

THE
SURREY
WAY

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Children, Families, Lifelong Learning & Culture Select Committee

Draft Budget 2025/26 and Medium Term Financial Strategy to 2029/30

3 December 2024

OUR PURPOSE

OUR PEOPLE

OUR ORGANISATION

Introduction by Cabinet Member – David Lewis

The Local Government financial climate remains extremely challenging and consequently the 2025/26 budget setting process has required us to take difficult decisions to ensure our financial resilience.

The budget setting process began in February 2024 and monthly iterations have been produced and reported regularly to both the Corporate Leadership Team and the Cabinet.

In addition, opposition parties and select committees have been engaged in early briefings and invited to make suggestions for areas of opportunity to increase income and reduce costs. An external consultation process has also been completed.

All the Select Committees had early briefings in June/July, followed by 'deep dives' into two selected areas of focus. In September, further budget updates were delivered, providing the latest information on Directorate proposals and reviewing the findings of the deep dives. Recommendations from these informal sessions were considered by Cabinet alongside the draft budget in November.

This meeting presents a further formal opportunity for the Select Committee to scrutinise the draft budget proposals and to make further recommendations for consideration before the final budget is considered by Cabinet in January and Full Council in February 2025.

Despite progress being made, a gap of £17.4m remains within the draft budget.



Introduction by Cabinet Member – David Lewis

- Despite the challenges, the budget includes investments in specific initiatives and areas of required improvement:
 - CFLL Improvements, including continuing the Early Help & Family Support services, recruitment & retention improvements and the continuation of the EHCP timeliness improvements.
 - Additional Digital Demand Responsiveness Transport roll out.
 - Additional verge maintenance & area cleanup gangs.
 - We will probably need to draw on all options available to close the budget gap, ie. further increases to council tax, additional funding if available, potential use of reserves, reducing pressures/managing demand and identifying further efficiencies.
- Focus also needs to be on the medium term. To support this, we have developed a one-council approach to transformation with several cross-council programmes designed to optimise the way we work:
- Customer engagement and improvements to customer experiences and outcomes;
 - Organisation redesign to review ‘the way we do things’ across the whole council;
 - Data and digital to leverage emerging and innovative technology;
 - Place and communities support to improve outcomes for residents;
 - Developing the performance and culture that underpins the organization.

2025/26 Revenue Headlines

- Revenue budget envelope of £1.242 billion - £34m / 2.8% anticipated increase from 2024/25
- Increased Council Tax assumption of 2.99% Core Council Tax.
- Assumed 'roll over' of existing grant funding.
- Pressures of £108m identified, reflects the increases in demand and higher than inflationary price increases in key services.
- £57m 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.
- Despite the challenges, the budget includes investments in specific initiatives and areas of required improvement:
 - CFL Improvements, including continuing the Early Help & Family Support services, recruitment & retention improvements and the continuation of the EHCP timeliness improvements.
 - Additional Digital Demand Responsiveness Transport roll out
 - Additional verge maintenance & area cleanup gangs.
- **Remaining Budget Gap of £17.4m** in 2025/26.

Capital Programme - Headlines

- The **economic environment has changed significantly**. High inflation and interest rate rises in recent years has increased cost of financing borrowing. In order to sustain our financial resilience, **we need to re-set capital expenditure habits**.
- There is a **limit to the capacity and proportionality of debt financing as a % of our overall budget and a limit to deliverability of this scale of programme**.
- The latest capital programme iteration has reduced the overall borrowing requirement of the Council significantly, resulting in reduced capital financing costs in the revenue budget.
- The capital programme maintains a focus on key priority areas of investment, including:
 - additional school places, including those for children with SEND,
 - adults social care accommodation with care and support,
 - highways and roads improvement,
 - the transformation of our libraries, and
 - investment in our greener futures programme.

Options to close the Draft Budget Gap of £17.4m

Additional Government Funding

- Budget in October 2024 provided indication of additional funding for Local Authorities, specifically social care funding.
- No certainty on detail 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 2.99% increase
- Referendum limits still uncertain, but assumption is ability to raise core Council Tax by up to 3% and an additional 2% ASC Precept
- Any increase equates to c£9m for every 1% rise

Medium Term Position

- There remains **significant medium-term uncertainty**
- Multiple single year settlements have made medium term planning difficult. Commitment by the new Government for multi-year settlements going forward.
- The timing and impact of Fair Funding Reform remains a significant unknown. Current assumptions is that this will be in 2026/27 at the earliest and that transitional arrangements would be made available to mitigate/'smooth' initial impacts.
- **By 2029/30, the Medium-Term gap is estimated to be c.£193m / c16% of our net budget**

Indicatively:

- Directorate pressures of £343m and capital financing costs of £35m
- Overall funding increase of £37m (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 £148m
- Reserves have reached a sustainable level but maintaining financial resilience is key to weathering future challenges and given the current high risk operating environment.

Children, Families & Lifelong Learning - Summary Directorate

Budget Position



The Directorate covers all Children's Social Care, corporate parenting and Education budgets and works with all State funded Schools across Surrey.

The net draft CFLL budget for 2025/26 is £310.1m an increase of £18.5m from 2024/25. This is mainly due to continued pressure on Home to School transport (£12.3m in MTFs). Although stricter adherence to policy has been introduced around young people outside of the statutory entitlement, numbers relating to children with EHCPs are still increasing. Social Care Placements also continues to be a budget pressure (£6.4m in MTFs). Although we have seen the number of Children in our care fall because of our focus on prevention with additional funding and support introduced to ensure that the need for services to escalate can be prevented, the costs of highly specialist Social Care Placements continue to rise in a very competitive commercial market.

Efficiencies of £11.1m have so far been identified for 2025/26. The service continues to develop strategies to manage demand and ensure that statutory obligations are reviewed and managed with the aim to manage cost pressures. Staffing budgets are to reduce by £5m through a full review of all management structures and spans of control, initiatives to reduce the use of agency, and targeted early help work with families to reduce demand on statutory casework. Efficiencies of £4.7m in Social Care Placement budgets are also planned through working with children to support their safe return to their families through reunification, building and investing on Surrey owned and managed provision for both Children's homes and supported accommodation as well as other initiatives like investing in early help.

Work to reduce the budget requirement for CFLL is underway, to contribute to reducing the overall residual budget gap.

Customer, Digital & Change - Summary Directorate Budget Position (Culture Services)

The majority of the costs of the services within the remit of this committee, Libraries, Arts & Heritage, are staffing (75%) and the services have significant grants & income (£10m).

The grant levels have historically not increased in line with inflation adding to the pressures the service faces. Furthermore, the cost of living crisis and Covid have impacted income levels due to changing customer habits e.g uptake of streaming services such as Netflix rather than hiring physical DVDs. Within Surrey Arts the service saw around 675 users cancel lessons (due to cost) at the end of 2022 (15% total customers). Income dropped from £2.623M (19-20) to £1.321M (20-21) as a result of Covid. The Libraries service has undergone significant transformation limiting the scope for further major changes. There are limited opportunities for the Libraries service to make further efficiencies as a stand-alone service. The services are likely to face inflationary pressures of £0.5m, the majority of this is staffing inflation at 3%.

Efficiencies of £0.5m been identified and will be delivered through various measures, including the commercial strategy, which will reduce the cost of delivery and increase rates for chargeable services (£0.2m), workforce reductions will deliver £0.2m and a further £0.1m from stopping the archaeological service.

Adults, Wellbeing & Health Partnerships - Summary

Directorate Budget Position

- Note that this Committee is only responsible for the Voluntary, Community and Faith Sector (VCFS) functions within the Public Health and Communities Service, not the wider AWHP directorate.
- The VCFS budget for 2025/26 is £0.464m, the same level of investment as in 2024/25. This budget is used to pay out grants to voluntary sector infrastructure organisations across Surrey who provide advice and support to VCFS organisations in their areas.
- Although the total VCFS funding envelope is remaining unchanged in 2025/26, the distribution of the funding is changing to ensure it is most appropriately aligned across Surrey's footprint. The proposals for the changes in funding distribution were reviewed by the CFLLC Select Committee as part of a Deep Dive in October with a further impact report due by end of November for the committee to make informed recommendations.
- There are no efficiencies being put forward related to the VCFS budget.

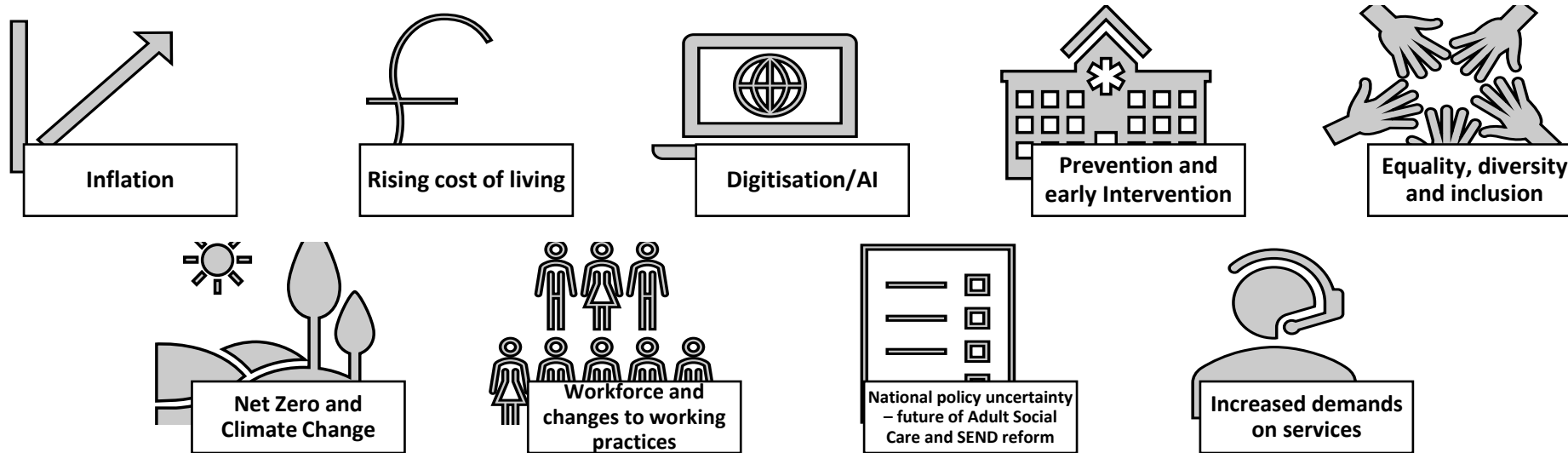
Next Steps

- Refine funding assumptions based on Provisional Local Government Finance Settlement in December.
- Finalise efficiency proposals, develop efficiency plans and consider further options to close the gap
- Consultation with residents on draft proposals and Equality Impact Assessments
- Final Budget to Cabinet in January 2025 & Council February 2025

Background Reading

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 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 - 2025/26 to 2029/30
 - 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, September)
 - All Member Briefings (May / Nov)
 - Select Committee Briefings (July / Oct) & 'deep dive' workshops focused on specific areas
 - Formal Scrutiny of the Draft Budget by Select Committees (December)

Budget Engagement Update – Phase 1 (August – September 2024) insights

Balancing the budget

Respondents supported increased partnership working (80%), equipping staff to work with partners and communities (70%), and providing local communities with tools to support themselves (63%). Respondents opposed reducing or stopping services to protect others (80%) or charging for free or subsidised services (64%).

At community events, residents prioritised:

- Care for vulnerable groups and health and wellbeing
- Education and skills, especially SEN provision
- Public transport and reducing social isolation
- Community safety

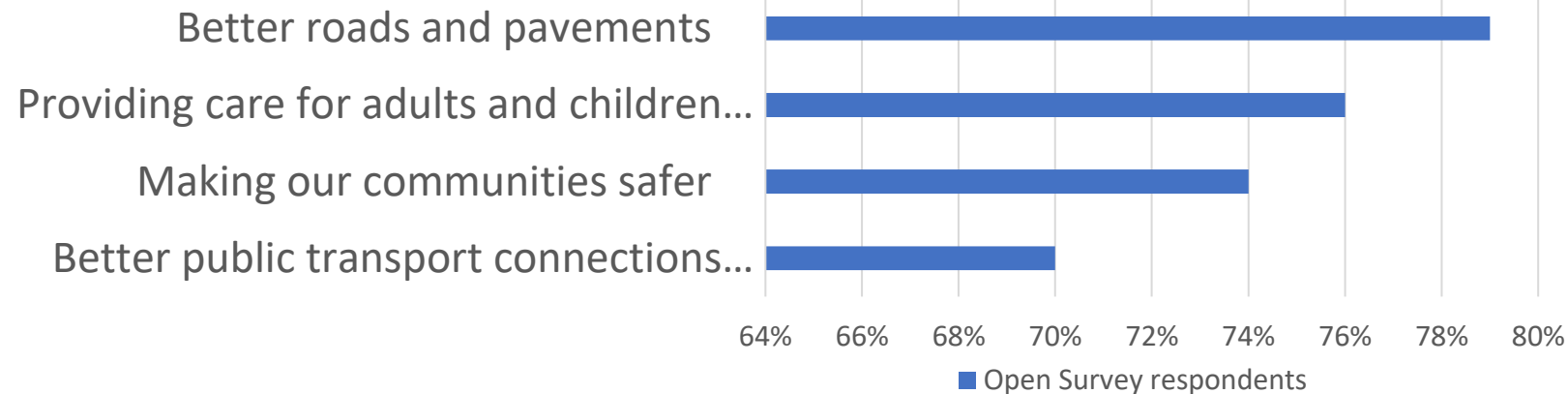
Allocating resources

Respondents preferred allocating resources to services that benefit the majority of residents (54%), are allocated across the entire county (64%), and meeting the needs of residents today (50%). This varied by age with younger respondents more likely to support a longer-term focus.

Council tax increase – scenarios

Respondents supported council tax increases to protect services for the vulnerable (67%) and after exhausting streamlining opportunities (66%). Respondents opposed increasing tax for long-term investment and as an alternative to fees and charges (both 52%). Respondents recognised legitimate circumstances for a rise in council tax (45% supported - 38% opposed).

Priority areas



If Cabinet agrees the draft budget on 26 November, phase 2 consultation on draft budget proposals will commence.

Mindful of the current financial context, we've taken a prudent approach to engagement activity. Internal survey tools have limited costs to the creation of accessible engagement material. However, results illustrate the preferences of those who chose to take part, but will not provide data representative of Surrey residents.

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 and increased partnership working.
- 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 after the 26 November 2024 Cabinet meeting** and complete on 26 December 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. the Learning Disability Partnership Board, Autism Reference Group and Surrey Youth Voice.
- Insight from this work will inform messaging for the final budget and **provide insight** for the planning and implementation of the 2025/26 efficiencies.

Equality Analysis 2025/26

- As each draft efficiency proposal is still being developed the equality analysis included later 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 where possible, along with any planned mitigating activity that is known at this stage.
- Whilst the information included in the Annex identifies service-specific equality analysis, work is underway to understand the **cumulative equality impacts** of the 2025/26 budget as a whole. This also reflects the iterative nature of service-specific equality impacts and planned mitigating actions.

Equality Analysis 2025/26 - 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 2025/26 – 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 Positions

- **Overall Council Position**
- **Directorate Positions:**
 - **Children, Families & Lifelong Learning**
 - **Customer, Digital & Change**
 - **Adults, Wellbeing & Health Partnerships**



Overall 2025/26 Draft Budget Gap

The table below sets out the overall picture for the Council for 2025/26 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).

Directorate	Base Budget 23/24 £m	Additional Funding Estimate £m	Identified Pressures £m	Identified Efficiencies £m	Total Budget Requirement £m
Adults, Wellbeing & Health Partnerships	505.9		50.1	(31.6)	524.4
Children, Families & Lifelong Learning	291.6		29.6	(11.1)	310.1
Environment, Infrastructure & Growth	187.4		14.5	(2.6)	199.3
Community Protection & Emergencies	43.9		1.3	(0.8)	44.4
Customers, Digital & Change	49.3		4	(2.9)	50.4
Comms, Public Affairs & Engagement	2.8		0.1	(0.2)	2.7
Finance & Corporate Services	27.0		1.6	(1.4)	27.2
Central Income & Expenditure	100.6		7.1	(6.5)	101.2
Directorate Total	1,208.4	0.0	108.3	(57.1)	1,259.7
Central Funding	(1,208.4)	(33.9)			(1,242.3)
Council Total	-	(33.9)	108.3	(57.1)	17.4

While the overall funding envelope is anticipated to increase by c£34m, the cost of delivering existing services is increasing at a faster rate. The identified pressures of c£108m result in a need to find efficiencies of c£74m, of which c£57m have been identified to date. Detailed pressures and efficiencies are set out in subsequent slides.

Children, Families & Lifelong Learning



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CFL - Summary Directorate Budget Position

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£m	£m	£m	£m	£m	£m	£m
Brought forward budget	291.6	291.6	310.1	310.5	317.8	326.7	
Pressures		29.6	13.5	13.3	14.0	14.4	84.8
Identified efficiencies		(11.1)	(13.1)	(6.0)	(5.1)	(1.3)	(36.6)
Total budget requirement		310.1	310.5	317.8	326.7	339.8	

The Childrens, Families and Lifelong Learning Directorate is the largest gross budget and the second highest net budget of the Council. Most of the General fund budget of CFLL relates to provision of statutory services, including care packages and support as a corporate parent, supporting families and the provision of services for children with additional need and disabilities both in the home and in School.

Direct provision for support for children in school is through the Dedicated Schools Grant, and like all authorities across the country the provision of support for children with additional needs continues to be one of the biggest challenges and pressure for the Council.

The majority of the £29.6m pressure relates to Home to School transport (£12.3m), social care placements (£6.4m) and staff inflation (£6.5m). Efficiencies mainly relate to staffing (£5m) and social care placement (£4.7m) initiatives.

CFL - Identified Pressures

Pressure	Description	Net Pressure					
		2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	Total £m
Pay inflation	Increase in staffing costs as per the corporately agreed pay award. Currently estimated at 3% in 25/26	4.300	3.000	3.000	3.100	3.100	16.500
Recruitment and retention	Additional costs of ASYE scheme, apprenticeships	0.200					0.200
Early Help and family support	Implementation of the intensive family support service as an ongoing service	0.200					0.200
EHCP timeliness	The long term ongoing costs of being able to meet the timeliness of EHCP referrals		1.000				1.000
Children Looked After (CLA) Placements - Demand	Trajectory modelling of anticipated demand increases in relation to cost of exceptional individual package needs rather than additional number of placements	1.700	2.100	2.600	2.600	2.600	11.600
Children Looked After (CLA) Placements - inflation	Trajectory modelling of anticipated inflationary increases (+5% on current costs 25/26)	4.700	2.500	2.600	2.800	2.800	15.400
Home to School Travel Assistance - Demand	Trajectory modelling of anticipated demand increases	10.700	2.400	2.800	3.200	3.600	22.700
Home to School Travel Assistance - Inflation	Trajectory modelling of anticipated inflationary increases	1.600	1.500	1.300	1.300	1.300	7.000
Contract inflation	Assumed contract inflation costs	1.000	1.000	1.000	1.000	1.000	5.000
Brought forward unachieved stretch targets	Brought forward unachieved stretch targets	3.000					3.000
Brought forward unachievable efficiencies	2024/25 unacheived contract savings	0.400					0.400
Recruitment and retention costs	Costs of introducing recruitment and retention bonuses and employment of overseas workforce to stabilise workforce	1.800					1.800
Total Pressures		29.600	13.500	13.300	14.000	14.400	84.800

CFLF – Proposed efficiencies

Efficiency	Description	Efficiency					Total £m
		2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	
Staffing re-organisation	Restructure of management structure, spans and layers and staffing reorganisation	(2.000)	(0.600)				(2.600)
Home to School Travel Assistance	Full year effect of prior year efficiencies focused on route optimisation and reduction of solo vehicle use	(0.500)	(2.500)	(2.600)	(2.700)		(8.300)
Children Looked After (CLA) Placements - Reunification	Dedicated team supporting social work practices to help children return home	(0.700)	(0.800)	(0.800)	(0.800)	(0.800)	(3.900)
Children Looked After (CLA) Placements - Early help and family support	Ability to reduce escalations of need for children and avoid entry to care	(0.300)	(0.400)				(0.700)
Children Looked After (CLA) Placements - Adolescence	Collaborative working across teams targeted at avoidance of entry to care for teenagers.	(1.600)	(1.700)	(1.200)	(0.200)		(4.700)
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.	(0.300)	(0.200)	(0.300)	(0.500)	(0.100)	(1.400)
Children Looked After (CLA) Placements - In House fostering	Looking a new models to maximise in house utilisation of carer capacity	(0.400)	(0.500)	(0.400)	(0.300)	0.200	(1.400)
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.	(0.200)	(0.100)				(0.300)
Children Looked After (CLA) Placements - Inflation management	Review and challenge of inflationary uplifts, scrutinising cost bases of providers and their increase in cost base	(0.500)	(0.500)	(0.500)	(0.600)	(0.600)	(2.700)
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	(0.200)	(0.100)				(0.300)
Workforce strategies developing a permanent workforce	Reduce demand on agency and reduce agency pressures	(1.000)					(1.000)
Early Help and family support	Targeted early help work with families to reduce demands on statutory case work	(1.000)	(1.100)				(2.100)
Fees and charges	Review fees and charges.	(0.400)	(0.400)	(0.200)			(1.000)
Admin review	Review of all staff Admin costs in CFLF and Business support. This work is ongoing and is yet to be fully quantified, this number equates to reducing 80% Of the business support team by 5%	(1.000)	(0.400)				(1.400)
Fostering service review	increasing the number of in house foster carer, improved support to reduce the number of leavers and a refreshed targeted marketing strategy will also contribute to an improved enquiry to approval conversion rate.		(1.500)				(1.500)
Surrey Adult Learning Review	Review of current contracts and maximisation of centra provisions to support the service	(0.300)					(0.300)
Short Breaks Review	To identify and benchmark against the available provision		(0.800)				(0.800)
Supported Accomadation for Young Parents	Maximise the potential of the current block contract to support SCC care experienced young people.	(0.170)					(0.170)
Cross Directorate	Reduction on all non staffing budget across Dirs	(0.068)					(0.068)
Joint Placement costs	To establish a process to maximise the contribution for joint funding agreements through more rigour with Health services.	(0.500)	(1.500)				(2.000)
Total Efficiencies		(11.138)	(13.100)	(6.000)	(5.100)	(1.300)	(36.638)

Equality Analysis – Children, Families & Lifelong Learning (CFLL)

The table below outlines which proposed CFLL efficiencies require an Equality Impact Assessment to be carried out, with some provisional information on the status of the equality analysis being completed.

As and when proposed efficiencies are identified, officers from within the relevant service will follow the Equality Impact Assessment process, to ensure the council pays due regard to the potential impact of decision on residents and staff with protected characteristics.

Efficiency	Equality Analysis
Staffing re-organisation	Work on this efficiency is still in the discovery phase. A full EIA will be completed in due course.
Home to School Travel Assistance	An EIA has been completed and approved by the Cabinet Member. There are both positive and negative impacts on staff and residents identified relating to this efficiency. Mitigating activity will be developed on a case-by-case basis.
Children Looked After (CLA) Placements - Reunification	An EIA has been completed and approved by the Cabinet Member. It has been identified that there are likely potential implications for looked after children and their families, as well as foster carers.
Early Help and Family Support	A combined EIA is to be completed for these. EIA Screening Tools have been completed and an EIA is being completed by the relevant team.
Children Looked After (CLA) Placements - Early Help and Family Support	
Children Looked After (CLA) Placements - Adolescence	A draft EIA has been completed and is going through the sign-off/ approval process. Both positive and negative impacts have been identified, with mitigations in place to minimise potential negative impacts.

Equality Analysis – Children, Families & Lifelong Learning (CFL)

Efficiency	Equality Analysis
Children Looked After (CLA) Placements - In-House Residential Development	An EIA has been completed and approved by Cabinet. The change will likely have positive impacts for looked after children and any negative impacts have robust mitigations in place.
Care Leaver Placements - House of Multiple Occupancy	An EIA has been completed and approved by the Cabinet Member. Most of the impacts identified are positive for care leavers. Provided the mitigations are in place in terms of appropriate policies, procedures and practice, there are not any negative impacts associated with this proposal that cannot be mitigated
Workforce Strategies - developing a permanent workforce	An EIA is being drafted and will then go through the approval process. An EIA Screening Tool has already been completed. The change is focused on the conversion of agency staff to permanent roles and the recruitment of international social workers. Most of the impacts identified so far are positive for both residents and staff - several actions have been identified to maximise these positive impacts.
Surrey Adult Learning Review	An EIA is being drafted and will then go through the approval process. A provisional assessment of the implications has revealed potential impacts on staff, following a slight restructure, as well as potential implications for learners with additional needs, and those who face digital exclusion or difficulties with technology.
Short Breaks Review	An EIA has been completed and approved by Cabinet. Positive impacts such as respite and support for families with children with disabilities, however, resourcing issues may reduce access for high-need families, young carers, and children with disabilities, potentially increasing stress within these households.

CFLL – Capital Programme Summary

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 directorate is a key stakeholder for several L&P schemes and also manages some of its own schemes.

The draft capital budget for L&P schemes delivered on behalf of CFLL total £320m and is funded through revenue efficiencies, grants, borrowing and capital receipts. The main schemes are:

- SEND & Alternative Provision to deliver High Needs cost containment and the safety valve (£151m)
- Schools Basic Need to deliver school places (£106m)
- School Building maintenance, partly funded by grant (£44m)

The schemes managed by the service total £8.9m and includes adaptations for children (£2.8m) and government capital funding for schools (£4.5m)

Customer, Digital & Change
(this committee is responsible for Culture)



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CDC – Summary Directorate Budget Position

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£m	£m	£m	£m	£m	£m	£m
Brought forward budget	49.3	49.3	50.4	50.6	51.6	52.7	
Pressures		4.1	1.1	1.1	1.2	1.3	8.8
Identified efficiencies		(2.9)	(1.0)	(0.1)	0.0	0.0	(4.0)
Total budget requirement		50.4	50.6	51.6	52.7	54.0	

The majority of the costs of the services within the remit of this committee, Libraries, Arts & Heritage, are staffing (75%) and the services have significant grants & income (£10m). The grant levels have historically not increased in line with inflation adding to the pressures the service faces. Furthermore, the cost of living crisis and Covid have impacted income levels due to changing customer habits e.g uptake of streaming services such as Netflix rather than hiring physical DVDs. Within Surrey Arts the service saw around 675 users cancel lessons (due to cost) at the end of 2022 (15% total customers). Income dropped from £2.623M (19-20) to £1.321M (20-21) as a result of Covid. The Libraries service has undergone significant transformation limiting the scope for further major changes. There are limited opportunities for the Libraries service to make further efficiencies as a stand-alone service. The services are likely to face inflationary pressures of £0.5m, the majority of this is staffing inflation at 3%.

Efficiencies of £0.5m been identified and will be delivered through various measures, including the commercial strategy, which will reduce the cost of delivery and increase rates for chargeable services (£0.2m), workforce reductions will deliver £0.2m and a further £0.1m from stopping the archaeological service.

CDC - Identified Pressures

Pressure	Description	Net Pressure					Total £m
		2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	
Pay inflation	Pay inflation at 3% 2025/26 and 2% thereafter, includes impact of 2024/25 pay award	1.545	0.941	0.960	0.979	0.999	5.424
Non-pay inflation	Non pay inflation at 2%	0.199	0.281	0.286	0.292	0.298	1.356
IT&D MySurrey support	MySurrey Technical Services contract for support and payroll application	0.291	(0.125)	(0.025)	(0.100)		0.041
Coroners Special Inquests	To replenish the special inquest reserve which covers the volatile cost of special inquests each year.	0.100	0.050				0.150
Funding changes	Funding for Data & Insights Team discontinues in 2025/26 (linked to an efficiency)	1.492					1.492
Learning Management system	Funding for Learning Management System discontinues in 2025/26	0.100		(0.100)			0.000
Microsoft Licences	Increased costs of licences due to volume increases	0.340					0.340
Total Pressures		4.067	1.147	1.121	1.171	1.297	8.803

CDC – Proposed efficiencies

		Efficiency					
Efficiency	Description	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	Total £m
Staffing reductions	Review of staffing across services, through redesign and distribution.	(0.410)	(0.185)				(0.595)
Organisational Redesign and Customer Transformation	Review of staffing across services, through streamlining, removing duplication and using technology.	(1.000)	(0.533)	(0.140)			(1.673)
Organisational Redesign and Customer Transformation	Review of Data Strategy & Insights team (linked to a pressure)	(0.448)					(0.448)
People & Change professional and transactional services	Previous years unachievable efficiencies and reduced income from transactional services	0.109					0.109
Income Strategy	Maximising Income	(0.291)					(0.291)
Targeted reductions	Variety of measures to reduce spend	(0.063)					(0.063)
IT&D efficiencies	Wide area network contract reductions	(0.300)					(0.300)
IT&D licence reduction	Reduced IT&D licence costs due to staffing changes	(0.113)	(0.227)				(0.340)
Surrey Arts efficiency	Remove subsidy of non targeted music tuition	(0.053)	(0.027)				(0.080)
Reduced Trade Union Posts	Reduce the current budget for trade union roles in line with 2024/25 levels	(0.048)					(0.048)
Core Welfare offer	Maximise external grants to fund the welfare offer	(0.240)					(0.240)
Core Heritage service	Service review of Archaeological services	(0.067)					(0.067)
Total Efficiencies		(2.924)	(0.972)	(0.140)	0.000	0.000	(4.036)

Equality Impact Assessments – Customer, Digital & Change

Efficiency	Description	2025/26 £m	EIAs
Staffing reductions	Review of staffing across services, through redesign and distribution.	0.410	EIA statement: Equality Impact Assessment Statement - Staffing Efficiencies - CDC - 25.26 EIA statement and narrative: EIA Statement & Narrative - CDC - Directorate Review
Organisational Redesign and Customer Transformation	Review of staffing across services, through streamlining, removing duplication and using technology.	1.000	EIA completed Customer Transformation: Customer Transformation EIA.docx EIA statement Customer Transformation: EIA Statement - Customer Transformation.docx Organisational Redesign EIA in progress, due w/c 11 th Nov
Organisational Redesign and Customer Transformation	Review of Data Strategy & Insights team (linked to a pressure)	0.448	EIA completed: Equality Impact Assessment - Surrey County Council
People & Change professional and transactional services	Previous years unachievable efficiencies and reduced income from transactional services	0.109	No equality impacts
Income Strategy	Maximising Income	0.291	No equality impacts
Targeted reductions	Variety of measures to reduce spend	0.063	No equality impacts
IT&D efficiencies	Wide area network contract reductions	0.300	No equality impacts
IT&D licence reduction	Reduced IT&D licence costs due to staffing changes	0.113	New efficiency and EIA to be completed by Dec 2024
Surrey Arts efficiency	Remove subsidy of non targeted music tuition	0.053	EIA statement: Equality Impact Assessment Statement - Surrey Arts - Non targeted Music Tuition - CDC - 25.26
Reduced Trade Union Posts	Reduce the current budget for trade union roles in line with 2024/25 levels	0.048	New efficiency and EIA screening tool to be completed by Dec 2024
Core Welfare offer	Maximise external grants to fund the welfare offer	0.240	New efficiency and additional work required to determine impacts and complete necessary EIA screening/ EIA
Core Heritage service	Service review of Archaeological services	0.067	New efficiency and additional work required to determine impacts and complete necessary EIA screening/ EIA

CDC – 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 directorate is a key stakeholder for several L&P schemes. The draft capital budget for L&P schemes delivered on behalf of CDC total £31m and is funded from both borrowing and capital receipts.

The L&P schemes delivered on behalf of CDC include Libraries transformation and the Registration Service.



**Adults, Wellbeing & Health Partnerships
(this committee is only responsible for the
voluntary sector)**



AWHP – Summary Directorate Budget Position

Total AWHP directorate position	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£m	£m	£m	£m	£m	£m	£m
Brought forward budget	505.5	505.5	524.5	546.6	567.2	590.2	
Virements		0.5					
Pressures		50.1	39.7	39.1	40.6	43.2	212.7
Identified efficiencies		(31.6)	(17.6)	(18.5)	(17.6)	(12.7)	(97.9)
Total budget requirement		524.5	546.6	567.2	590.2	620.8	

- Note that this Committee is only responsible for the Voluntary, Community and Faith Sector (VCFS) functions within the Public Health and Communities Service, not the wider AWHP directorate.
- The VCFS budget for 2025/26 is £0.464m, the same level of investment as in 2024/25. This budget is used to pay out grants to voluntary sector infrastructure organisations across Surrey who provide advice and support to VCFS organisations in their areas.
- Although the total VCFS funding envelope is remaining unchanged in 2025/26, the distribution of the funding is changing to ensure it is most appropriately aligned across Surrey’s footprint. The proposals for the changes in funding distribution were reviewed by the CFLLC Select Committee as part of a Deep Dive in the summer, with recommendations included in the Draft Budget report.
- There are no efficiencies being put forward related to the VCFS budget.

AWHP - Identified Pressures

Pressure	Description	Net Pressure					
		2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £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. Pressures are currently costed based on a 5.77% NLW uplift in 2025/26, 4% in 2026/27 and 3% per year thereafter. CPI is budgeted at 2% per year across the MTF5 period. Pressures will need to be reviewed in light of the Autumn Statement and pending the Draft Local Government Finance Settlement. Assumptions are made about the proportion of packages for each market sector that will receive uplifts based on the inflation principles proposed for each sector. The gross inflationary pressures shown here are before any planned efficiencies to mitigate inflationary pressures.	20.028	15.722	13.135	13.363	13.764	76.013
ASC assessed fees & charges inflation	Estimated inflationary increases in income received from residents who are financially assessed under the Care Act to contribute towards the cost of their care packages. This is driven by factors such as changes to pension and benefit rates.	(2.675)	(2.026)	(2.075)	(2.126)	(2.178)	(11.081)
Public Health contract inflation	Estimated contract inflation on PH commissioned contracts (approximately 2% per year)	0.645	0.655	0.668	0.681	0.695	3.344
Care package carry forward pressure from 2024/25 - current trajectory	The estimated extent that care package net expenditure commitments will be above the 2024/25 budget by year end and therefore carry over as a pressure into 2025/26 based on the current care package expenditure trajectory prior to actions planned to mitigate the current trajectory which are included in efficiencies	16.121					16.121
Care package demand in future years - current trajectory	The estimated increased expenditure on care packages in future years due to increases to the number of people receiving care funded by SCC and increases to the cost of care packages excluding inflation based on the current care package expenditure trajectory prior to actions planned to mitigate the current trajectory which are included in efficiencies	10.663	22.942	24.818	26.087	28.184	112.695
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.	0.313	0.375	0.438	0.500	0.563	2.188
Pay inflation across the AWHP directorate	Estimated cost of pay inflation modelled at 3% 2025/26, and 2% 2026/27 - 2029/30	2.840	1.999	2.042	2.086	2.130	11.097
Other staffing budget changes across the AWHP directorate	Reduction in the vacancy factor built into the ASC budget reflecting increased recruitment to roles to delivery core statutory duties, £0.5m underachievement against 2024/25 workforce reconfiguration target, pay progression and non-pay inflation for staffing budgets.	3.225					3.225
Teams around the Community	The cost of continuing Community Link Officers, Local Area Co-ordinators and Community Prevention Officers roles which are currently funded by temporary monies prior to plans to restructure Community functions included in efficiencies	0.988	0.039	0.041	0.043	0.044	1.156
Changing Futures	Investing in sustainable funding for the Changing Futures Programme. There is continuing ambition to secure funding from system partners. £1.3m is the maximum amount needed to maintain the programme.	1.300					1.300
Increase to Better Care Fund income	Estimate of potential increased BCF income for ASC based on the trend in recent years	(3.000)					(3.000)
Changes to other ASC grants	Assumes that Social Care in Prisons and ASC's share of Local Reform & Community Voices grant funding that was received in 2023/24 but was not included in the 2024/25 budget continues in 2025/26. All other grant funding assumed to continue at 2024/25 levels	(0.393)					(0.393)
Total Pressures		50.056	39.707	39.066	40.634	43.201	212.664

AWHP – Proposed Efficiencies

Efficiency	Description	Efficiency					
		2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/39 £m	Total £m
Demand management to mitigate 2024/25 carry forward pressure	Planned actions through consistent strengths based practice across all client groups to avoid full year care package commitments increasing by £6m in the period August 2024 - March 2025, which is the estimated increased for the current trajectory, and reduce the end of July 2024 full year commitments by £2.6m over and above mitigating the current increasing trajectory	(8.595)					(8.595)
Demand management future years - 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. This includes opportunities identified in the diagnostic conducted by Newton Europe.	(3.179)	(8.687)	(10.506)	(9.570)	(7.695)	(39.638)
Demand management future years - Physical & Sensory Disabilities		(0.335)	(0.894)	(1.195)	(1.205)	(1.084)	(4.713)
Demand management future years - Learning Disabilities & Autism		(0.437)	(1.091)	(1.399)	(1.604)	(1.775)	(6.308)
Demand management future years - Mental Health		(0.404)	(1.168)	(1.080)	(0.757)	(0.768)	(4.177)
Learning Disabilities & Autism setting based reviews	Reviews of residential care homes and supported living care settings where ASC is funding support for people with a Learning Disability and / or Autism to ensure care packages are in line with people's latest eligible support needs and utilise Technology Enabled Care services to reduce care package costs where appropriate	(2.199)	(1.848)	(2.041)	(2.343)		(8.431)
Learning Disabilities & Autism 65+ care package reviews	Reviews of care packages for people with a Learning Disability and / or Autism who are aged 65 or over to ensure care packages are aligned with people's needs in older age	(0.260)	(0.750)	(0.981)	(0.820)	(0.329)	(3.139)
Learning Disability & Autism shared home based care allocation reviews	Review Learning Disability & Autism home based care packages with shared allocations across more than one person and reduce shared allocations where appropriate in line with actual usage and need	(0.360)	(0.240)				(0.600)
Mental Health supporting independence reviews	Strength based reviews of Mental Health care packages to identify where people can be appropriately supported to increase their independence and reduce the cost of funded care packages	(0.250)					(0.250)
Older People and Physical & Sensory Disability care package strength based reviews	Strength based reviews of Older People and Physical & Sensory Disability care packages across locality teams to ensure care packages are aligned to people's latest eligible needs	(0.569)					(0.569)
Out of county care packages	Achieve efficiencies for people SCC funds in out of county care packages, either by securing income contributions from local NHS (e.g. for Section 117 Aftercare), transferring to the host local authority where appropriate or supporting people to move back into Surrey with better outcomes at lower cost.	(2.000)					(2.000)
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.	(0.600)	(0.300)	(0.300)			(1.200)
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.	(0.168)	(0.084)	(0.084)			(0.336)
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 by delivering new Learning Disability supported independent living accommodation through the Council's Right Homes Right Support programme.	(0.501)	(0.220)	(0.104)	(0.290)	(0.377)	(1.492)
Affordable housing for people with Learning Disability and / or Autism	Work with District & Borough Councils to secure nominations in affordable housing for people with a Learning Disability and / or Autism with lower level needs who SCC funds to increase their independence and reduce their need for funded care packages	(0.062)	(0.125)	(0.187)	(0.250)	0.000	(0.624)

AWHP – Proposed Efficiencies (Cont)

Efficiency	Description	Efficiency					
		2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/39 £m	Total £m
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 through delivery of the Council's Right Homes Right Support programme.	(0.007)	(0.117)	(0.178)	(0.562)	(0.584)	(1.448)
Learning Disability & Autism Short Breaks price efficiencies	Reconfigure LD&A Short Breaks services including new settings being delivered through the Council's Right Homes Right Support programme to reduce the overall unit cost of these services	(0.050)	(0.200)	(0.070)			(0.320)
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.	(0.757)	(0.641)	(0.364)	(0.137)		(1.899)
Mitigation of price inflation	Reduction on the gross budgeted price inflation on ASC care packages and contracts through mitigating actions which include working closely with the provider sector on models of care and costs of service delivery.	(6.817)					(6.817)
Secure increased Section 117 Aftercare funding from the NHS	Secure funding from Integrated Care Board partners under the terms of the joint Section 117 Aftercare policy for people subject to Section 117 Aftercare who ASC currently funds 100% of their care packages	(1.400)					(1.400)
Continuing Health Care for out of county cases	Secure Continuing Health Care for people who have a primary health need and who have been placed in support arrangements out of county	(0.450)					(0.450)
Assessed charges income debt	Reduce the £2m budget for assessed charges bad debt and write offs and manage within the reduced budget	(0.250)					(0.250)
Changes to SCC's ASC assessed charging policies	Two changes are proposed. Firstly, to review and reassess where appropriate all clients with SCC funded packages who currently do not pay a contribution towards their care package cost and then build this more routinely into the annual review process. Secondly, to introduce charging tariff income for people receiving care in the community who have assets between the lower and upper capital thresholds. This second change would require a public consultation. For MTFS purposes it is assumed that this consultation takes place in Q2/3 2025/26 with implementation in Q3/4 2025/26.	(0.687)	(0.675)				(1.362)
Senior leadership reorganisation	Reorganisation of Adult Social Care senior leadership posts	(0.434)					(0.434)
Public Health staffing efficiencies	Maximise recharges of staff costs to external grants and manage vacancies within the available budget envelope	(0.100)					(0.100)
Public Health inflation mitigation / reduction in services	Not awarding inflationary increases where not contractually obliged and/or negotiating service reduction on non-statutory services	(0.194)					(0.194)
Restructure and re-focus Community functions	Restructure Community functions to target activity at interventions that have the greatest impact on preventing demand for ASC and Children's services.	(0.500)	(0.528)	(0.041)	(0.043)	(0.044)	(1.156)
Total Efficiencies		(31.565)	(17.568)	(18.530)	(17.581)	(12.657)	(97.901)

Equality Analysis- Adults, Wellbeing & Health Partnerships (AWHP)



Draft Budget, December 2024:

- As it stands, there are no proposed efficiencies for the VCFS budget



AWHP – Capital Programme

There is no capital expenditure related to the AWHP's VCFS functions within the remit of this Select Committee.



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