

OUTLINE BUSINESS CASE (OBC)

REPORT		Complete / select		
Report title		SEND Capital Programme: Combined Paper (3)		
Author(s) <i>(include position)</i>		Emilie Williams-Jones, Programme Manager SEND & AP Capital Programmes (Additional Needs & Disability Transformation)		
Portfolio holder <i>(change/add name if required)</i>		Clare Curran, Cabinet Member for Children, Families and Lifelong Learning Natalie Bramhall, Cabinet Member for Property and Waste David Lewis, Cabinet Member for Finance and Resources		
Executive Director <i>(change/add name if required)</i>		Rachael Wardell, Exec Director Children, Families & Learning		
ENDORSED BY / CONSULTED		Complete / select		
Head of Strategy and Planning		Suzi Stern, Assistant Director Additional Needs and Disability Transformation		
PP Member		Elaine McKenna, Assistant Director Capital Projects		
Service(s) impacted		1. Education & AND Transformation	2. Infrastructure/ Planning	3. Land & Property
Officers consulted	Finance Business Partner	Kay Goodacre		Louise Lawson
	Service Head/Lead	Suzi Stern, Julia Katherine	Tim Crawshaw	Elaine McKenna Simon Crowther
	Executive Director	Rachael Wardell		Katie Stewart
	Other	ADs Inclusion and Additional Needs: Jim Nunns Tracey Sanders Sandra Morrison Steve Tanner Commissioning for Transformation: Eamonn Gilbert Suzanne Smith	Sian Saadeh	Euan Leslie Colin Galletly Graham Glenn,
Consulted Cabinet Member for <i>(insert portfolio title)</i>		Children, Families & Lifelong Learning		Property & Waste Finance & Resources
CPP Member		Simon Crowther: Director, Land & Property		
PROJECT OVERVIEW		Complete / select		
Project Manager		Euan Leslie		
Property/Properties affected <i>(include address)</i>		Freemantles School Satellite Site, Former Ripley CofE Primary School, Wentworth Close, Ripley, Surrey, GU23 6ED Pond Meadow School, Larch Avenue, Guildford, Surrey, GU1 1DR Philip Southcote School, Main Campus, Addlestone Moor, Addlestone, Surrey, KT15 2QH		
Project Activity # <i>(If applicable)</i>		Freemantles School Satellite Site CP1534372 Pond Meadow School CP1534315 Philip Southcote School, Main Campus CP1468655		
Key driver		Statutory		
Reason(s) for key driver		<p>Under sections 13 and 14 of the Education Act 1996 and Part 27 Section 3 of the Children and Families Act 2014, Local Authorities have a statutory duty to ensure that:</p> <ul style="list-style-type: none"> • There are sufficient schools for primary and secondary education in their areas. • They keep under review the educational provision for children and young people who have special educational needs and or a disability (SEND) <p>The Department for Education expects Local Authorities (LA) to manage their specialist estates efficiently to avoid detriment to schools' educational offers, creating disadvantage to children and young people who have SEND or the LA's financial position. This means ensuring the availability of maintained specialist school places that are appropriately matched to need-type, phases of education and geographic location so that all of Surrey's pupils with an EHCP that require a full-time specialist setting in either a mainstream SEN Unit/ Resourced Provision or Specialist School have a named placement, ready for the beginning of each academic year by 1 September.</p>		

FINANCE OVERVIEW	Complete / select
Is this a movement from pipeline to budget?	No
If Yes, enter name of pipeline scheme	N/A
Is this an approval for spend on existing budget for significant spend?	Yes
If Yes, enter name of budget scheme	SEND Capital Programme
Is this a Delegated Decision ¹ for spend on an existing scheme/programme?	Yes
If Yes, is the Delegated Decision Sheet attached as an Annex?	Yes
Total scheme cost in £m	£19.4m
GOVERNANCE ² : click on relevant check box(es) and enter meeting dates	
Property Panel: <input type="checkbox"/>	Capital Programme Panel: <input checked="" type="checkbox"/>
Cabinet Member Decision: <input checked="" type="checkbox"/>	
Date: N/A	Date: 16 April 2024
	Date: 04 June 2024

<p>¹ Delegated Decisions: All Delegated Decisions must have a completed Delegated Decision Sheet attached to this OBC.</p>	<p>² Approvals guidance:</p> <ul style="list-style-type: none"> • Up to £250k: Strategic Capital Group (i.e. PP) with CPP noted • £250k - £1m: CPP approval • Over £1m: Cabinet approval/ Cabinet Member Decision <p>If the scheme impacts more than two divisions, check with your Finance Business Partner on whether Cabinet approval is required.</p>
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Property Panel assessment:

PP date	PP decision	Comments
N/A	Choose an item.	Not required to be endorsed/approved by PP

FIVE CASE BUSINESS MODEL

1. STRATEGIC CASE

1.1 Purpose of the report

This report seeks Capital Property Panel endorsement prior to a Cabinet Member Decision for Approval of the use of £19.4m of the total approved SEND Capital budget of £140.4m for 2024/25 to 2027/28. This is for confirmed project budgets for Freemantles School satellite site on the former Ripley Church of England Primary School site (£0.99m), Pond Meadow School expansion (increase from initial indicative £5.88m to confirmed at £7.34m) and Philip Southcote School's main campus expansion and hydrotherapy pool rebuild (increase from £10.167m approved by Cabinet on 28 March 2023 to £11.05m confirmed now).

1.2 Context

Between 2019 and 2023 Cabinet approved the strategies and capital investment of c£260m for Surrey's SEND and AP Capital Programme. With this investment the programme is aiming to deliver 2,440 permanent additional specialist school places in Surrey between 2019-2026 to create capacity for 5,760 state-maintained specialist places by 2030/31.

This programme is one of eight portfolios in Surrey County Council's Additional Needs and Disability (AND) Transformation Programme and a significant contributor to the Safety Valve agreement with the Department for Education (DfE) to expand local state-maintained specialist educational provision, with an investment of around £260m increasing local state-maintained specialist educational provision to around 5,760 places by 2030/31.

The aim is to create more places for Surrey resident children with additional educational needs, reducing reliance on out of county and Non-Maintained Independent (NMI) placements. Our main goals are to increase the availability of SEN Units and resourced provision in mainstream schools, and to create additional specialist school places within Surrey to provide local children with the most complex profiles of need the best opportunities for improved outcomes. This will help our children feel more included, to transition successfully into adulthood, and provide high quality education closer to home.

So far (2019-2023), we've completed 43 projects at a cost of around £71m, expanding our specialist education estate by 28% since 2019 and increasing the number of specialist places in Surrey from c3,320 places when the programme started in 2019 to around 4,240 place capacity now.

Surrey County Council's Safety Valve Agreement with the Department for Education (March 2022), which aims to eliminate the council's Dedicated Schools Grant High Needs Block (DSG HNB) deficit, 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.

1.3 Project Outlines:

1. **Freemantles School** is an Ofsted graded outstanding LA state-maintained specialist school for autistic pupils aged 2-19 with complex co-occurring needs. The school has an overall planned admission number (PAN) of 243 places, and 243 pupils are on roll. The school's satellite site, located at the former Ripley Church of England Primary School site has been created to meet immediate demographic need for additional infant age specialist school places. Refurbishment of the former Ripley School site will provide accommodation for 54 additional specialist school places for children aged 4-7 years from September 2024.
2. **Pond Meadow School** is an Ofsted graded outstanding specialist academy for pupils aged 2-19 with severe and profound and multiple learning difficulties. The school has an overall PAN of 149 places and 153 pupils are on roll. Following Regional Director permissions on behalf of the Secretary of State for Education, the school will be redesignated to meet the needs of autistic pupils with co-occurring severe learning difficulties from academic year 2024/25. Remodelling, refurbishment and new build extension of the school on the existing site will provide permanent accommodation for 51 additional secondary specialist school places from September 2024.

Overall costs for the project at Pond Meadow School have significantly exceeded the previous indicative budget of £5.88m to confirmed costs at £7.34m now. This 25% cost increase is due to the following reasons:

- Additional school decant requirement to enable the school's growth to commence as planned from September 2024. Cost of modular classrooms from manufacturer has increased, required for a period of 8 months.
 - Market fluctuation on materials since project and inflation
 - Project viability and affordability against capped budgets - initial proposals have been found to be significantly more complex than anticipated due to site limitations revealed by feasibility and site survey analysis and permitted development constraints (E.g., requiring a change in technical approach).
 - BCIS rate for the construction of new blocks has increased per m² since feasibility.
 - Remodelling and adaption of existing pupil accommodation to ensure the overall schemes are sustainable in the long term (i.e., accommodation has a similar life span).
 - Limited interest of contractor market generating limited cost competition.
 - New Biodiversity Net Gain requirements for the extension of the school's car park to enable development to go ahead.
3. **Philip Southcote School** is an Ofsted graded Good specialist academy for pupils aged 11-19 years with moderate learning difficulties and co-occurring needs including hearing impairment and speech, language and communication needs. The School converted to Bourne Education Trust in November 2023 and has an overall PAN of 237 places and 245 pupils are on roll. The main campus expansion project will provide permanent accommodation for 27 additional specialist school places by 2024 and re-provide accommodation for 24 existing places where accommodation has reached end of life.

The rebuild of the school's hydrotherapy pool was identified as business critical by Land and Property in 2021. After remaining in a state of disrepair following unsuccessful and repeated maintenance works over a number of years, Cabinet approved the decision to demolish and rebuild the pool in 2022. This was in order to support the school to fulfil its curriculum and teaching responsibilities and ensure the Council fulfilled its statutory obligations for pupils attending Philip Southcote School who have an Education, Health and Care Plan (EHCP) which specifies routine hydrotherapy as statutory specialist educational provision for approximately 133 pupils.

Overall costs for the project at Philip Southcote School have exceeded the previously approved budget of £10.167m to confirmed costs at £11.05m now. This 9% cost increase is due to the following reasons:

- Additional group and meeting room spaces to account for class size increases to align with the school's overall growth and increase to class numbers
- Prolongation costs and inflation
- Extended school decant period
- Additional site-wide drainage remediation works to enable works to go ahead
- BCIS rate for the construction of new blocks has increased per m2 since last feasibility.
- Re provision and adaption of existing pupil accommodation to ensure the overall schemes are sustainable in the long term (i.e., accommodation has a similar life span).
- Limited interest of contractor market generating limited cost competition.

The confirmed costs for the three schemes above the threshold for CPP approval. Cabinet's authority to allocate resources from the approved SEND and AP Capital budgets required for individual projects, and agreement to enter into any associated legal documentation to facilitate the contract award and project delivery is delegated to the Cabinet Member for Children, Families and Lifelong Learning, following Capital Property Panel's (CPP) financial scrutiny and endorsement. This is in line with Full Council approved amended Financial Regulations from March 2023.

To enable the three schemes to go ahead, additional costs need to be accepted to ensure project viability. Delivery costs have been benchmarked against industry and sector indicators to ensure value for money is being obtained as far as possible.

Impact on project costs:

The projects' scope has to meet statutory and legislative requirements and design guides ([Building Bulletin 104](#)). Designs have been reviewed and value engineered to be restricted to essential requirements for the schools, with cost effective designs and materials selected in order to ensure efficiency of investment.

Approval is therefore sought to secure the total of £19.4m against the project through SCC borrowing to enable contracts for works to be awarded so that the special school expansions can be delivered and handed over in August 2024 and Spring 2025.

Motivation:

The projects will create 132 permanent place accommodation autistic pupils with cooccurring needs at the three schools and directly supports the delivery of the target 2,440 permanent additional specialist school places in Surrey between 2019-2026. This is in order to create specialist education estate capacity of c5,760 places by 2030/31, and achievement of SCC's Safety Valve Agreement cost containment targets to 2026/27.

Why it is desirable:

Each additional state maintained specialist school place delivered under the Capital Programme realises c£30k cost containment when it is filled. This is based on the difference between the average costs of independent school places at c£53k and equivalent state maintained school places at c£23k. Increasing capacity in the specialist education estate is essential to Surrey delivering a sustainable High Needs Block.

The projects support realisation of the Council's ambition to further reduce the Council's reliance on the independent sector and reduce journey times between home and school, but most importantly ensure local children and young people with additional needs and disabilities who require specialist school placements can have their educational needs met close to home, and within state-maintained provision wherever possible.

Achievement of cost containment targets aligned with SCC's Safety Valve Agreement with the DfE that results in an in-year balance in the DSG HNB by 2029/30 allows Surrey to continue to deliver services and support for children, young people, and families, whilst remaining financially sustainable.

How many electoral wards does this scheme affect?	3
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1.1. Priority objectives and contribution to the [Community vision for Surrey in 2030](#)

Organisation strategy priority area – select all that apply	Enter "X"
Growing a sustainable economy so everyone can benefit	X
Tackling health inequality	X
Enabling a greener future	X
Empowering Communities	X

Contribution to the Community vision for Surrey in 2030 – select all that apply	Enter "X"
Children and young people are safe and feel safe and confident	X
Everyone benefits from education, skills and employment that help them to succeed in life	X
Everyone lives healthy, active and fulfilling lives and makes good choices about their wellbeing	X
Everyone gets the health and social care support and information they need at the right time and place	X
Communities are welcoming and supporting especially of those most in need and people feel able to contribute to community life	X

Contribution to the Community vision for Surrey in 2030 – select all that apply	Enter “X”
Residents live in clean, safe and green communities where people and organisations embrace their environmental responsibilities	
Journeys across the county are easier, more predictable and safer	X
Businesses thrive in Surrey	
Everyone has a place they can call home with appropriate housing for all	
Well-connected communities with effective infrastructure that grow sustainably	X
Transforming as a Council	X

1.2. Recommendations

It is recommended that Capital Programme Panel:

	Recommendations
1.	Endorses use of £19.4m of the total approved SEND Capital budget of £140.4m for 2024/25 to 2027/28 for the three schemes. New and expanded provision will create permanent accommodation for 132 additional state-maintained specialist school places and re-provide 24 existing specialist school places where accommodation is no longer fit for purpose in Surrey from September 2024 onwards.

1.3. Reason(s) for recommendations

The schemes represent good value for money and cost per pupil place for each scheme is outlined below:

Freemantles School: £19k for refurbishment and adaption.

Pond Meadow School: £144 for adaption and new build.

Philip Southcote School: £217k for reprovision, adaption, new build and rebuild of the hydrotherapy pool.

Equivalent annual independent sector placement costs for the places (132 new places and 24 reprovided places) would be a minimum of £8.3m per year, compared to £3.6m per year for state-maintained specialist school placements.

Investing in Freemantles School, Pond Meadow School and Philip Southcote School now generates the positive impact on outcomes for children with complex additional needs and disabilities, as well as improving the council's financial sustainability.

The three expansion projects are business critical to ensure Surrey County Council discharges its statutory duties under Section 3 of the Local Government Act 1999, Sections 13 and 14 of the Education Act 1996 and Part 27 Section 3 of the Children and Families Act 2014.

1.4. Implications of not undertaking the scheme and options considered

Option	Outline description
Option A	<p>Do nothing:</p> <p>PROS: Would provide no benefit to SCC or local children and young people who have additional needs and disabilities, other than avoiding capital expenditure.</p> <p>CONS: SCC would fail to meet its statutory duty to provide sufficient specialist school places under sections 13 and 14 of the Education Act 1996, Part 3 of the Local Government Act 1999, and Part 27 Section 3 of the Children and Families Act 2014.</p> <p>No contribution to Safety Valve cost containment targets, higher costs expected through requirement for independent specialist places and poorer outcomes for the children affected.</p>

Option B	<p>Implement the proposed opportunities to undertake development:</p> <p>PROS: The works will ensure that SCC fulfils its statutory duties and will provide the school with suitable permanent accommodation to enable the creation of additional specialist school places from September 2024 onwards. Significant contribution to High Needs Block cost containment targets.</p> <p>CONS: Uplifted project budgets to ensure viability increase pressure on Capital Programme funding as a whole. The works will, however, involve some disruption to the school, as is usual with building projects of this nature, although this can be managed to ensure there is no adverse impact upon pupils' welfare and learning. Decant has already been completed/ planned to ensure sufficiency of places for September 2024. The Trusts and schools have already offered their full support for the scope of works proposed and the phasing planned for each project.</p>
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1.5. Preferred option

Preferred option and key reason(s) why this option is recommended
<p>The preferred option is Option B. This option is recommended because:</p> <ol style="list-style-type: none"> 1. Option A would result in higher ongoing revenue costs of placements for children requiring specialist education placements in the region of £5m per annum. 2. The projects are business critical to ensure Surrey County Council discharges its statutory duties under Section 3 of the Local Government Act 1999, Sections 13 and 14 of the Education Act 1996 and Part 27 Section 3 of the Children and Families Act 2014. 3. The £19.4m spend is part of the £140.4m SEND Capital budget approved by Cabinet for 2024/25-2027/28 in the MTFS refresh. 4. Investing in Freemantles School, Pond Meadow School and Philip Southcote School now generates the positive impact on outcomes for children with complex additional needs and disabilities, as well as improving the council's financial sustainability. 5. Total project costs of £19.4m for the expansion schemes represents good value for money at a cost of from £19k- £217k per pupil place. 6. Option A would result in increased numbers of children who have additional needs and disabilities not receiving their statutory special educational provision or a confirmed specialist school place that provides a full-time education, as is their right. 7. Option A would result in increased numbers of children and young people who have additional needs and disabilities not receiving their statutory special educational provision or a confirmed specialist school place that provides a full-time education, as is their right. 8. Option A would result in organisational non-compliance with the Education Act 1996 and the Children and Families Act 2014 and increased formal complaints to SCC and Local Ombudsman. 9. Cost controls are in place via the preferred contractor's market testing, which is overseen by Surrey County Council's appointed cost consultants from AtkinsRéalis.

1.6. Legal implications

Section 13 of the Education Act 1996 places a general duty on the Council to secure that efficient primary and secondary education is available to meet the needs of the population in its area. In doing so, the Council is required to contribute to the spiritual, moral, mental, and physical development of the community. Section 14 of the Education Act 1996 places a duty on the Council to secure that sufficient schools for providing primary and secondary education are available in its area.

Part 3 of the Children and Families Act 2014 places a duty on the local authority to support children and young people in England with special educational needs or disabilities and to keep under review the educational provision in its area for those children and young people. The best value duty is contained in Section 3 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.

1.7. Environmental sustainability

The provision of specialist school places closer to home will reduce the average journey times for learners with EHCPs. This also supports the development of sustainable independent travel skills for pupils with additional needs and disabilities, which is aligned with Preparation for Adulthood outcomes. These benefits also involve maximising local business opportunities and the social value they create across the county, including how local communities can be best supported and enhancing communications both internally and externally.

Design philosophy that has been adopted to create new and adapt existing buildings will support low energy consumption, reduce solar gain, and promote natural ventilation. Any proposals will be in line with this policy and any new building will be to the standards in the local planning authority's adopted core planning strategy. This supports the Council's commitment to drive forward the transition to a zero carbon built environment, through the pursuit of lower operational energy use, increased supply of renewable energy to Surrey's buildings and reduced embodied carbon such as the GHG emissions associated with non-operational phases like construction.

2. FINANCIAL CASE

2.1. Financial summary

Summary	Complete / select
Total scheme cost in £m	£19.4m
Is the scheme grant funded, or partly grant funded?	Yes-partly
Is Surrey CC funding required?	Yes
If Surrey CC funding required, will borrowing cost be self-funded?	Yes
Are there revenue savings or income associated on completion?	Yes

2.2. Capital cost profile and funding-combined for all 3 schemes

Capex and Funding Profile	2022/23 £'m	2023/24 £'m	2024/25 £'m	2025/26 £'m	2026/27 £'m	2027/28 £'m	Total £'m
Total cost of schemes	0.69	3.66	14.78	0.26	-	-	19.38
Funded by:							
Government Grant	(0.69)	(3.23)	(6.25)	-	-	-	(10.16)
SCC Funding	-	(0.43)	(8.53)	(0.26)	-	-	(9.21)
Total Funding	(0.69)	(3.65)	(14.78)	(0.26)	-	-	(19.38)

Contingency and inflation	Complete / select
What level of contingency has been built into the above table? e.g. 10%	Freemantles School 4% Pond Meadow School 11% Philip Southcote School 4% Differing percentages reflect current status of design development.
Have you built in estimated inflation into the costs?	Yes – based on Cost Consultant advice which is incorporated within rates.
If Yes, specify rate used and why	As advised by Cost Consultants

Third party funding details	Third party partner	Government grant
Third party funding from	HNPCA	Yes
Is the funding secured?	HNPCA	Yes
If TBC, indicate when funding will be secured, e.g. by end Dec 2023	N/A	N/A
Is the funding subject to a bid process?	No	No
If Yes, when does the bid process close, e.g. Dec 2022?	N/A	N/A

Leave the table below blank if the scheme is fully grant or contribution funded.

Surrey CC borrowing/borrowing cost	Complete / select
Is it expected that borrowing costs will be offset (or partially offset) by income generation or revenue savings?	Service Revenue savings – Dedicated Schools Grant High Needs Block
If Yes, how will this be covered? e.g. rental income, pricing, fees and charges, service cost savings etc.	Service Cost Savings
All projects with borrowing costs need to be modelled in the “Capital Project Model” and verified by a Finance Business Partner. Has this been completed?	Yes

2.3. Efficiency savings / Value For Money / Revenue implications-

Combined for all 3 schemes

Income and expenditure	2022/23 £'m	2023/24 £'m	2024/25 £'m	2025/26 £'m	2026/27 £'m	2027/28 £'m	2028/29 £'m	Total £'m
Savings	-	(0.19)	(1.10)	(2.30)	(3.31)	(3.89)	(1.78)	(12.58)
Borrowing Costs	-	0.01	0.71	0.88	0.88	0.88	0.05	3.42
Net Cost / (efficiency)	-	(0.18)	(0.39)	(1.43)	(2.43)	(3.01)	(1.73)	(9.16)

Demonstrating VFM	Complete
How will the scheme contribute to the Council's requirement to demonstrate we are improving VFM in the service provided?	Alignment with SCC's DSG Management Plan and achievement of Capital and Sufficiency strand Containment Targets.

Revenue Savings / Income	Complete / select
Does the table in 2.3 include revenue savings - detail possible: - revenue savings - income generation	High Needs cost containment required to meet SCC's Safety Valve Agreement to achieve a sustainable position.
Is there expected to be continuous estimated net revenue savings per year after completion, compared to the current 'as is' situation?	No, not General fund but High Needs cost containment
If so, what is the annual ongoing estimate of the saving	£30k per pupil place per year
Which Directorate / Service will take on the savings?	Education within the DSG High Needs Block
Is there a saving to the General Fund?	No
If Yes, has the saving been put forward to be included in revenue budget proposals?	N/A

Revenue Costs – Temporary Incurred During Project	Complete / select
Does the table in 2.3 include temporary incremental revenue costs during the project?	N/A
If so, what is the total estimated cost over the project life?	N/A
Have the above incremental costs been budgeted for?	N/A
Which directorate / service will take on the budget for these costs?	N/A
Will there be an arrangement for a virement (partial or full) to cover these costs from another service?	N/A

Revenue Costs – Ongoing Post Completion	Complete / select
Does the table in 2.3 include an incremental continuous net cost per year after completion, compared to the current 'as is' situation?	No additional costs-proposal will result in cost containment in the HNB
If so, what is the annual ongoing estimate of the cost	N/A
Have the above incremental costs been budgeted for?	N/A
Which directorate / service will take on the budget for these costs?	N/A
Is there a proposal for a permanent virement if another service is benefiting from the project?	NA
Specify if the additional costs will be funded from:	N/A
Will this require additional growth, has this been captured within service growth pressures?	N/A

2.4. Key deliverable metric

Key deliverable metric
<p>£30k per pupil place per year revenue cost containment to DSG HNB once places are filled.</p> <p>The Capital investment required to complete Freemantles School refurbishment project is £0.988m. This is based on an average of £19k per pupil place for refurbishment and adaption of existing capacity and £1,577 per m2 for refurbishment. The investment Payback period is less than one year.</p> <p>The Capital investment required to complete the Pond Meadow School internal adaption and new build project is £7.34m. This is based on an average of £144k per pupil place for decant, new build and adaption of existing capacity and £7,284 per m2 new build. The investment Payback period is 4.3 years.</p> <p>The Capital investment required to complete the Philip Southcote School and new build project is £11.305m. This is based on an average of £217k per pupil place for decant, new build and adaption of existing capacity and £8,139 per m2 new build. The investment Payback period is 6.6 years.</p> <p>The cost per pupil place varies significantly from one project to another. The reason for this is that the SEND Capital Programme includes both new build and provision within existing assets (i.e., requiring refurbishment or remodelling) as well as several modular solutions, with a range of costs that reflect different scope of work to deliver the additional specialist school places. The projects are at the mid-range of the cost per pupil place benchmarking that SCC appointed Cost Consultants have advised on and includes contingency for inflation risk.</p> <p>These projects are deliverable within the approved SEND Capital budget allocation of £140.4m and the current iteration of the overall Capital Programme MTFs as profiled in the Budget Cabinet report for 2024/25-2027/28.</p>

Key deliverable metric

However, residual risks remain, as set out in Section 4: Risk Management. Potential opportunities to secure additional CIL and Section 106 funding have been re-engaged to further reduce financial pressures on borrowing against the approved budget.

The future of the DSG HNB achieving the planned Safety Valve trajectory is a significant factor in the Council's medium term financial position. Expanding and creating new local SEND provision and reducing reliance on the NMI sector is the single biggest contributor to returning the DSG High Needs Block to financial sustainability.

3. SOCIO-ECONOMIC CASE**3.1. Social / non-financial benefits of undertaking the schemes**

Social / non-financial economic benefits to the Council and local residents	
1.	Benefits realisation ensures Surrey's state-maintained specialist education provision is fit for purpose and creates additional employment/supported internship opportunities for residents around areas of expansion.
2.	Children, young people, and families can access the same level of high-quality support wherever they live in Surrey. We have a good, shared understanding of our children and young people who have additional needs and disabilities in Surrey and our support offer matches their identified needs.
3.	Expanding Surrey's specialist provision aligns with the Preparation for Adulthood programme and strategy for post-16 to create local further education and employment pathways such as apprenticeships and supported internships. This enables young people who have additional needs and disabilities to make a successful transition to adulthood and secure employment.
4.	Capacity created locally will also ensure that SEND home to school transport distance and costs are reduced so that pupils attend their closest most appropriate school with shorter journey times. Opportunities for developing independent travel skills can be maximised as a result of children and young people being educated closer to home. This will also address local congestion around school sites as well as traffic flow around the county, which will be of benefit to Surrey's Green Agenda.

3.2. Outcomes the projects will deliver

Outcomes	
1.	The approved expansion projects will ensure that additional maintained specialist school places are matched appropriately to pupils' need type, phases of education and geographic locations.
2.	A long-term sustainable specialist education estate will be developed to provide fit for purpose facilities for Surrey's primary age children who have additional needs and disabilities and require specialist school placement, providing cost effective solutions to support revenue savings.
3.	Reduced legal challenge through the First Tier SEND Tribunal or Judicial Review as a result of local high quality educational placements being named on statutory EHCPs in advance of the 1 September each year.
4.	Organisational compliance with the Education Act 1996 and the Children and Families Act 2014 and reduced formal complaints to SCC and Local Ombudsman.
5.	Increasing capacity in the Specialist Education Estate is essential to Surrey delivering a sustainable High Needs Block. Achievement of cost containment targets aligned with SCC's Safety Valve Agreement with the DfE that results in an in-year balance in the DSG HNB by 2029/30 allows Surrey to continue to deliver services and support for children, young people, and families, whilst remaining financially sustainable.

3.3. Benefit summary

	Benefit description	How will success be measured? What are the Key Performance Indicators if applicable (KPIs)?	Benefit realisation date	Who is responsible for assessing benefit realisation? E.g. service	Is baseline data required*
1.	Ensure Surrey resident pupils with additional needs and disabilities have their educational needs met close to home in a high-quality state-maintained specialist school provision	All additional places allocated post-project delivery, in line with planned phasing	Sep 2024 onwards	Education/ Commissioning	Yes
2.	Reduce excessive travel time, distance, and costs between home and school.	Reduction in SEND Home to School Transport distance and time	Sep 2024 onwards	Education/ Commissioning	Yes
3.	Further reduce reliance on the independent sector	Reduction in new NMI placements year on year and achievement of DSG HNB cost containment targets	Sep 2024 onwards	Education/ Commissioning	Yes
4.	Achievement of Capital Strategy annual cost containment targets aligned with Surrey's Safety Valve Agreement with DfE	Performance against agreed targets	Sep 2024 onwards	Education/ Commissioning	Yes

* Description of baseline data needed	
1.	DSG HNB Revenue budget forecasts/ MTFS and SEND Sufficiency Projections (Edge-ucate SEN)
2.	Edge-ucate SEN Transport reports
3.	Volume of NMI placements and DSG HNB Revenue budget forecasts/ MTFS
4.	Delivery and allocation of places and DSG HNB Revenue budget forecasts/ MTFS

4. COMMERCIAL CASE

4.1. Risk management

	Risk description	RAG	Mitigation action/strategy
1.	Current construction industry market conditions		Mitigated by robust cost planning, rigorous change control, market analysis and suitable contingency provision per scheme to reflect phased programme delivery.
2.	Inflation – Construction industry inflation risk is unpredictable at this time		Contingency provision to reflect phased programme delivery (as above).
2.	Uplifted project costs impact on Programme and SCC's DfE Safety Valve Agreement – fewer projects and specialist school places are deliverable than planned against approved budgets. Failure to meet the conditions of SCC's Safety Valve agreement with the DfE (March 2022) and achievement of cost containment/ avoidance targets year on year.		Opportunities to secure additional CIL and S106 funding against the programme have been re-engaged through Planning and Place Making.

Cost risks	Complete / select
Are there any costs that could change, and render the proposal unaffordable?	Not identifiable at this time
If Yes, provide detail	N/A
Have you made any provision for dealing with the financing of any time or cost overruns?	Within contingency

4.2. Commercial case

Cost risks	Complete / select
Outline the required products/services	132 new specialist school places and 24 reprovided specialist school places
Can the proposal be effectively delivered through a workable commercial deal(s)?	N/A
If Yes, describe how you will leverage the best available deal	N/A
What procurement does the proposal require?	Procurement completed via framework
Give a brief outline of the procurement strategy. (not required to be included here, but you should consider the routes to market options, including what is possible under regulations)	Freemantles School satellite site: Traditional and approved frameworks Pond Meadow School: Single Stage Design and Build and approved frameworks Philip Southcote School: Two Stage Design and Build and approved frameworks
Is there a market to trade this service or product being purchased capital expenditure being incurred?	N/A
Are there any personnel implications? E.g. TUPE.	No
If Yes, give a brief outline.	N/A

5. MANAGEMENT CASE

5.1. Delivery team

	Proposal role	Responsible	Department	Position
1.	Sponsor	Emilie Williams-Jones	Additional Needs and Disability Transformation	Programme Manager SEND & AP Capital Programmes
2.	Project Manager	Euan Leslie	Land & Property Capital Delivery	Contract Manager, Capital Delivery

Resource availability	Complete / select
Is feasibility work required?	No
What are the resources required to build up the proposal?	Internal Project Manager and Technical Consultancy Team appointed
Are these resources available?	Yes
Where will the resources be sourced from?	Surrey CC staff and External Contractors
Are Line Managers aware that their staff capacity will be required?	Yes

Resource availability	Complete / select
Will the use of internal resource stop delivery of other Surrey CC outcomes/ priorities?	No
Are external resources required to deliver the scheme?	Yes
Is the Procurement process in place to procure external resource?	Yes

5.2. Timeframes

Key milestones	Start DD MMM YYYY	Complete DD MMM YYYY
Freemantles School satellite site	25 Jul 2024	31 Aug 2024
Pond Meadow School	11 Sep 2024	25 Apr 2024
Philip Southcote School	18 Mar 2024	16 Feb 2025

Asset life and Componentisation	Complete / select
Estimated asset life.	Permanent expansion Refurbishment 40 years and new build 60 years
Will the asset have two or more components which will have different useful economic lives?	No
If yes, please provide details,	N/A

DO NOT DELETE. LEAVE BLANK FOR CPP ASSESSMENT ONLY:

Capital Programme Panel Assessment:

	Y/N
Does the proposed scheme demonstrate Value for Money?	Y
Does the proposed scheme meet the Council's Corporate Ambitions?	Y
Is the proposed scheme affordable?	Y
Does the proposed scheme support the Financial Resilience Plan?	Y

CPP Recommendation to the Asset Strategy Board:

Recommendation:	Reason for recommendation:
Based on the strength of the business case and Value for Money, CPP recommends that the proposed project is / is not recommended for inclusion in the Capital Programme	CPP minutes Endorsed by CPP for consideration by Cabinet Member Decision.

Post Implementation Review

Post implementation review required?	N
If YES, date of review to CPP	N

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