

# Communities, Environment & Highways Select Committee

## ANNEX A: Draft Budget 2024/25 and Medium Term Financial Strategy to 2028/29

4 December 2023

OUR PURPOSE

OUR PEOPLE

OUR ORGANISATION

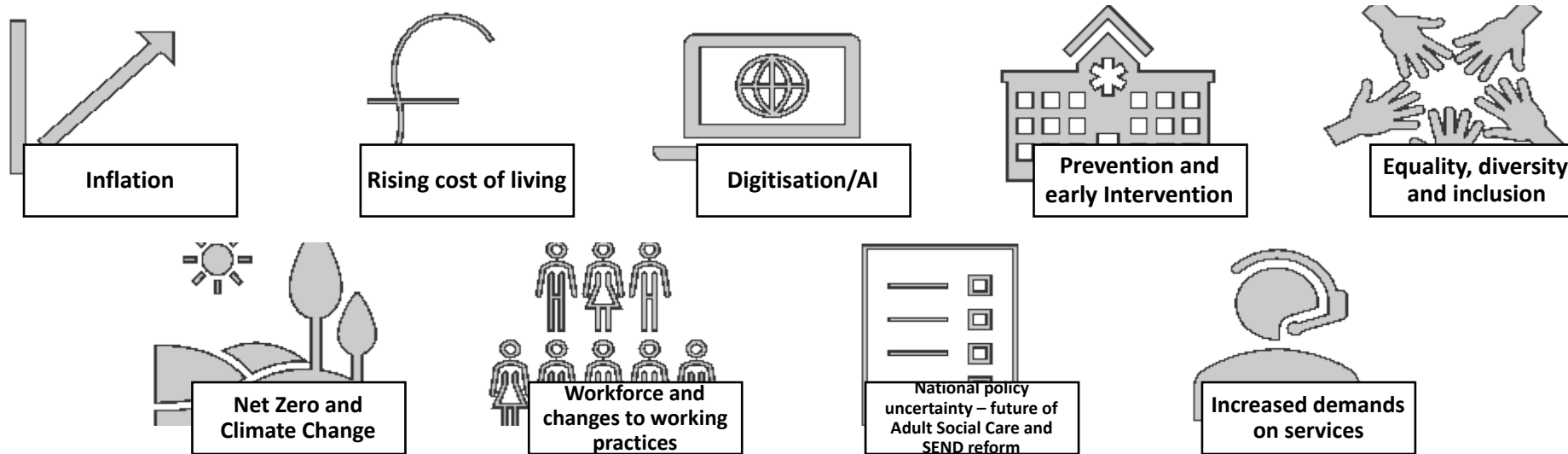
# Purpose & Content

Set out to Select Committee the 2024/25 Draft Budget and Medium Term Financial Strategy to 2028/29, including:

- Budget Setting Process
- 2024/25 budget gap
- Capital Programme Position
- 2024/25 – 2028/29 summary position
- Next steps
- Detailed Directorate progress

# Strategic Content

A number of drivers are influencing our operating context, including:



## Delivering priorities, ensuring no one is left behind

Our Organisation Strategy sets out our contribution to the 2030 Community Vision.

Our **four priority objectives** and guiding principal that **no one is left behind** remain the central areas of focus as we deliver **modern, adaptive and resident-centred services for all.**



# Budget Consultation & Engagement – Phase 1 approach

We have gathered robust insight from stakeholders while minimising costs to the council. Between September and October, we asked for views on priority outcomes, resource allocation, tactics for balancing the budget and circumstances under which a council tax increase would be supported.

How we gathered this insight

**1600 stakeholders** gave their views:

- 614 residents through a statistically representative survey of Surrey's adult population by age and gender.
- 891 residents through a Surrey Says open survey.
- **50 organisations** through a separate Surrey Says survey.
- **Over 100 residents at community events** already planned (e.g. Pride in Surrey)
- Open survey promoted through social media. Members and Community Link Officers also promoted it.

# Budget Consultation & Engagement – Phase 1 key messages

1. Supporting the **most vulnerable residents** is a top priority. Residents also want more investment in roads and pavements, community safety and public transport.
2. Some stakeholders completing the open survey found **prioritising outcomes difficult**.
3. Residents preferred spend to benefit all residents and focus on the future. Organisations preferred targeted spend for the most vulnerable.
4. Support for balancing the budget through **more collaboration** with residents and partners. Less support for increased fees and charges.
5. Residents more likely to support council tax increases to **protect spending on vulnerable residents** or where **options to streamline services exhausted**. Less support for increase as alternative to putting up fees and charges.
6. While some residents did not want a council tax increase under any circumstances, **a greater proportion did not agree with this view**.

More detail can be found in the Annex.

# Budget Consultation & Engagement – Next steps

- Services are considering how the Phase 1 feedback will **inform future service design** and development, e.g., how to meet residents' appetite for further collaboration.
- Phase 1 insight will also **inform how we communicate with residents** on how the council is responding to residents' and other stakeholders' priorities.
- We will be consulting on the draft budget's investment proposals and measures to close the budget gap. **A survey on Surrey Says will launch on 28 November 2023** and complete on 5 January 2024. All Members will receive a briefing pack and be encouraged to promote the survey to residents.
- Officers will share key messages to stakeholders and **gather feedback** through various user groups, e.g., Learning Disability user forums.
- Insight from this work will inform messaging for the final budget and **provide insight** for the planning and implementation of the 2024/25 efficiencies.

# Equality Analysis 2024/25 – Current Position

- As each draft efficiency proposal is still being developed the equality analysis included in the Annex of these slides is the **current position for each service**, and this is **likely to evolve** as more detail on plans to deliver on proposals is developed.
- **Early indications of potential impacts** of proposals have been included, along with any **planned mitigating activity**.
- Whilst the information included in the Annex identifies service-specific equality analysis, work is underway to understand the **cumulative equality impacts** of the 2024/25 budget as a whole. This also reflects the iterative nature of service-specific equality impacts and planned mitigating actions.

# Equality Analysis 2024/25 - Cumulative Analysis

## The main characteristics most likely to be disproportionately impacted:

1. Older adults and their carers, and adults of all ages with physical, mental health conditions and learning disabilities and their carers
2. Children and young people, including those with special educational needs and disabilities (SEND), and families
3. Staff and residents facing socio-economic disadvantage

## Emerging common mitigation themes:

- Use co-design, consultation and engagement methods to produce services that are responsive and focus on supporting people that need them most.
- Services will work 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.
- Work closely with strategic partners to mitigate impacts where relevant



# Equality Analysis 2024/25 – Next steps

- Services will continue working on the Equality Impact Assessments for their efficiency proposals and full documents will be made available to review with the final budget papers.
- The final cumulative analysis report and completed EIAs will be made available for all Members when the budget is brought before Council in February.



# Budget Setting Process

- The Council bases its financial planning practices on a budget envelope approach, aimed to increase accountability and budget management responsibility.
  - Funding projections over the medium-term are developed and Directorates are given a fixed envelope/target, proportionate to the expected size of the available budget.
  - Directorates are tasked, with support from Finance, with costing the core planning assumptions and developing Directorate scenarios to identify pressures in their services across the medium term period - 2024/25 to 2028/29
  - Directorates are then required to develop efficiency proposals to offset these pressures to ensure delivery within available resources.
- Monthly iterations are taken to the Corporate Leadership Team throughout the process
- Significant Member Engagement:
    - Regular informal Cabinet briefings
    - Cabinet/CLT Workshops (July, early September, late September)
    - All Member Briefings (June / Nov)
    - Select Committee Briefings (July / Oct) & sub group briefings focused on specific areas
    - Budget Task Group Workshops (July, Sept, Nov)

# 2024/25 Revenue Headlines

- Revenue budget envelope of **£1.176 billion** - **£75m / 6.8%** anticipated increase from 2023/24
- Increased Council Tax assumption of 1.99% Core Council Tax + 2% ASC Precept. Assumed 'roll over' of existing grant funding and £7.6m estimated additional ASC funding, in line with announcements.
- Pressures of £144m identified, continuation of higher rate experienced last year, reflecting the ongoing high inflationary environment.
- Investment areas including:
  - bus transport services - introduction of a half price travel scheme and expansion of the digital demand responsive transport.
  - highways and environment services, following the recommendations of the task and finish review, including refreshing road lines, additional investment in gulley cleaning, area stewards and grass-cutting.
  - preventative services including targeted early help and reunification of children back to their parental homes where safe to do so.
- £55m of efficiencies already identified.
- Reserves and contingencies considered at an appropriate/sustainable level given the high risk environment. Potential to utilise some reserves for one-off pressures/investment opportunities.
- **Remaining Budget Gap of £13.5m** in 2024/25

# 2024/25 Draft Budget Gap

The table below sets out the overall picture for the Council for 2023/24 against estimated funding

Pressures, efficiencies and funding will continue to iterate over December

In particular, funding estimates in respect of Government Grants, Council Tax and Business Rates estimates will be confirmed when the Provision Local Government Finance Settlement is delivered (expected before Christmas).

	Base Budget 23/24 Budget £m	Additional Funding Estimate £m	Identified Pressures £m	Identified Efficiencies £m	24/25 Draft Budget Requirement £m
Adults, Wellbeing & Health Partnerships	475.6		47.1	(24.0)	498.7
Children, Families & Lifelong Learning	249.8		39.9	(9.0)	280.7
Comms, Public Affairs & Engagement	2.2		0.5	(0.4)	2.3
Surrey Fire & Rescue Service	38.7		2.3	(0.7)	40.3
Customer & Communities	18.9		1.8	(1.3)	19.3
Environment, Transport & Infrastructure	152.8		26.4	(15.6)	163.6
Prosperity, Partnerships & Growth	1.6		0.1	(0.2)	1.5
Resources	80.1		5.2	(4.0)	81.4
Central Income & Expenditure	82.3		20.2	0.0	102.5
<b>Directorate Position</b>	<b>1,101.9</b>	<b>0</b>	<b>143.4</b>	<b>(55.2)</b>	<b>1,190.2</b>
Available Funding	(1,101.9)	(74.8)			(1,176.7)
<b>Remaining Budget Gap</b>	<b>0.0</b>	<b>(74.8)</b>	<b>143.4</b>	<b>(55.2)</b>	<b>13.5</b>

While the overall funding envelope is anticipated to increase by c£75m, the cost of delivering existing services is increasing at a faster rate. The identified pressures of c£143m result in a need to find efficiencies of c£69m, of which c£55m have been identified to date. Detailed pressures and efficiencies are set out in subsequent slides.

# Options to close the Draft Budget Gap of £13.5m

## Additional Government Funding

- Autumn Statement in 2022 provided indication of funding for 2023/24, including additional ASC funding. However, no certainty on detailed until December Local Government Settlement
- Significant uncertainty over Government funding into the medium term

## Identification of Additional Efficiencies/Cost Containment

- Directorates continue to look for further deliverable efficiencies, including areas to stop/delay activity
- Pressures continue to be reviewed to look for ways to contain cost/mitigate increases

## Use of Reserves

- Worked hard to re-build depleted reserve levels to improve financial resilience
- Current level of reserves is considered appropriate given assessment of the risk environment
- Any use of reserves should be for one-off expenditure rather than to meet ongoing budgetary pressures.

## Increase Council Tax

- Current budget assumptions are a 3.99% increase (1.99% core + 2% ASC Precept)
- Ability to raise core Council Tax by up to 3% without a referendum and an additional 2% ASC Precept
- Any increase equates to c£8.6m for every 1% rise

# 2024/25 – 2028/29 Capital Programme Headlines

## Capital Budget of £1.9 billion

- £1.3 billion Budget
- £0.6 billion Pipeline



- A thorough review of the Capital Programme has been undertaken. The inflationary environment and increasing interest rates have put pressure on the affordability of the capital programme.
- Aspirations remain high and the Draft Capital Programme continues investment in priority areas, however a number of programmes have needed to be re-scaled / value engineered to ensure affordability.
- The programme is deemed affordable and while it represents an increase in the revenue borrowing costs both in absolute terms and as a % of the net revenue budget (to c9% by 2028/29), it brings us in line with other similar sized authorities.
- The capital programme cannot continue to increase at this rate in perpetuity. If we continued to invest at these levels then the revenue pressure would become unsustainable and unaffordable. Therefore, a 'cap' on unfunded borrowing of £40m per annum has been worked to for increases in the overall programme. This is currently achieved in the Draft programme proposed, but needs to be maintained between the draft and final budget iterations.



# Medium Term Position

- There remains **significant medium-term uncertainty**
- Multiple single year settlements and uncertainty after the current Parliament, make medium term planning difficult.
- Fair Funding Reform will not be implemented until after the next general election. The longer the delay in implementation, the less certain we can be of the impact.
- **By 2028/29, the Medium-Term gap is estimated to be c.£245m / 22% of our net budget**
- Indicatively:
  - Directorate pressures of £418m and capital financing costs of £46m
  - Overall funding increase of £109m (assuming a 'flat' position immediately after fair funding reform due to anticipated transitional arrangements). Therefore, the full effect of funding reform not felt until beyond the end of the MTFS period
  - Offset by efficiencies identified so far of £109m
- Reserves have reached a sustainable level but maintaining financial resilience is key to weathering future challenges and given the current high risk operating environment.

# Next Steps

- Refine funding assumptions based on Provisional Local Government Finance Settlement in December.
- Finalise efficiency proposals and consider further options to close the gap
- Consultation with residents on draft proposals and Equality Impact Assessments

Final Budget to Cabinet in January 2024 & Council February 2025

- Ongoing work to identify ways to close the medium term gap, including work through the Councils SWITCH Programme (Surrey Way Innovation Transformation & Change)



# Directorate Positions

- **Environment, Transport & Infrastructure**
- **Surrey Fire & Rescue Service**
- **Customer & Communities**
- **Partnerships, Prosperity & Growth**



# Environment, Transport & Infrastructure



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# ETI - Summary Directorate Budget Position

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Total £m
Brought forward budget	152.8	152.8	163.6	176.0	177.3	180.7	
Pressures		26.4	3.9	2.5	3.8	3.7	40.4
Identified efficiencies		(15.6)	8.5	(1.2)	(0.4)	(0.4)	(9.1)
<b>Total budget requirement</b>		<b>163.6</b>	<b>176.0</b>	<b>177.3</b>	<b>180.7</b>	<b>184.1</b>	
Change in net budget requirement		10.8	12.4	1.4	3.4	3.4	31.3
Share of funding gap and borrowing costs		(2.6)	1.3	1.4	1.3	1.2	2.6
<b>Reductions still to find</b>		<b>8.2</b>	<b>13.7</b>	<b>2.7</b>	<b>4.7</b>	<b>4.6</b>	<b>33.9</b>

Page 45

Key issues driving the ETI revenue budget in 2024/25 and future years include inflation for pay and contracts (including waste management, highway maintenance and bus subsidy), investment in streets and environmental services as recommended through the Council's Task and Finish reviews, and significant investment in bus services including the costs of existing contracts, the introduction of digital demand responsive transport and the introduction of a half-price travel scheme, which are largely offset by additional transport funding in 2024/25.

# ETI - Identified Pressures

			Net Pressures					
Directo rate	Pressure	Description	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Total £m
ETI	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	13.842
ETI	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	4.585
ETI	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	7.265
ETI	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	6.609
ETI	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. Proposals total £8.7m, this pressure captures higher priority items subject to further funding review.	5.180					5.180
ETI	Environment - Greener Futures funding	Greener Futures programme transitions to ETI BAU budget, including Climate Change and Natural Capital	1.500					1.500
Page 44	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					0.539
ETI	Environment - Waste team capacity	Review the waste management team structure	0.300					0.300
ETI	All - ETI senior management capacity	Increased capacity at director and assistant director level.	0.270					0.270
ETI	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					0.250
ETI	Emergency Management - Additional staff capacity	Additional staff capacity	0.170					0.170
ETI	Planning & Place - Planning appeals	More appeals likely going forwards	0.100					0.100
ETI	H&T - Active Travel	Maintaining new highway infrastructure to heightened design standards			0.100			0.100
ETI	All - capital recharges	Impact of reduction in corporate capital recharge rates to align with accounting requirements.	Tbc					0.000
ETI	H&T - Works IT system	2023/24 budget includes cost of replacement system, some of which is one-off.	(0.044)					(0.044)
ETI	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)					(0.100)
ETI	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)			(0.200)
ETI	<b>Total Pressures</b>		<b>26.396</b>	<b>3.888</b>	<b>2.547</b>	<b>3.791</b>	<b>3.745</b>	<b>40.366</b>

# ETI – Proposed efficiencies

ETI – Proposed efficiencies			Efficiency						RAG Rating	Potential equality impacts
Direct orate	Efficiency	Description	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Total £m		
ETI	Environment - Residual waste reprocurement	Estimate of saving expected from the reprocurement of residual waste, contract goes live October '24.	(0.600)	(0.600)				(1.200)		No EIA required
ETI	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)				(0.950)		No EIA required
ETI	Maximising our income	Placeholder pending further income reviews		(0.200)	(0.200)	(0.200)	(0.200)	(0.800)		No EIA required
ETI	H&T - traffic signal conversions	Reversal of time limited funding for traffic signal upgrades			(0.700)			(0.700)		No EIA required
ETI	Environment - Dry Mixed Recyclables	Estimate of saving expected from the reprocurement of DMR, contract goes live October '24,	(0.300)	(0.300)				(0.600)		No EIA required
ETI	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)					(0.530)		No EIA required
ETI	H&T - enforcement of bus lanes and moving traffic offences	Estimated contribution to highway costs	(0.325)	(0.125)				(0.450)		No EIA required
ETI	Making the most of our contracts	Placeholder pending further contract management reviews	(0.100)	(0.100)	(0.100)	(0.100)		(0.400)		No EIA required
ETI	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)	(0.352)		No EIA Required
ETI	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				(0.300)		No EIA required
ETI	H&T - Commercialisation & innovation	Advertising on the Highway, large and small format	(0.300)					(0.300)		No EIA required
ETI	Environment – Efficiencies proposed for Surrey Environment Partnership (SEP)	Work with SEP team and partners to identify efficiencies	(0.300)					(0.300)		No EIA required
ETI	Planning & Place - Planning transformation efficiencies	Transformation including review of structure	(0.300)					(0.300)		EIA to be completed when roles identified
ETI	Environment - Resist pressure from transfer of Greener Futures from transformation to ETI budget	Reprioritise Greener Futures activity and timescales	(0.300)					(0.300)		No EIA required
ETI	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)					(0.250)		EIA to be completed when roles identified
ETI	Additional efficiencies from the amalgamation of ETI, E&G and L&P	As above, recognising potential for further efficiencies.	(0.200)					(0.200)		EIA to be completed when roles identified

Page 45

# ETI – Proposed efficiencies cont.

			Efficiency							
Direct orate	Efficiency	Description	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Total £m	RAG Rating	Potential equality impacts
ETI	Planning & Place - staffing	Deletion of vacant posts in TDP	(0.202)					(0.202)		No EIA required
ETI	H&T - automation	Increased automation for some activities such as inspections (e.g. from AI, improvements to digitisation)		(0.050)	(0.100)			(0.150)		No EIA required
ETI	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)					(0.125)		No EIA required
ETI	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)					(0.120)		No EIA required
ETI	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)					(0.100)		No EIA required
ETI	Planning & Place - income	Income from provision of Historic Environment Planning activities		(0.100)				(0.100)		No EIA required
ETI	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)	(0.100)		No EIA required
ETI	Planning & Place - Absorb planning appeal pressure within planning budget	Remove the planning appeal contingency	(0.100)					(0.100)		No EIA required
ETI	Environment - capitalisation of staff costs	Capitalise additional staff costs on tree planting and RTS	(0.050)					(0.050)		No EIA required
ETI	Planning & Place - income	Healthy Streets Licensing		(0.050)				(0.050)		
ETI	Planning & Place - Planning income	Income from Planning Performance Agreements and charges for discretionary services	(0.022)	(0.020)				(0.042)		No EIA required
ETI	Planning & Place - income	Planning fees		(0.025)				(0.025)		No EIA required
ETI	IMP - income generation	Projected additional income generation: Major Projects Traded Services - PM and Project Assurance to external bodies		tbc				0.000		No EIA required
ETI	H&T - Laboratory funding	Laboratory becoming cost neutral		tbc				0.000		No EIA required
<b>ETI</b>	<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>		



## Equality Analysis – Environment, Transport & Infrastructure (ETI)

Below is the list of efficiencies for ETI which are likely to have disproportionate impacts that require an Equality Impact Assessment. These efficiencies are unlikely to affect residents, given they relate to restructures, however there is the risk of potential impacts on staff. The detail that sits behind the efficiencies are still to be confirmed and any planned activity associated with the changes to be decided. Impacts highlighted in the EIAs will often reflect the type of service in focus and who it is designed to support. This therefore does not mean that these groups are being disproportionately impacted to preserve universal services to non-vulnerable groups at the expense of more vulnerable people.

Page 47

Efficiency	Characteristics impacted (+ Positive, - negative impacts)	Summary of potential impacts	Mitigations
Efficiencies and restructures related to <b>Place</b> directorate changes	TBC	Given all three of these changes involve the possibility of redundancies and/ or changes to working practices, there is a risk of disproportionate impacts on staff depending on the protected characteristics of those in the roles effected.	A full and comprehensive equality analysis will be carried out when the when roles likely to be impacted have been identified.
Efficiencies related to the amalgamation of ETI with Economy & Growth and Land & Property	TBC		
Planning & Place - Planning transformation efficiencies	TBC		

# ETI – Capital Programme

The Capital Programme is comprised of the Budget (schemes which are developed and ready to proceed, or already under way) and the Pipeline (schemes requiring further development and subject to business case approval). The draft capital programme for ETI totals £1.1bn over 5 years, and is funded from a number of sources including grants and borrowing.

The draft capital budget totals £705m and is attached, including prior year comparators.

The draft capital pipeline totals £390m. Key schemes include:

- The Farnham Infrastructure Programme, including the A31 Hickley’s Corner and town centre improvements.
- Surrey Infrastructure Plan, including Placemaking, cycling & walking, and liveable neighbourhoods.
- Greener Futures, the Council’s carbon reduction programme.
- Further investment in low emission buses.



# Surrey Fire & Rescue Service



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# SFRS – Summary Directorate Budget Position

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£m	£m	£m	£m	£m	£m	£m
Brought forward budget	38.7	38.7	40.3	41.4	41.8	42.8	
Pressures		2.3	1.1	0.9	1.0	1.0	6.2
Identified efficiencies		(0.7)	(0.1)	(0.4)	0.0	0.0	(1.2)
<b>Total budget requirement</b>		<b>40.3</b>	<b>41.4</b>	<b>41.8</b>	<b>42.8</b>	<b>43.7</b>	
Change in net budget requirement		1.6	1.0	0.4	1.0	1.0	5.0
Share of funding gap and borrowing costs		(0.7)	0.3	0.4	0.3	0.3	0.7
<b>Reductions still to find</b>		<b>1.0</b>	<b>1.4</b>	<b>0.8</b>	<b>1.3</b>	<b>1.3</b>	<b>5.7</b>

The majority of Fire and Rescue expenditure is on staffing, accounting for 90% of the gross budget, with operational personnel on national terms and conditions. Pay inflation is therefore the key driver of the budget gap in 2024/25 and future years, alongside other pressures and efficiencies.

# SFRS - Identified Pressures

			Net Pressures					
Directorate	Pressure	Description	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Total £m
SFRS	Pay inflation	Expected inflationary increase in salary costs	2.368	1.338	0.944	0.871	0.889	6.409
SFRS	Fire - Non Pay inflation	Expected inflationary increase in costs	0.094	0.096	0.098	0.100	0.102	0.490
SFRS	Partnership shared costs	Pressures offset by sharing with partners	(0.072)					(0.072)
SFRS	Airwave communications system	Grant not kept pace with costs & grant reduction	0.086	0.085	0.086			0.257
SFRS	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)
SFRS	Recruitment & resilience: temporary staffing increase	£0.6m added in 2023/24 to provide a multi skilled, agile group to provide cover, 12FTE.	(0.458)	(0.177)				(0.635)
SFRS	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)
SFRS	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
SFRS	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)
SFRS	Contingency Cover	Increased level of cover required	0.058					0.058
SFRS	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
SFRS	White Paper Outcomes	Expected by the end of 2023	TBC					0.000
SFRS	HMICFRS Spotlight Report	Investment in Independent Reporting Lines, etc.	TBC					0.000
SFRS	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>SFRS</b>	<b>Total Pressures</b>		<b>2.3</b>	<b>1.1</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>	<b>6.2</b>

# SFRS – Proposed efficiencies

SFRS – Proposed efficiencies			Efficiency						RAG Rating	Potential equality impacts
Directorate	Efficiency	Description	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Total £m		
SFRS	Fire investigation	Options being assessed. Rationalisation of posts.	(0.115)					(0.115)	Green	People Impact Assessment (PIA) will be completed when posts identified
SFRS	Fire Cadets	Stop scheme after current cohort completes. (avoids pressures from expanding scheme)	(0.002)					(0.002)	Green	EIA Completed and <a href="#">published</a> . Potential for disproportionate impacts on younger people. Mitigated.
SFRS	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)	Yellow	Potential disproportionate impacts on some staff, particularly neurodiverse staff
SFRS	Expand the use of new Logistics (Engineering) facilities to other users	Linked to development of Wray Park workshop facilities. Use by other in services or external partners			(0.100)			(0.100)	Yellow	No PIA required
SFRS	Stop operational staff rotations	Reduces training requirements	(0.050)					(0.050)	Green	No PIA required
SFRS	Replacement of airwave radio system	Current assumption that savings from new provider will offset grant reductions once implemented		(0.085)	(0.086)			(0.171)	Yellow	No PIA required
SFRS	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)	Green	No PIA required
SFRS	Charging Police Partners for Support at Certain Incidents.	MoU now in place to recharge time for planned (non-emergency) incidents.	(0.003)					(0.003)	Green	No PIA required
SFRS	Recharge for use of Fire facilities	E.g. SGI use of facilities.	(0.005)					(0.005)	Green	No PIA required
SFRS	Capitalisation of staff time	Recharge time for Digital Project Manager Role PS11, Senior Project Manager Assets PS11	(0.129)					(0.129)	Green	No PIA required
SFRS	OMC/Staff office review	Reduction in GC	(0.106)					(0.106)	Yellow	No PIA required
SFRS	Staffing vacancy	Primary Authority Lead PS10	(0.057)					(0.057)	Green	No PIA required
SFRS	New Future year efficiencies being explored and scoped	Working Group set up		TBC				0.000		No PIA required
<b>SFRS</b>	<b>Total Efficiencies</b>		<b>(0.7)</b>	<b>(0.1)</b>	<b>(0.4)</b>	<b>0.0</b>	<b>0.0</b>	<b>(1.2)</b>		

# Equality Analysis – Surrey Fire and Rescue Service (SFRS)



Below is the list of efficiencies for SFRS which are likely to have equality impacts. The information on potential impacts and the planned mitigating activity is drawn from impact assessments that have already been completed, as well as information obtained from working with the service on documents still being developed. This builds on the information shared with Members earlier in the process and the full detail on the equality impacts will be shared with Members with the full Budget papers for 2024/25. Impacts highlighted in the EIAs will often reflect the type of service in focus and who it is designed to support. This therefore does not mean that these groups are being disproportionately impacted to preserve universal services to non-vulnerable groups at the expense of more vulnerable people.

Efficiency	Characteristics impacted (+ Positive, - negative impacts)	Summary of potential impacts	Mitigations
Page 53  Cadet Programme	- Age	Potential disproportionate impact on younger people, as well as potential disenfranchisement from future engagement. Impact on recruitment opportunities for younger people.	This efficiency was agreed as part of last years budget setting and therefore activity associated with this efficiency have already been delivered and the following mitigations are in place and no further activity for 2024/25 is planned.  The mitigations put in place to minimise any potential impacts included offering cadets other opportunities to engage including through Youth Engagement Scheme (YES), community activities, safe and well visits or Firewise. Another mitigation involved signposting to other emergency services cadet programmes, and other materials moved online.



# SFRS – Capital Programme

The attached 5 year draft capital programme sets out planned investment each year for the Surrey Fire and Rescue Service. Key budgets are:

- Purchase of new fire appliances, other vehicles, and equipment, £20.1m
- Investment in community resilience, £1.5m



# **Customer & Communities**

**(this committee is responsible for Coroners, Community Investment & Engagement & Trading Standards)**



# C&C – Summary Directorate Budget Position

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£m	£m	£m	£m	£m	£m	£m
Brought forward budget	18.9	18.9	19.3	20.2	20.8	21.6	
Pressures		1.8	0.9	0.7	0.7	0.7	<b>4.7</b>
Identified efficiencies		(1.3)	(0.0)	0.0	0.0	0.0	<b>(1.4)</b>
<b>Total budget requirement</b>		<b>19.3</b>	<b>20.2</b>	<b>20.8</b>	<b>21.6</b>	<b>22.3</b>	
Change in net budget requirement		0.4	0.8	0.7	0.7	0.7	<b>3.4</b>
Share of funding gap and borrowing costs		(0.3)	0.2	0.2	0.2	0.2	<b>0.3</b>
<b>Reductions still to find</b>		<b>0.1</b>	<b>1.0</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>	<b>3.7</b>

The Directorate has had to identify £1.3m of efficiencies to offset the £1.8m pressures. These 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; Consideration of efficiencies already made in recent years across C&C services.



# C&C - Identified 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 practice lead 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>

# C&C – Proposed efficiencies

		Efficiency						RAG Rating	Potential equality impacts
Efficiencies built in	Description	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Total £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 EIA required
Reduce costs whilst maintaining strategic direction	Consistent application of vacancy factor, recognising the levels of staff turnover	(0.1)					(0.1)		No EIA 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 EIA 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 EIA required
Customer Services non staffing efficiency	Small reductions and efficiencies in non staffing budgets	(0.0)					(0.0)		No EIA required
VCFS Infrastructure organisation grants	Shared reduction across the different VCFS infrastructure organisation grants	(0.1)					(0.1)		Potential for disproportionate impact so an EIA is required
Libraries and Cultural Services	Adjustments to Library staffing patterns, plus reductions to the cultural events budget.	(0.1)					(0.1)		Aspects of this efficiency have a potential for disproportional impact so an EIA is 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 so an EIA is required
<b>Total Further Proposed 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>		

# Equality Analysis- Customer and Communities (C&C)



Below is a list of C&C efficiencies, grouped into themes, which are likely to have equality impacts. This information has been drawn from the emerging EIAs. More detail on the equality impacts will be shared with Members with the final Budget papers for 2024/25. Impacts highlighted in the EIAs will often reflect the type of service in focus and who it is designed to support. This therefore does not mean that these groups are being disproportionately impacted to preserve universal services to non-vulnerable groups at the expense of more vulnerable people.

Efficiency	Characteristics impacted (+ Positive, - negative impacts)	Summary of impacts	Mitigations
Sunday opening pilot concluded in one library	- Age	Based on the makeup of service users, it is likely there will be disproportionate impacts of changes to the service on certain age groups (those aged 65 and over and those who are under 18).	A full equality analysis is being produced, with mitigating activity clarified when likely impacts are identified.
Rationalisation of staff	- Age - Sex	Whilst the exact details of the posts or roles to be identified haven't been decided yet, women and people over the age of 50 are over-represented in staff in C&C.	Full equality analysis to be completed as more details about how this will be delivered are confirmed. Mitigating activity will be clarified when likely impacts are identified.
Reduction in grants for VCFS infrastructure organisations	- Socio-Economic disadvantage - Age - Race/ ethnicity - Religion or belief - Sexual orientation	Whilst the full equality implication are still being considered, there is the potential for this to adversely impact the support that is offered to residents and staff who are socio-economically disadvantaged. It is also anticipated that there may be impacts on children and young people, residents from black and minority ethnic backgrounds, people who observe certain religions or beliefs and support for residents based on sexual orientation.	Mitigating actions to be identified as part of the more comprehensive equality analysis. Work is underway to engage with VCFS organisations to better understand how planned activity can be implemented and what mitigations are required.

# C&C – Capital Programme

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

The 2024-2029 capital pipeline and budget contains £23.2m (£10.7m budget) 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.

# Partnership, Prosperity & Growth



**SURREY**  
COUNTY COUNCIL

# PPG – Summary Directorate Budget Position

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£m	£m	£m	£m	£m	£m	£m
Brought forward budget	1.6	1.6	1.5	1.5	1.6	1.6	
Pressures		0.1	0.0	0.0	0.0	0.0	<b>0.2</b>
Identified efficiencies		(0.2)	0.0	0.0	0.0	0.0	<b>(0.2)</b>
<b>Total budget requirement</b>		<b>1.5</b>	<b>1.5</b>	<b>1.6</b>	<b>1.6</b>	<b>1.6</b>	
Change in net budget requirement		(0.1)	0.0	0.0	0.0	0.0	<b>0.0</b>
Share of funding gap and borrowing costs		(0.0)	0.0	0.0	0.0	0.0	<b>0.0</b>
<b>Reductions still to find</b>		<b>(0.1)</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>

# PPG - Identified Pressures & Proposed Efficiencies

Pressure	Description	Category (please select)	Net Pressures					Total £m
			2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	
Inflation	Pay Inflation (5%)	Inflation	0.1	0.0	0.0	0.0	0.0	0.2
Inflation	Non-pay inflation (2%)	Inflation	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>

Page 63

Efficiency	Description	Efficiency					Total £m	RAG Rating	Potential equality impacts
		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 EIA required
Economic Growth Staffing	Strategic capacity efficiencies	(0.1)					(0.1)		No EIA 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>		

# PPG – Capital Programme

The Directorate has capital investment plans to invest in two schemes to deliver economic growth, totalling £2.5m for 2024/25 to 2028/29. One is to invest in Convergent Screen Technologies and Performance in Realtime, to co-fund a Satellite Studio and Incubator Space in Surrey. The second is to invest in a Games Innovation Zone located at the University of Surrey.





# Phase 1 budget engagement Detailed results



# Stakeholders' priorities for SCC - ranking

Through the representative survey of 614 Surrey adults, by age and gender, they were asked to rank the importance of 11 outcomes the council is working towards over the next five years. Residents prioritised better roads and pavements, making communities safer and providing better care for adults and children. Organisations prioritised care for adults and children, health and wellbeing and stronger community relations.

Residents' priorities (1 = most important, 10 = least important)	Organisations' priorities (1 = most important, 10 = least important)
<ol style="list-style-type: none"> <li>1. Better roads and pavements</li> <li>2. Making communities safer</li> <li>3. Providing care for adults and children</li> <li>4. Better public transport</li> <li>5. Reducing waste and increasing recycling</li> <li>6. Protecting and enhancing the countryside and biodiversity</li> <li>7. Supporting local businesses</li> <li>8. Reinvigorating town centres and high streets</li> <li>9. Access to education and skills</li> <li>10. Promoting better health and wellbeing</li> <li>11. Stronger community relations</li> </ol>	<ol style="list-style-type: none"> <li>1. Providing care for adults and children</li> <li>2. Promoting better health and wellbeing</li> <li>3. Stronger community relations</li> <li>4. Access to education and skills</li> <li>5. Better public transport</li> <li>6. Making communities safer</li> <li>7. Protecting and enhancing the countryside and biodiversity</li> <li>8. Better roads and pavements</li> <li>9. Reinvigorating town centres and high streets</li> <li>10. Reducing waste and increasing recycling</li> <li>11. Supporting local businesses</li> </ol>

# Stakeholders' priorities for SCC - themes



Themes below came from the 891 residents who responded to the Surrey Says open survey exercise. N.b. survey respondents were self-selecting, so are not representative of Surrey's population.

**Difficulties prioritising:** Some stakeholders felt all outcomes were important and did not feel they should have to choose between them. Some reflected this was due to interconnectedness between outcomes.

"Such difficult choices for us and those making final decisions. They're all important."

"By supporting individuals to achieve in life, this will have knock-on effects in other areas".

Page 67

**Demands for transport improvements:** Including more, and better, public transport, enhanced road quality and more facilities and infrastructure for cyclists. Some residents wanted to use their cars more easily, while others wanted more incentives to reduce car use.

"Dangerous roads and pavements lead to accidents which result in health issues for constituents..."

"...Public transport must be improved if we are to move away from the current dependency on cars..."

**Tackling climate change:** Many residents said SCC's highest priority should be responding to the climate emergency, motivated by fear of the impact of climate change on current and future generations.

"As 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."

**Supporting the most vulnerable:** A consistent theme across stakeholders was a desire to support residents least able to support themselves. This cut across community safety, care for vulnerable adults and children and improved health and wellbeing.

"...the divide between those who can afford to live, and those who can't and need help is growing."

"People's health and wellbeing and care is so important and has a huge influence on so many aspects of how well society can function..."

# Use of resources

We asked stakeholders how SCC should allocate resources. Most residents were more likely to support allocation to benefit all communities and a small majority wanted this focused on longer-term future resident needs.

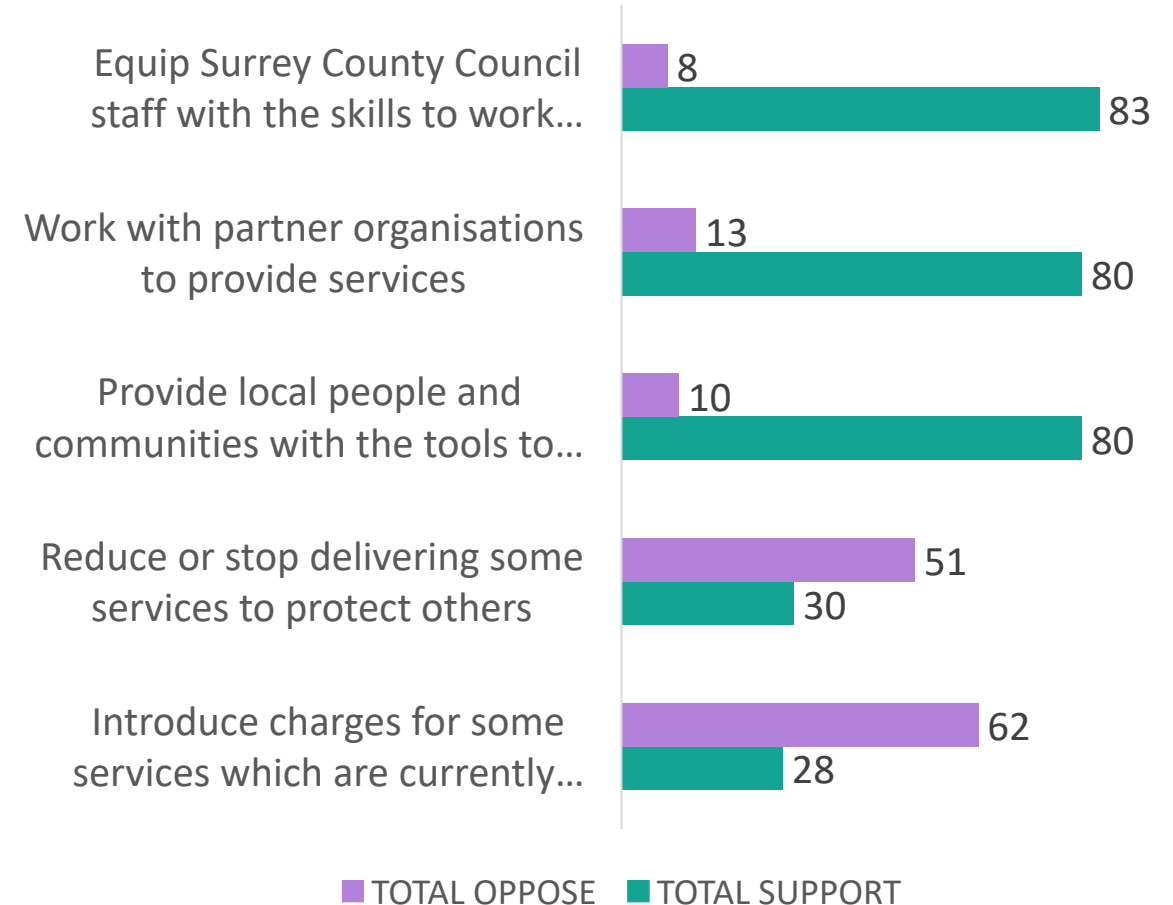
- 58% of residents wanted resources to be allocated for the benefit of the majority of residents in Surrey.
- 33% wanted resources allocated to services that benefitted those with the greatest needs. Respondents aged 18 to 25 and organisations were more likely to support this view.
- 65% of residents wanted resources to be allocated equitably across all areas of Surrey.
- 32% supported resources being targeted in places with the highest number of people in poor health. Respondents aged 18 to 25 and organisations were more likely to support this view.
- 47% of residents thought resources should be allocated with the long-term future needs of residents in mind. 65% of organisations that responded agreed with this.
- 45% felt allocation should focus on residents' current needs. People aged 65 and over were more likely to support this view compared to other age groups.

Source: representative (by age and gender) survey of 614 Surrey adults

# Approaches to balancing the budget

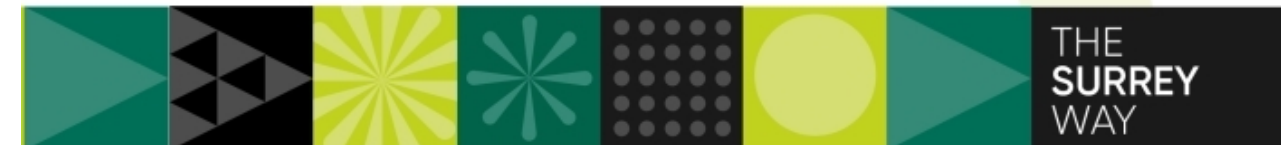


Approaches to balancing the budget (% , n=614)



- Residents were asked about the extent to which they would support or oppose tactics the council could use to help balance the budget.
- Most residents support SCC equipping staff with the skills to work together with communities and partners to deliver services across Surrey (83%); working with partner organisations to provide services (80%); and providing local people and communities with the tools to support others and set and deliver local priorities (80%).
- In contrast, most residents opposed the idea of reducing or stopping delivering some services to protect others (51%) and the introduction of charges for some services which are currently free/subsidised (62%).

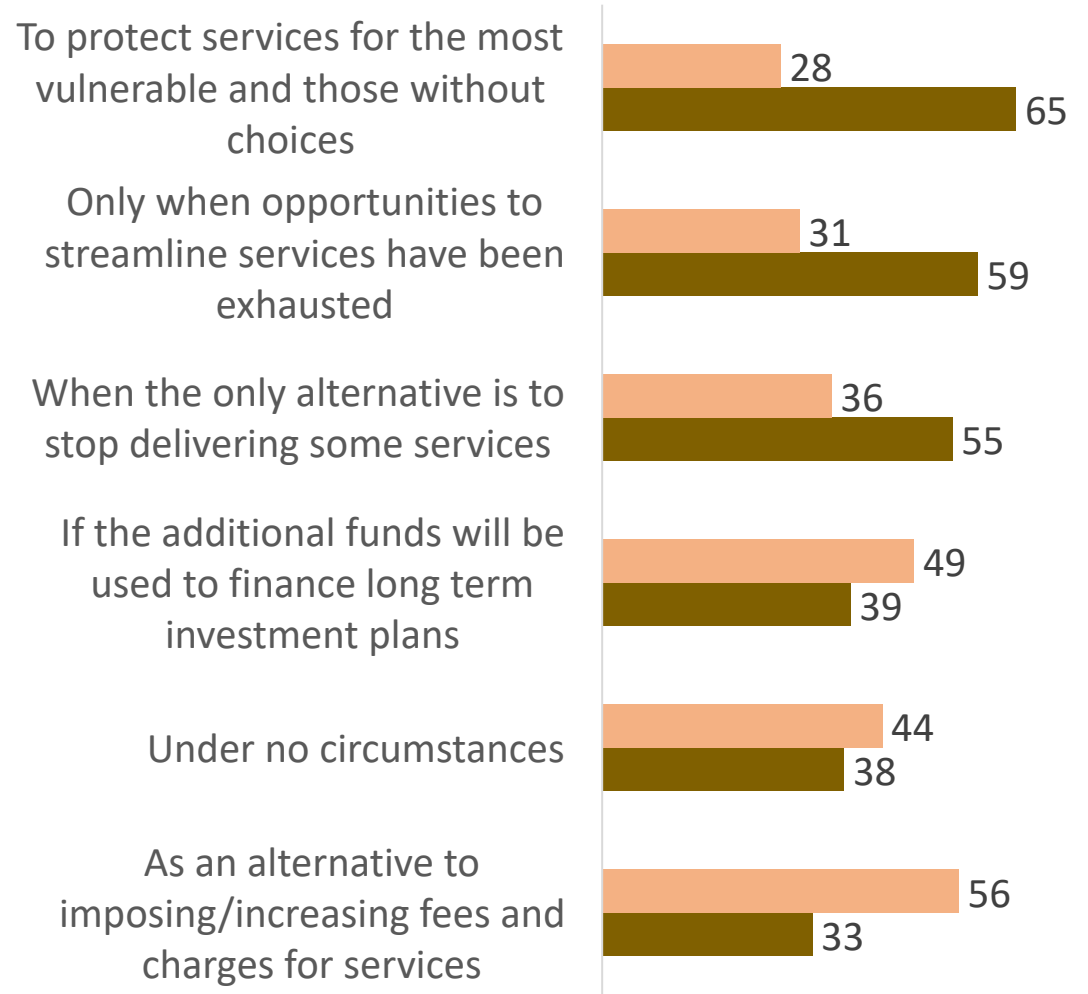
Source: representative (by age and gender) survey of 614 Surrey adults



# Council tax

- Residents were also asked to indicate the circumstances under which they would support or oppose an increase in council tax.
- The two scenarios that were most supported, and least opposed, were when opportunities to streamline services have been exhausted and to protect services for the most vulnerable and those without choices.
- The most opposed scenario was as an alternative to imposing/increasing fees and charges for services (56%).
- 38% of respondents indicated that council tax should not be raised under any circumstances, however, a larger proportion oppose this view (44%).

Circumstances for increasing Council Tax (%  
n=614)



■ TOTAL OPPOSE ■ TOTAL SUPPORT

Source: representative (by age and gender) survey of 614 Surrey adults

