0)
<b>Total non-care debt</b>	<b>24.2</b>	<b>21.4</b>	<b>2.0</b>	<b>1.2</b>	<b>48.8</b>	<b>24.6</b>	<b>39.9</b>	<b>(15.4)</b>
<b>Total debt</b>	<b>29.6</b>	<b>37.8</b>	<b>10.4</b>	<b>10.2</b>	<b>87.9</b>	<b>46.7</b>	<b>61.4</b>	<b>(14.7)</b>
Q1 2023/24	<b>11.8</b>	<b>45.6</b>	<b>17.2</b>	<b>9.4</b>	<b>84.0</b>	<b>61.4</b>		
Change	17.8	(7.8)	(6.8)	0.8	3.9	(14.7)		

\* 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