

SURREY COUNTY COUNCIL**CLARE CURRAN, CABINET MEMBER FOR CHILDREN,
FAMILIES, AND LIFELONG LEARNING**

DATE: TUESDAY 22 APRIL 2025

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

SUBJECT: SEND CAPITAL PROGRAMME: HOPESCOURT
SCHOOL

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

Purpose of the Report:

Cabinet Member approval is sought for use of £29.49m of the approved SEND Capital Funding of £109.86m for 2025/26-2028/29 for final confirmed costs for Hopescourt School in Walton on Thames, committed under the Special Educational Needs and Disabilities (SEND) Capital Programme.

This figure presents a £3.2m increase to the project budget of £26.25m approved by Surrey County Council's Cabinet on 25 June 2024 to £29.49m driven by prolongation, inflationary increases, and necessary extension of arrangements at Hopescourt School's temporary site in West Molesey resulting from eight-month Environment Agency delays increasing costs to conclude project delivery. The additional costs can be managed through alternative solutions which are affordable within the approved budget allocations for SEND capital, and without reducing overall programme scope to increase capacity in the maintained specialist education estate.

The capital investment is for Hopescourt School's construction project where a viable scheme, location, planning approval, costs and legal agreements have been confirmed. The new school's permanent facilities, procured via the Southern Construction Framework and constructed by Willmott Dixon, will cater for up to 200 autistic pupils and pupils with communication and interaction needs, aged 4-19 years when the school reaches capacity in 2029. Contract start on site on Waterside Drive in Walton-on-Thames commenced on 4 October 2024 and is progressing well.

Hopescourt School will continue to use the West Molesey site temporarily until their new school is ready in late March 2026. In September 2025, 22 new secondary aged pupils will start attending the school. To accommodate them, we are extending the existing facilities for the 77 pupils currently on the school's roll over the Easter Holiday period. This will provide enough space until the permanent school building in Walton-on-Thames completes in Spring 2026.

Recommendations:

It is recommended that the Cabinet Member for Children, Families and Lifelong Learning:

1. Agrees the use of £29.49m of the total approved existing SEND Capital budget of £109.86m for 2025/26 to 2028/29 for the confirmed final costs for Hopescourt School, Walton on Thames.

Reason for Recommendations:

- The remaining SEND Capital budget allocation of £109.86m for 2025/26 to 2028/29 was reaffirmed by Surrey County Council's Full Council Budget setting in February 2025.
- In June 2024 Surrey County Council's Cabinet approved the delegation of authority to allocate resources from the approved SEND capital budget required for individual committed construction projects to the Cabinet Member for Children, Families and Lifelong Learning, following Capital Programme Panel's (CPP) financial scrutiny and endorsement. This is in line with Full Council approved amended Financial Regulations from March 2023.
- Investing in Hopescourt School's capital project will generate a positive impact on outcomes for children aged 4-19 years with complex additional needs and disabilities, as well as improving the Council's financial sustainability.
- The committed development project is business critical to ensure Surrey County Council (the 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.
- The confirmed budget for the project and Surrey County Council's finite investment for the scheme is above the threshold for Capital Programme Panel (CPP) approval. Cabinet's delegated authority to allocate resources from the approved SEND Capital budget allocation is required for individual project is assigned to the Cabinet Member for Children, Families and Lifelong Learning, following CPP's financial scrutiny and endorsement on Tuesday 11 March 2025. This is in line with Full Council approved amended Financial Regulations from March 2023.
- The £3.2m additional costs are proposed to be off set against another committed SEND capital project, agreed between Surrey County Council and an academy Trust in February 2025, without impacting planned place numbers. This is aligned with Southeast Regional Director approval secured for a reduction in PAN (Planned Admissions Number) which enables utilisation of existing capacity at the academy to create new mainstream SEN Unit provision requiring internal reorganisation, light refurbishment and adaption only, as opposed to new build development.
- To that end, agreement is sought to secure the total £29.49m against Hopescourt School's project budget. This enables 22 additional pupils with autism to start school from 1 September 2025 and the school's new permanent facilities to be available for use from Spring 2026.

Executive Summary:

Business Case

1. Refer to Annex 1 Section 1: Strategic Business Case

Consultation:

2. Public consultation was undertaken in line with Section 10 of the Academies Act 2010, for entry into a funding agreement prior to Hopescourt School's approved opening as a new legal entity in September 2024. This public-facing work demonstrated that fair and open local consultation has been undertaken with all stakeholders who could be affected by the new presumption school, and that the Trust, Local Authority and Secretary of State for Education considered all responses received.
3. Public consultation was also carried out for the project in line with statutory Planning Consultations and Judicial Review periods for Hopescourt School's permanent site development and permitted development rights for Hopescourt School's temporary site.

Risk Management and Implications:

4. Refer to Annex 1 Section 4: Commercial Case
5. All building and refurbishment projects delivered under a Self-Delivery Agreement between a Trust and Surrey County Council are required to include risk, issue, and quality registers. Identified risks and planned mitigations are outlined below:

	Risk description	Mitigation action/strategy
a.	Change of scope/ technical approach and impact on project costs.	The project has been through detailed feasibility and has progressed to RIBA (Royal Institute of British Architects) stage 5 boundaries. Capital delivery has rigorous change control procedures in place. Final costs have been determined for the scheme. These include construction costs, professional fees, inflation, client costs, and appropriate contingencies and costs associated with improved sustainability standards, including considerations relating to buildings that are net zero carbon in operation and with additional climate resilience measures.
b.	Current volatile construction industry market conditions	Appropriate contingency provision of 1.5% has been determined to reflect phased programme delivery (as above). The technical approach and scope are defined and risks that may arise during the build have been managed out.
c.	Planning Approval and adherence to statutory determination timescales.	Planning approval has been secured.

6. Capital Programme Panel's endorsement on Tuesday 11 March 2025 provides assurances of consistency with the Council's Corporate Strategy, Capital and Investment Strategy, Asset and Place Strategy, Highways & Transportation Asset Management Plan and Directorate Strategies.

Financial and Value for Money Implications:

7. The Medium-Term Financial Strategy (MTFS) includes the following approved capital budget allocations for SEND:

Programme	2025/26	2026/27	2027/28	2028/29	TOTAL
SEND CAPITAL (£M)	34.25	36.98	25.01	13.62	109.86

8. The recommendation is to approve the use of £0.21m third party funding and £29.28m Surrey County Council capital borrowing to fund the scheme, from the approved SEND capital budget in the MTFS for 2025/26-2028/29. The profile of capital spend, including borrowing costs, are shown in Table 1 with further detail in Annex 1.

Table 1: Capital cost profile and funding for Hopescourt School

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 Scheme cost	0.97	1.81	7.84	18.11	0.76	-	29.49
Funded by:							
Third Party	-	-	-	(0.21)	-	-	(0.21)
Government Grant	-	-	-	-	-	-	-
Revenue Funding	-	-	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-	-
SCC Funding Required	(0.97)	(1.81)	(7.84)	(17.90)	(0.76)	-	(29.28)
Total Funding	(0.97)	(1.81)	(7.84)	(18.11)	(0.76)	-	(29.49)

9. The profile of the annual revenue impacts, including Dedicated Schools Grant (DSG) cost containment and efficiencies are set out in Table 2 with further detail in Annex 1.

Table 2: Revenue Impact of Hopescourt School – High Needs Dedicated Schools Grant cost containment is higher than borrowing costs

Income and expenditure	2022/23 £'m	2023/24 £'m	2024/25 £'m	2025/26 £'m	2026/27 £'m	2027/28 £'m	Total £'m
Income	-	-	-	-	-	-	-
High Needs DSG Cost Containment	-	-	(1.54)	(2.75)	(3.81)	(5.01)	(13.11)
Gross savings/income (input positive)	-	-	(1.54)	(2.75)	(3.81)	(5.01)	(13.11)
Revenue Cost							
Revenue costs	-	-	-	-	-	-	-
Net costs / (efficiencies) before borrowing)	-	-	(1.54)	(2.75)	(3.81)	(5.01)	(13.11)
Borrowing Costs	0.05	0.13	0.47	1.21	1.42	1.67	4.94
Net Cost / (efficiency)	0.05	0.13	(1.07)	(1.54)	(2.39)	(3.34)	(8.17)

10. Equivalent annual independent school sector costs for 200 additional places would equate to c£10.6m per year every year, which is based on an average unit

cost of £53k per student per annum for independent sector provision. This is compared to the average cost for maintained specialist places at £23k per student per annum and equivalent costs for 200 places of c£4.6m per year every year. Provision of the state-maintained specialist school places would generate an approximate saving from 2024/25 of £30k per pupil place per year. This is initially from additional places at the temporary site and full capacity cost containment is expected from 2030/31. The table above shows that the cost containment is significantly higher than the cost of borrowing.

11. Placement costs differ according to individual students' specific additional needs and disabilities. The figures for independent and state-maintained specialist provision represents an overall average, which we believe continues to be a fair reflection of the cost containment to be achieved per student place per year through increasing state-maintained specialist provision in Surrey.
12. The project's investment indicates a payback period of around five years, whilst the cost containment and ongoing cost avoidance against Surrey's Safety Valve agreement targets is still higher than the annual cost of borrowing to fund the capital investment.
13. The future of the DSG High Needs Block achieving the planned Safety Valve trajectory is a significant factor in the Council's medium term financial position. Increasing local state-maintained specialist provision and reducing reliance on the NMI sector is the single biggest contributor to returning the DSG High Needs Block to financial sustainability.
14. Capital Programme Panel's endorsement of the financial business case for Hopescourt School ensures the Cabinet Member that the capital project and Surrey County Council's investment has been assessed for both financial and service risk, the timescales for delivery are realistic and that all associated capital and revenue implications are fully covered in the current and future years.

Section 151 Officer Commentary:
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15. Surrey County Council, like all local authorities, continues to operate in a very challenging financial environment, with significant budgetary pressures and future funding uncertainty. Despite coming from a position of strong financial resilience, the Council is not immune to the impact of increasing demand and costs of service delivery. The Council has a duty to ensure its expenditure does not exceed the resources available and therefore it is vital that we continue to place significant importance on financial management, the delivery of efficiencies and reducing spending, to protect service delivery and achieve a balanced budget position each year.
16. In addition to delivering services within a balanced budget, the Council needs to consider the medium-term financial outlook beyond 2025/26. With little clarity on the Council's funding in the medium term, our working assumption is that financial resources will continue to be constrained. This, coupled with the impact of Local Government Reorganisation, places an onus on the Council to continue to consider issues of medium-term financial sustainability as a priority, in order to

ensure the stable provision of services both for the remaining term of Surrey County Council and that of future unitary authorities into the medium term.

17. The recommendation to approve the use of £29.49m of the SEND capital budget represents a £3.2m uplift to the project's budget. The cost containment from creating the additional places is higher than the cost of borrowing to fund the project, with the cost of borrowing included in the MTFS. As such, the recommendation will support the delivery of the cost containment targets aligned with the Council's Safety Valve Agreement.

Legal Implications – Monitoring Officer:

18. This is an updating paper to the Cabinet Member following Surrey County Council Cabinet's previous decision in June 2024 to approve changes to the planned use of the remaining £143.6m SEND capital funding for 2024/25 to 2027/28. Continued investment of £109.86m for 2025/26 to 2028/29 was also reaffirmed by Full Council at Budget Setting in February 2025.
19. There are no specific property transactions to comment on at this stage. In terms of the financial approvals sought at recommendation 1, the Cabinet Member should satisfy themselves that the proposed expenditure represents an appropriate use of the Council's resources in line with the fiduciary duties to local residents in utilising public monies.
20. It is noted that the project involves development, to enable provision of new permanent facilities for Hopescourt School. Under Section 2(1) of the Local Authorities (Land) Act 1963, the Council has extensive development powers and may, for the benefit or improvement of its area, erect, extend, alter or re-erect any building and construct or carry out works on land.

Equalities and Diversity:

21. Surrey's SEND Capital Programme is expected to have a positive impact on Equalities and Diversity, because of increasing the number of Surrey resident pupils who will have their additional needs better met by local provision in their local area.
22. Equalities Impact Assessment has been undertaken in line with Department for Education guidance on establishing a new special free school through the free school presumption route, and approvals leading to Secretary of State for Education agreement to enter into a funding agreement for Hopescourt School with the Trust.

Other Implications:

23. The potential implications for the following council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

Area assessed:	Direct Implications:
Corporate Parenting/ Looked After Children	The programme of capital investment directly supports the Surrey Corporate Parenting Strategy 2023-2025. Increasing the sufficiency of provision in Surrey for children young people who require specialist education provision and/or who are looked after, or care leavers will enable better long-term outcomes, with children closer to home and more connected to local communities and support services. Local capital investment improves value for money through the strengthening of collaboration with local providers, as well as other local authorities to manage the market more effectively.
Safeguarding responsibilities for vulnerable children and adults	The Council has a duty to promote and improve safeguarding in education as well as educational outcomes for all children and young people who are vulnerable or disadvantaged. The creation of additional specialist capacity closer to home supports highly effective joint agency monitoring to safeguard children and vulnerable young people, and reduced demand on care services.
Environmental sustainability	The provision of additional state-maintained specialist provision closer to home will reduce the average journey times for learners. This also supports the development of sustainable and independent travel skills for children and young people with additional learning needs, which is aligned with Preparation for Adulthood outcomes.
Compliance against net-zero emissions target and future climate compatibility/ resilience	Design philosophy that has been adopted to create new or refurbish and extend 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.

What Happens Next:

24. Refer to Annex 1 Section 5: Management Cases

Report Author:

James Painter, Senior Programme Manager, Education and Lifelong Learning

Consulted: Internal

- Cabinet Member for Children, Families and Lifelong Learning, **Clare Curran**
- Cabinet Member for Property and Waste, **Natalie Bramhall**
- Cabinet Member for Finance and Resources, **David Lewis**
- Executive Director Children, Families and Learning, **Rachael Wardell**
- Executive Director Environment, Infrastructure and Growth, **Simon Crowther**
- Director Finance Insights and Performance, **Rachel Wigley**
- Director Education and Learning, **Julia Katherine**

- Director Commissioning for Transformation, **Suzanne Smith**
- Director Land and Property, **Diane Wilding**
- Director Law and Governance, **Asmat Hussain**
- Senior Lawyer Legal Property, **Kara Burnett**
- Acting Principal Solicitor, Contracts, Procurement and Projects, **Greta O'Shea**
- Strategic Finance Business Partner Corporate Finance, **Nicola O'Connor**
- Strategic Capital Accountant, **Joe Stockwell**
- Strategic Finance Business Partner Improvement & PPG, **Louise Lawson**
- Strategic Finance Business Partner CFL, **Kay Goodacre**
- Assistant Director Capital Delivery, **Elaine McKenna**
- Assistant Director Education Access, Quality and Improvement, **Trudy Pyatt**
- Assistant Director Commissioning AN&D and Social Care, **Eamonn Gilbert**

Consulted: External

- In line with Section 10 of the Academies Act 2010, consultation for entry into a funding agreement prior to Hopescourt School's approved opening as a new legal entity in September 2024: Parents, Carers, Staff, Trust/ Governors, local providers, Department for Education, Local Voluntary and Charitable Organisations for children and people with additional needs and disabilities, Parent Carer Forum, District, Borough & County Councillors, Divisional Members, Trusts, Unions and other Local Authorities.
- In line with statutory LPA Planning Consultation for Hopescourt School's permanent site development: Local and Divisional Members, General Public, Neighbours, Key and Statutory consultees. LPA and Local Residents in line with Permitted Development rights for Hopescourt School's temporary site.

Annexes:

Annex 1: SEND Capital Programme: Hopescourt School Capital Programme Panel Outline Business Case

Sources/background papers:

SEND and AP Capital Strategies

[SEND Capital Programme Phase 1 Cabinet Reports 24/09/2019](#)

[SEND Capital Programme Phase 2 Cabinet Report 29/09/2020](#)

[SEND Capital Programme Phase 3 Cabinet Report 26/01/2021](#)

[SEND Capital Programme Phase 4 Cabinet Report 25/01/2022](#)

[SEND Capital Programme 2023 2024 Delivery Tranche Report 28/03/2023](#)

[SEND and AP Capital Programmes Specialist Sufficiency to 2031/32 Report 25 Jun 2024](#)

Cabinet Decisions

[SEND Capital Programme Phase 1 Cabinet Decision 24-Sep-2019](#)

[SEND Capital Programme Phase 2 Cabinet Decision 29-Sep-2020](#)

[SEND Capital Programme Phase 3 Cabinet Decision 26-Jan-2021](#)

[SEND Capital Programme Phase 4 Cabinet Decision 25-Jan-2022](#)

[SEND Capital Programme 2023 2024 Delivery Tranche Cabinet Decision 28-Mar-2023](#)

[SEND and AP Capital Programmes Specialist Sufficiency to 2031/32 Decision 25 Jun 2024](#)

Surrey County Council Safety Valve Agreement (Mar 2022) [Surrey SV agreement \(publishing.service.gov.uk\)](#)

[Surrey Inclusion and Additional Needs Partnership Strategy 2023 to 2026](#)

CQC Ofsted Local Area SEND Inspection outcome [report](#), published on Friday 24 November 2023 and [Local Area SEND Strategic Improvement Plan 2024](#)

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