

OUTLINE BUSINESS CASE (OBC)

3

REPORT		Complete / select		
Report title		SEND Capital Programme: Hopescourt School		
Author(s) (include position)		Emilie Williams-Jones, Programme Manager SEND & AP Capital Programmes (Additional Needs & Disability Transformation)		
Portfolio holder (change/add name if required)		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 (change/add name if required)		Rachael Wardell, Executive Director Children, Families & Learning		
ENDORSED BY / CONSULTED		Complete / select		
Head of Strategy and Planning		Suzanne Smith, Director Commissioning for Transformation (Additional Needs and Disabilities 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	Julia Katherine	Tim Crawshaw	Elaine McKenna Diane Wilding
	Executive Director	Rachael Wardell		Simon Crowther
	Other	AD Education: Trudy Pyatt ADs Inclusion and Additional Needs: Jim Nunns Tracey Sanders Sandra Morrison Steve Tanner Commissioning for Transformation: Eamonn Gilbert	Sian Saadeh	Euan Leslie Colin Galletly Graham Glenn
Consulted Cabinet Member for (insert portfolio title)		Children, Families & Lifelong Learning		Property & Waste Finance & Resources
CPP Member		Diane Wilding: Director, Land & Property (Interim)		
PROJECT OVERVIEW		Complete / select		
Project Manager		Euan Leslie		
Property/Properties affected (include address)		Hopescourt School: Permanent Site (March 2026 onwards) Thamesfield Farm North site Waterside Drive Walton On Thames, Surrey KT22 7TX Hopescourt School: Temporary Site (Sep 2024-March 2026) (Former Hurst Park Primary School site) Hurst Road West Molesey, Surrey KT8 1QW		
Project Activity # (If applicable)		CP1521396		
Key driver		Desired / Statutory / Essential / Health & Safety		
Reason(s) for key driver		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: <ul style="list-style-type: none"> There are sufficient schools for primary, secondary and Post 16 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) The Department for Education expects Local Authorities (LA) to manage their maintained specialist education 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 learners with an EHCP who 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.		

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, in line with Cabinet Decision 25 June 2024
If Yes, is the Delegated Decision Sheet attached as an Annex?	No
Total scheme cost in £m	£29.3m
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: 11 March 2025
	Date: 22 April 2025

¹ Delegated Decisions:

All Delegated Decisions must have a completed Delegated Decision Sheet attached to this OBC.

² Approvals guidance:

- Up to £250k: Strategic Capital Group (i.e. PP) with CPP noted
- £250k - £1m: CPP approval
- Over £1m: Cabinet approval/ Cabinet Member Decision

If the scheme impacts more than two divisions, check with your Finance Business Partner on whether Cabinet approval is required.

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 Programme Panel endorsement of the use of £3.2m of the approved SEND Capital budget of £143.6m for 2024/25 to 2028/29, reaffirmed by Full Council in February 2025. Additional funding is required to uplift the project budget for Hopescourt School by 12%, from the £26.25m approved by Surrey County Council's Cabinet on 25 June 2024 to a total of £29.49m for the final scheme.

Project costs for Hopescourt School are committed under the SEND Capital Programme. Costs have increased because of prolongation, inflationary increases and additional professional fees driven by an eight-month delay to start of site by the Environment Agency holding-up approvals for the scheme. This has also impacted the school's second year of growth, necessitating additional temporary accommodation on the temporary school site to secure pupil places for September 2025 at additional cost.

The confirmed costs for Hopescourt School are above the threshold for Capital Programme Panel (CPP) approval, and as such a Cabinet Member Decision is required. Surrey County Council's Cabinet approved the delegation of authority to allocate resources from the approved SEND capital budget required for individual committed 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.

1.2 Context

On 25 June 2024, Surrey County Council's Cabinet authorised changes to the scope of the Special Educational Needs and Disabilities (SEND) and Alternative Provision (AP) capital programmes which are viable and affordable within the remaining combined £189m approved capital budget allocations for financial years 2024/25 to 2027/28. Overall investment of around £260m increases capacity locally by 74% from 2019/20 when the capital programmes started, to a total of 5,761 places by 2031/32. In addition, existing accommodation in SEND provision and AP Schools equivalent to around 630 places which are no longer fit for purpose to meet children and young people's needs are being redeveloped to enable technically viable expansion between 2019/20 to 2027/28.

So far, we have completed 52 of 81 approved school construction projects, delivering more than 1,440 additional built places and improved quality of provision equivalent to 345 places at a cost of with £110.8m as of year-end 2024/25.

Programme delivery and associated dependent activity has enabled expansion of the state-maintained specialist education estate by 37% since 2019 and increasing the number of specialist places in Surrey available for use from when the programmes started in 2019 to around 4,560 place capacity for academic year 2025/26.

1.3 Project Outline:

Hopescourt School is Surrey County Council's presumption route special free school for children aged 4-19 years in Walton on Thames, approved by the Secretary of State for Education in July 2022. The school became a new legal entity and opened on its temporary site in West Molesey in September 2024, providing accommodation for 77 new specialist school places for Surrey resident autistic children.

Hopescourt School's permanent school building and site, 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's permanent accommodation reaches capacity in 2029.

The impact of Environment Agency hold-ups to approvals for the project's remediation strategy (a condition of planning approval) during the planning process resulted in an eight-month delay to the contractor's start on site. The consequence of this has meant that the school's second year of growth in academic year 2025/26 has been reduced from 52 to 22 additional places because the full cohort cannot be safely accommodated on the temporary site, which is configured for secondary pupils only.

Impact on project costs:

The impact on project costs from previous approvals in January 2024, resulting from further prolongation costs associated with planning delay, additional temporary accommodation requirements at Hopescourt School's temporary site to secure September 2025 place availability, inflationary increases arising from prolongation, and increases to professional fees are set out in Appendix A.

Mitigation:

The £3.2m additional costs are proposed to be off set against a significant reduction in project cost against another committed SEND capital project to create new mainstream SEN Unit provision at an academy, agreed between Surrey County Council and the Trust in February 2025. This is aligned with Southeast Regional Director approvals for a reduction in PAN (Planned Admissions Number) from September 2026 and supports utilisation of existing capacity at the academy requiring reorganisation, light refurbishment and adaption only.

To enable additional plans at Hopescourt School's temporary site and construction at the permanent site to proceed, confirmed costs need to be accepted to ensure project viability. Delivery costs have been benchmarked against industry and sector indicators by appointed consultants to ensure value for money is being obtained as far as possible. The project's scope must 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 school, with cost effective designs and materials selected to ensure efficiency of investment.

Approval is therefore sought to secure the total of £29.49m against the project through approved SCC borrowing and third-party funding to enable the project activity to be completed and handed over in Summer 2025 and March 2026. This enables 22 additional autistic pupils to start school from 1 September 2025 at the temporary site and the permanent accommodation for 200 pupils to be available for use by the school from Spring 2026.

Motivation:

The Hopescourt School project will create 200 additional places, directly supporting the delivery of the target 2,404 permanent additional built places in Surrey between 2019/20-2027/28. This is to create specialist education estate capacity of c5,761 places by 2031/32, and achievement of SCC's Safety Valve Agreement cost containment targets with the Department for Education.

Why it is desirable:

Each additional state-maintained specialist place delivered under the SEND Capital Programme realises c£30k cost containment when it is filled. This is based on the difference between the average costs of independent specialist school places at c£53k and equivalent maintained places at c£23k.

Increasing capacity in the maintained specialist education estate is essential to Surrey delivering a sustainable High Needs Block. The project supports realisation of the Council's ambition to further reduce reliance on the independent sector and journey times and costs of transport between home and education. This importantly ensures local pupils with additional needs and disabilities who require specialist provision can have their educational needs met close to home, and within maintained provision wherever possible.

Achievement of cost containment targets aligned with Surrey County Council's Safety Valve Agreement with the Department for Education that results in an in-year balance in the Dedicated Schools Grant High Needs Block 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?	1
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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

Contribution to the Community vision for Surrey in 2030 – select all that apply	Enter “X”
Communities are welcoming and supporting especially of those most in need and people feel able to contribute to community life	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 £29.49m of the total approved SEND Capital budget of £143.6m for 2024/25 to 2028/29 for the Brooklands College scheme. New provision will create permanent accommodation for 200 additional state-maintained specialist places.

1.3. Reason(s) for recommendations

The scheme represents good value for money with a cost per place of £147k, and £6935m per m2 for new build.

Equivalent annual independent sector placement costs for the 200 places would be a minimum of £10.6m per year, compared to £4.6m per year for state-maintained specialist school placements. This includes ongoing and secured educational provision for 99 secondary age autistic pupils on the school's

Investing the additional £3.2m in Hopescourt School's scheme now generates the positive impact on outcomes for pupils with more complex additional needs and disabilities, as well as improving the Council's financial sustainability.

The £3.2m additional costs and proposed mitigations are affordable within the approved budget allocation for SEND capital reaffirmed by Full Council at budget setting in February 2025.

The agreed reduction in scope does not impact the total 2,404 additional places deliverable under the capital programme, approved by Surrey County Council's Cabinet on 25 June 2024.

The necessary legal permissions across all dependent activity are secured and viability is confirmed for Hopescourt School's temporary and permanent sites.

The expansion project is 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 students 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 school places and poorer outcomes for the students 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 schools with suitable permanent accommodation and enable the creation of new permanent specialist places from September 2025. Significant contribution to High Needs Block cost containment targets.</p> <p>CONS: The works will involve some disruption to the school, as is usual with construction projects of this nature, although this can be managed to ensure there is no adverse impact upon pupils' welfare and learning. The Trust has confirmed their full support for the scope of works proposed and the phasing planned for each project.</p>

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"> Option A would result in higher ongoing revenue costs of placements for 200 pupils requiring specialist education placements in the region of £10.6m per annum. 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. The 29.49m spend is part of the £143.6m SEND Capital budget approved by Cabinet for 2024/25-2028/29. Investing in Hopescourt School now generates the positive impact on outcomes for pupils with complex additional needs and disabilities, as well as improving the Council's financial sustainability. Total project costs of £29.49m for Surrey County Council's investment represents good value for money at a cost of around £147k per pupil place. This includes additional temporary accommodation and essential decant for a total 99 pupils on the school's temporary site in West Molesey. Option A would result in increased numbers of pupils who have additional needs and disabilities not receiving their statutory special educational provision or a confirmed specialist place that provides a full-time education, as is their right.

Preferred option and key reason(s) why this option is recommended
<p>7. 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.</p> <p>8. Cost controls are in place via Surrey County Council's appointed cost consultants, AtkinsRéalis.</p>

1.6. Legal implications

Section 13 of the Education Act 1996 places a general duty on the Council to secure that efficient primary, secondary and Post 16 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 providing 4-19 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 provision closer to home will reduce the average journey times and costs for learners with EHCPs. This also supports the development of sustainable independent travel skills, which is aligned with Preparation for Adulthood outcomes. 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 on Hopescourt School's permanent site 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 and partners' 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	£29.49m
Is the scheme grant funded, or partly grant funded?	Partly 3 rd party
Is Surrey CC funding required?	Yes
If Surrey CC funding required, will borrowing cost be self-funded?	No as benefit is cost containment
Are there revenue savings or income associated on completion?	Yes – DSG High Needs cost containment

2.2. Capital cost profile and funding

Capital Expenditure: Project costs are committed against Surrey's SEND Capital budget, reaffirmed by Surrey County Council's Cabinet in June 2024. This details the profiled spend for Hopescourt School that are affordable within the approved MTFS.

Capex and Funding Profile model

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)

Revenue Impact – High Needs Dedicated Schools Grant cost containment is higher than borrowing costs

Income and Expenditure model

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)

The revenue cost containment relating to the financial year the places created are realised from the September.

The cost containment is pro-rated across the remaining financial years and continues into future years as full year cost containment. Borrowing costs are held corporately.

Continued investment within the approved SEND budget allocations of £143.6m for the SEND capital budget realises total cost containment potential to Surrey's Dedicated Schools Grant High Needs Budget (DSG HNB) of up to £13.11m (including prior year's efficiencies already achieved). This is subject to the Commissioning Authority allocating students who would otherwise have been diverted to the independent sector, and once all new provisions are at full capacity. The net efficiencies will be £8.17m.

Contingency and inflation	Complete / select
What level of contingency has been built into the above table? e.g. 10%	1.5%, given the stage of the construction project
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	Bourne Education Trust	N/A
Is the funding secured?	Yes	N/A
If TBC, indicate when funding will be secured, e.g. by end Dec 2023	September 2025	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

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 Safety Valve Capital and Sufficiency strand (Condition 7) Cost Containment Targets.

Revenue Savings / Income	Complete / select
Does the table in 2.2 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 student 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 2.2 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 2.2 include an incremental continuous net cost per year after completion, compared to the current 'as is' situation?	N/A
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

Revenue Costs – Ongoing Post Completion	Complete / select
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

2.3. 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 Hopescourt School's project is £29.28m. This is based on an average of £147k per pupil place for new build at £6935 m2 GIA.</p> <p>The investment Payback period for the scheme is approximately 5 years.</p> <p>The cost per student 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 project is at the higher range of the cost per place benchmarking Cost Consultants have advised on because of the duration of requirements for the school's temporary site and 99 pupils until March 2026.</p> <p>The project is deliverable within the approved SEND Capital budget allocation of £143.6m for 2024/25-2028/29 reaffirmed by Full Council at budget setting in February 2025.</p> <p>However, residual risks remain, as set out in Section 4: Risk Management. Appraisal and utilisation of budget where underspend has been confirmed against individual schemes supports management of known cost pressures with capped budgets per scheme and within overall finite SEND capital programme budget allocations. This continues to be rigorously monitored at programme-level. £7.7m reduction in borrowing through additional HNPCA grant funding and Community Infrastructure Levy award confirmed in August November 2024.</p> <p>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.</p>

3. SOCIO-ECONOMIC CASE

3.1. Social / non-financial benefits of undertaking the scheme

	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 meets the needs of children and young people in the long term, ensuring residents remain connected to their communities. This helps our children to feel included.

	Social / non-financial economic benefits to the Council and local residents
2.	Pupils and their 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 transport distance and costs are reduced so that students attend their closest most appropriate provision with shorter journey times. Opportunities for developing independent travel skills can be maximised because of students 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 project will deliver

	Outcomes
1.	The approved project will ensure that additional maintained specialist education 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 learners aged 4-19 years who have additional needs and disabilities and require specialist provision, providing cost effective solutions to support revenue savings.
3.	Reduced legal challenge through the First Tier SEND Tribunal or Judicial Review because 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 education needs met close to home in a high-quality state-maintained specialist school provision	All additional places allocated in line with planned growth	Sep 2025 onwards	Education/Commissioning	Yes

	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*
2.	Reduce excessive travel time, distance, and costs between home and education provision.	Reduction in SEND Transport distance and budget	Sep 2025 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 2025 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 2025 onwards	Education/Commissioning	Yes

* Description of baseline data needed	
1.	DSG HNB Revenue budget forecasts/ MTFS and SEND Sufficiency Projections (Edge-ucate SEN/ Local In-House Model)
2.	Edge-ucate SEN Transport reports
3.	SCC SEND Transport budget
4.	Volume of NMI placements and DSG HNB Revenue budget forecasts/ MTFS
5.	Creation 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		For projects risks (including inflation) as well as 1.5% contingency provision to reflect phased programme delivery (as above).
2.	Change in Government legislation and prioritisation, cost increase impact on approved budget allocations, Council borrowing and SCC's DfE Safety Valve Agreement – fewer projects and specialist 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.		<p>Overall Programme funding was confirmed by Surrey's Cabinet decision of 25 June 2024 and reaffirmed by Full Council at February 2025 budget setting.</p> <p>Appraisal and utilisation of budget (subject to CPP endorsement and Cabinet Member Cabinet Member Decision) where underspend is confirmed against individual schemes supports management of known cost pressures with capped budgets, and within overall finite SEND capital programme budget allocations. This continues to be rigorously monitored at programme-level and through governance.</p> <p>Additional revenue (£26.5m per annum), additional capital (£25.75 one-off) and extended Safety Valve agreement to 2030/31 to achieve balanced budget and mitigate DfE Central Route Special Free School delays and risk of withdrawal.</p> <p>£7.7m reduction of SCC borrowing confirmed in November 2024. Additional DfE HNPCA grant allocations are due to be announced in Spring 2025. Opportunities to secure additional CIL and S106 funding against the programme continue to be sought through Planning and Place Making.</p>

Cost risks	Complete / select
Are there any costs that could change, and render the proposal unaffordable?	No
If Yes, provide detail	N/A
Have you made any provision for dealing with the financing of any time or cost overruns?	N/A

4.2. Commercial case

Cost risks	Complete / select
Outline the required products/services	99 place accommodation on temporary school site. 200 new places overall on the permanent school site.
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?	N/A
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)	Procured under the Southern Construction Framework under a two-stage design and build contract.
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	Contract Manager, SEND and AP Capital Projects

Resource availability	Complete / select
Is feasibility work required?	No
What are the resources required to build up the proposal?	Project Manager and Technical Consultancy Team appointed by Surrey County Council.
Are these resources available?	Yes
Where will the resources be sourced from?	Internally and externally to SCC
Are Line Managers aware that their staff capacity will be required?	Yes
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
Hopescourt School	4 Oct 2024	31 Mar 2026

Asset life and Componentisation	Complete / select
Estimated asset life.	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

Appendix

Appendix A: Hopescourt School Cost Plans

APPENDIX A: Hopescourt School Cost Plans

Previous Model: January 2024

Item	Cost
Temporary Accommodation (enabling works)	£ 100,000
Main Contract Works	£ 23,383,000
Professional Fees	£ 1,068,976
Other Dev/ Project Costs	£ 750,745
Risk Allowances	£ 945,801
Inflation	£Incl.
TOTAL COST	£ 26,248,522

Project budget uplift of £3.2m required from Cabinet approval on 25/06/24 within approved MTFS SEND Capital Programme: resulting from further prolongation costs associated with eight-month planning delay, additional temporary accommodation requirements, inflationary increases arising from prolongation and increases to professional fees arising from the cost increases.

Final Model: March 2025

Item	Cost
Temporary Accommodation (enabling works)	£ 950,000
Main Contract Works	£ 25,221,905
Professional Fees	£ 1,365,979
Other Dev/ Project Costs	£ 795,745
Risk Allowances	£ 945,801
Inflation	£ Incl.
Additional FFE costs (3 rd Party Funded by Bourne Education Trust)	£212,196
TOTAL COST	£ 29,491,626

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 recommended for inclusion in the Capital Programme	Fully endorsed 11 March 2025

Post Implementation Review

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

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