

## CABINET

The following decisions were taken by the Cabinet on Tuesday, 27 May 2014 and will take effect on Thursday 5 June 2014 unless the call-in procedure has been triggered.  
**CALL-IN DEADLINE: 04/06/14.**

The following represents a summary of the decisions taken by the Cabinet. It is not intended to represent the formal record of the meeting but to facilitate the call-in process. The formal minutes will be published in due course to replace this decision sheet.

County Members wishing to request a call-in on any of these matters, should contact the Senior Manager for Scrutiny or relevant Democratic Services Officer.

The Cabinet at its meeting on Tuesday, 27 May 2014 considered the following matters and resolved:

- **REPORTS FROM SELECT COMMITTEES, TASK GROUPS, LOCAL COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL (Item 5)**

**Council Overview and Scrutiny Committee (COSC) re: Internal Audit – Review of Appraisals 2013/14**

A copy of the COSC recommendation and the Cabinet Member for Business Services' response is attached as Appendix 1 and 2 respectively.

- **YEAR END FINANCIAL BUDGET OUTTURN 2013/14 (Item 6)**

1. That the 2013/14 net revenue budget underspend of £6.9m, as set out in Annex 1, paragraph 1 of the submitted report, be noted.
2. That the final 2013/14 revenue carry forward requests of £5.5m through transfer to the Budget Equalisation Reserve, as set out in Annex 1, paragraphs 2 and 36 of the submitted report, be approved.
3. That the residual revenue underspend of £1.4m be transferred to General Balances, as set out in Annex 1, paragraph 2 of the submitted report, be approved.
4. That the capital budget outturn of £224.1m be noted and the final capital carry forwards of £32.6m, as set out in Annex 1, paragraphs 79 to 82 of the submitted report, be approved.
5. That the reserves movements and year end general balances and reserves, as set out in Annex 1, Appendix, Table App5 of the submitted report, be noted.
6. That the revised revenue 2014/15 budget incorporating the 2013/14 transfers and carry forwards, as set out in Annex 2, paragraph 1 of the submitted report, be noted.
7. That the two 2014/15 revenue virements for SEN Reform Grant distribution and Children Service's contact centre realignment, as set out in Annex 2, paragraph 2 and 4 be approved.
8. That the unpaid £3.3m Genito-Urinary Medicine (GUM) funds be held as a debtor on the Council's Balance Sheet and that the Leader of the Council to write to the Department of Health strongly urging settlement of this debt.

### **Reasons for Decisions**

To review and manage the budget outturn for the 2013/14 financial year in the context of a multi-year approach to financial management. To approve final carry forwards to enable on-going projects to continue.

*[The decisions on this item can be called in by the Council Overview and Scrutiny Committee]*

- **HIGHWAYS ASSET MANAGEMENT POLICY, STRATEGY AND PRIORITISATION POLICY AND CRITERIA (Item 7)**

1. That the Asset Management Policy be approved for publication.
2. That the Asset Management Strategy be approved for publication.
3. That the Prioritisation Policy and Criteria for the development of capital programmes for the five key Highway assets: Roads, Footways, Structures, Safety Barriers and Drainage be approved.
4. That any minor future amendments to the above be approved by the Strategic Director of Environment and Infrastructure in consultation with the Cabinet Member for Highways, Transport and Flooding Recovery.

### **Reasons for Decisions:**

All recommendations were informed through close working of officers with the Environment and Transport Select Committee.

*[The decisions on this item can be called in by the Environment and Transport Select Committee]*

- **HIGH PERFORMANCE LEADERSHIP DEVELOPMENT PROGRAMME (Item 8)**

That contracts be awarded to the preferred bidders of WillisClare Ltd and Penna Plc as agreed on the basis, as set out in the Part 2 annexe.

### **Reasons for Decisions:**

Leaders and managers are going through one of the most difficult phases ever to face the public sector. Surrey has to find £260m savings over the next three years and leaders and managers need to have the resilience to be able to lead and implement unprecedented transformation and still keep services performing well. The previous coaching programme has started to deliver real benefits for residents and the High Performance Development Programme is designed to take performance to another level.

*[The decisions on this item can be called in by the Council Overview and Scrutiny Committee]*

- **GRANT CRITERIA AND FUNDING OPPORTUNITIES GUIDE (Item 9)**

That the Grant Criteria and Funding Opportunities Guide, as amended, be approved.

**Reasons for Decisions:**

To support the adoption of a Grant Criteria and Funding Opportunities Guide, which creates a clear process and ensures that the Council maintains a fit for purpose set of guidance and rules to govern the award of grants.

*[The decisions on this item can be called in by the Council Overview and Scrutiny Committee]*

- **LIME TREE PRIMARY SCHOOL, REDHILL - NEW TWO FORM PRIMARY SCHOOL** (Item 10)

That, subject to the agreement of the detailed financial information for the school as set out in agenda item 19 in Part 2, the business case for the provision of a new two form of entry primary school in Redhill be approved.

**Reasons for Decisions**

The proposal supports the Authority's statutory obligation to provide sufficient school places to meet the needs of the population in the Reigate and Banstead area.

*[The decisions on this item can be called in by either the Council Overview and Scrutiny Committee or the Children and Education Select Committee]*

- **PURCHASE OF 1 AERIAL LADDER AND 1 TURNTABLE LADDER VEHICLES** (Item 11)

That contracts be awarded to the preferred supplier, as agreed, on the basis set out in the Part 2 annex to this agenda.

**Reasons for Decisions:**

A full tender process for the purchase of one Aerial Ladder Vehicle and one Turntable Ladder Vehicle, in compliance with the requirement of EU Procurement Legislation and Procurement Standing Orders has been completed, and the recommendations provide best value for money for the Council following a thorough evaluation process.

*[The decisions on this item can be called in by the Council Overview and Scrutiny Committee]*

- **ESTABLISHMENT OF A PROPERTY COMPANY** (Item 12)

1. That the business case for the creation of a Property Company and associated subsidiary companies be approved, in order to take forward the agreed Investment Strategy.
2. That the governance arrangements for the Property Company, as set out in paragraphs 15 to 21 of the submitted report, including the Articles of Association of the Company be approved.
3. That the provision of initial equity finance, a working capital loan and a loan facility, as described in paragraphs 29 to 36 of the submitted report, be approved.

### **Reasons for Decisions:**

The Council's Investment Strategy will support the council in achieving alternative sources of funding, thereby reducing reliance on government grants and council tax increases in the future. The creation of a property company is required to fully implement the recommendations of the agreed Investment Strategy and to achieve the target income included in the 2014-19 Medium Term Financial Plan (MTFP).

*[The decisions on this item can be called in by the Council Overview and Scrutiny Committee]*

- **LEADER / DEPUTY LEADER / CABINET MEMBER DECISIONS TAKEN SINCE THE LAST CABINET MEETING (Item 14)**

That the decisions taken by Cabinet Members since the last meeting as set out in Annex 1 of the submitted report, be noted.

### **Reasons for Decisions:**

To inform the Cabinet of decisions taken by Cabinet Members under delegated authority.

- **WOKING MAGISTRATES' COURT CONVERSION TO CORONER'S COURT (Item 15)**

1. That the additional capital investment, required to provide fit and proper accommodation for the Coronial Service, as set out in the part 2 annex, be approved.
2. That the award of the contract and commencement of construction works for the fit out of Woking Magistrates' Court, subject to the appropriate procurement procedures, be approved.
3. That a letter be written to the Southern Regional Coroners' Managers' Group, in time for their meeting with the Ministry of Justice in October 2014, with a business case to recoup some of the costs.

### **Reasons for Decisions:**

The proposed refurbishment of Woking Magistrates Court (WMC) will enable Surrey County Council (SCC) and HM Coroner for Surrey to fulfil the statutory responsibilities arising from the implementation of the Coroners and Justice Act 2009. Having a dedicated Coroner Court Complex, provides a professional and reassuring environment to bereaved families, and results in a more efficient and effective Coronial Service, as all the staff will be co-located and work will not be required to be undertaken off site.

The additional investment is required because an opportunity to create a second Jury Court, which could generate an income, has been identified. In addition, the original estimates did not include the full requirement for extensive audio/visual equipment within the courts, or include the costs associated with the necessity to have both SCC and Surrey Police networks within the building.

*[The decisions on this item can be called in by either the Council Overview and Scrutiny Committee or the Communities Select Committee]*

- **LIME TREE PRIMARY SCHOOL, REDHILL - NEW 2 FORM PRIMARY SCHOOL** (Item 19)

1. That the business case for the project to build a new two form of entry primary school, to be called Lime Tree Primary, at a total estimated cost as set out in the submitted report, be approved..
2. That the arrangements by which a variation of up to 10% of the total value may be agreed by the Strategic Director for Business Services in consultation with the Cabinet Member for Schools and Learning and the Leader of the Council be approved.

**Reasons for Decisions:**

The proposal delivers and supports the Authority's statutory obligation to provide sufficient school places to meet the needs of the population in the Redhill area.

*[The decisions on this item can be called in by either the Council Overview and Scrutiny Committee or the Children and Education Select Committee]*

- **SURREY FIRE AND RESCUE SERVICE: AERIAL LADDER AND TURNTABLE LADDER VEHICLES** (Item 20)

That a fixed price contract be awarded to North Fire for Lot 1: purchase of one Aerial Ladder vehicle at a value, as set out in the submitted report, and also to North Fire for Lot 2: purchase of one Turntable Ladder vehicle at a value, as set out in the submitted report, to commence on 1 July 2014.

**Reasons for Decisions:**

A full tender process, in compliance with the requirement of EU Procurement Legislation and Procurement Standing Orders has been completed, and the recommendations provide the very best value for money for the Council following a thorough evaluation process. North Fire is a premier fire fighting vehicle and equipment supplier to Fire and Rescue Services throughout the UK and Ireland and was formed eight years ago. It is based in Holmfirth, West Yorkshire.

*[The decisions on this item can be called in by either the Council Overview and Scrutiny Committee or the Communities Select Committee]*

- **HIGH PERFORMANCE LEADERSHIP DEVELOPMENT PROGRAMME** (Item 21)

1. That the award of a contract be awarded to WillisClare Ltd and Penna Plc, at a value, as set out in the submitted report, for the provision of the HPDP to commence on 11 June 2014.
2. Based on the anticipated delegate attendance, the spend within each individual contracts to be awarded as set out in the submitted report.

**Reasons for Decisions:**

A full tender process, in compliance with the requirement of EU Procurement Legislation and Procurement Standing Orders has been completed, and the

recommendations provide best value for money for the Council following a thorough evaluation process.

*[The decisions on this item can be called in by the Council Overview and Scrutiny Committee]*

- **WOKING MAGISTRATES COURT CONVERSION TO CORONER'S COURT**

(Item 22)

4. That the additional capital investment, as detailed in the part 2 report, to provide fit and proper accommodation for the Coronial Service, be approved.
5. The award of the contract and commencement of construction works for the fit out of Woking Magistrates' Court, subject to the appropriate procurement procedures, be approved.

**Reason for Decisions:**

The additional investment is required because an opportunity to create a second Jury Court, which could generate an income, has been identified. In addition, the original estimates did not include the full requirement for extensive audio/visual equipment within the courts, or include the costs associated with the necessity to have both SCC and Surrey Police networks within the building.

*[The decisions on this item can be called in by either the Council Overview and Scrutiny Committee or the Communities Select Committee]*

**COUNCIL OVERVIEW & SCRUTINY COMMITTEE**

**Item under consideration: INTERNAL AUDIT: REVIEW OF APPRAISALS  
2013/2014**

**Date Considered: 30 April 2014**

- 1 At its meeting on 30 April 2014 the Council Overview & Scrutiny Committee considered a report on appraisal completion reporting for 2013/14, following publication of an Internal Audit Report which identified the need for 'significant improvement' in the monitoring of appraisal completion and made four high priority recommendations. It was noted that the reporting errors in 2013/14 had been as a result of problems with the manual counting process used, but this had now been replaced with an electronic system for managers to use to record the completion of appraisals.
- 2 The Committee was disappointed with the findings of the audit, as it had previously been given assurances that there was a robust process in place to ensure the effective monitoring of appraisals. The Committee accepted that that the new SAP process would mean that accurate figures for completed appraisals would be generated for the current and future years, but remained concerned about the different rates of appraisal undertaken in different services and the possibility for variation in the quality of appraisal discussions.
- 3 In relation to its concerns about the quality of the appraisal discussions, the Committee noted that managers were supported through a comprehensive package of training and development and that the emphasis was on the quality of the conversation rather than following a rigid process. The creation of digital appraisal records, which would allow easier monitoring of the quality of discussions, had not been pursued as it would require a significant IT resource, but the Committee recommended that further consideration should be given to how a digital solution might support the appraisal process in terms of both quality and completion rates.
- 4 The Committee agreed that individual Select Committees should look into those services within their remit which reported low appraisal completion rates, identifying any impacts this might have on staff retention.
- 5 The Committee agreed the following **recommendation**:
  - (a) That the Cabinet note that the Council Overview & Scrutiny Committee's significant concern about the present level of appraisal completion, as highlighted in the internal audit report, and that the Cabinet and Corporate Leadership Team work to ensure that managers are achieving 100% completion of appraisals for eligible staff by May 2015.
- 6 The Committee was concerned to note that overall the auditor had achieved a success rate of less than 10% in telephone calls to line-managers as part of the investigation, with a significant number of telephone messages not returned. The Committee has therefore recommended that the Chief Executive and Corporate Leadership Team reiterate to staff the importance of the work of the Internal Audit Team, and ensure that all requests for information are responded to in a timely fashion.

**Nick Skellett, Chairman of Council Overview and Scrutiny Committee**

**CABINET RESPONSE TO COUNCIL OVERVIEW AND SCRUTINY COMMITTEE**

**INTERNAL AUDIT: REVIEW OF APPRAISALS  
(considered by COSC on 30 April 2014)**

**SCRUTINY COMMITTEE RECOMMENDATION:**

That the Cabinet note that the Council Overview & Scrutiny Committee's significant concern about the present level of appraisal completion, as highlighted in the internal audit and that the Cabinet and Corporate Leadership Team work to ensure that management is achieving 100% completion of appraisals for eligible staff by May 2015.

**RESPONSE**

1. The Chief Executive shares the concern of the COSC about the present level of appraisal completion. Strategic Directors have committed to bringing about a significant improvement in appraisal completion. Completion rates are being monitored more closely using the new Reporting and Recording System. A report will be presented to the end of Quarter 2 to track progress at this mid-way point in the year.
2. The Chief Executive and the Corporate Leadership Team recognise the importance of the work of the Internal Audit Team and the Chief Internal Auditor has provided assurance that in most cases there is no undue delay in obtaining information from auditees. The Chief Executive meets regularly with the Chief Internal Auditor and this matter will be kept under close review.
3. The Head of H.R and OD, Head of IMT and Head of Shared Services to look into the feasibility of enhancing the digital solution and report back to a future committee.

**Denise Le Gal  
Cabinet Member for Business Services  
27 May 2014**



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