

Notice of Meeting

Corporate Overview Select Committee – Supplementary agenda (item 5)



Date & time	Place	Contact	Chief Executive
Friday, 25 January 2019 at 10.00 am	Ashcombe Suite, County Hall, Kingston upon Thames, Surrey KT1 2DN	Ross Pike or Joss Butler Room 122, County Hall Tel 020 8541 7368 or 020 8541 9702	Joanna Killian

ross.pike@surreycc.gov.uk or
joss.butler@surreycc.gov.uk

If you would like a copy of this agenda or the attached papers in another format, eg large print or braille, or another language please either call 020 8541 9122, write to Democratic Services, Room 122, County Hall, Penrhyn Road, Kingston upon Thames, Surrey KT1 2DN, Minicom 020 8541 8914, fax 020 8541 9009, or email ross.pike@surreycc.gov.uk or joss.butler@surreycc.gov.uk.

This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Ross Pike or Joss Butler on 020 8541 7368 or 020 8541 9702.

Elected Members

Mr Ken Gulati (Chairman), Ms Ayesha Azad, Mr Mark Brett-Warburton, Mr Tim Evans, Mr Tim Hall, Mr David Harmer, Mr Nick Harrison (Vice-Chairman), Mr Keith Witham, Mr Chris Botten and Mr Richard Walsh

TERMS OF REFERENCE

The Committee is responsible for the following areas:

Co-ordinates the Council's policy development and scrutiny work by agreeing work programmes for Select Committees, ensuring that reviews are focused on the Council's priorities and value for money, that reviews are cross-cutting where appropriate, and that work is not duplicated.

Performance, finance and risk monitoring for all Council services.

Policy development and scrutiny for Cross-cutting/whole-Council issues including:

- Council's budget and Financial Management
- Change Management Programme (including development and implementation of the Digital Strategy)
- Corporate Performance Management
- Orbis Partnership Functions (HR&OD, IT, Business Ops, Property, Procurement)
- Orbis Public Law
- Equalities and Diversity
- Internal/External Communications
- Legal and Democratic Services
- Coroner
- Customer Services

AGENDA

5 REVENUE & CAPITAL BUDGET 2019/20 TO 2023/24

(Pages 5
- 322)

The Select Committee are asked to review the following Cabinet papers in advance of the Cabinet meeting on 29 January 2019:

A) Transformation and service modification proposals in the following service areas:

- Family Resilience: Children's Centres
- Special Educational Needs and Disabilities
- Libraries and Cultural Services
- Community Recycling Centres
- Concessionary bus travel

B) The revenue and capital budgets for 2019/20 to 2023/24 and the level of council tax precept for 2019/20.

Joanna Killian
Chief Executive

Published: Monday, 21 January 2019

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SURREY COUNTY COUNCIL

DATE: 29 JANUARY 2019



REPORT OF: MR TIM OLIVER, LEADER OF THE COUNCIL

LEAD OFFICER: JOANNA KILLIAN, CHIEF EXECUTIVE

SUBJECT: PART A) TRANSFORMATION PROPOSALS – DELIVERING BETTER SERVICES FOR RESIDENTS

SUMMARY OF ISSUE

Delivering better services for residents

1. The council has embarked upon an organisation wide programme of change and improvement to address a number of performance, financial and cultural shortcomings in order that we can help secure the very best outcomes for the people of Surrey. Along with many other councils, we face a significant financial challenge and are working to ensure that every pound we spend is aimed at delivering the priorities for Surrey, which are set out in the [Community Vision for Surrey in 2030](#) (the Vision). The Vision describes the kind of place we all want Surrey to be:

- A uniquely special place where everyone has a great start to life, people live healthy and fulfilling lives, are enabled to achieve their full potential and contribute to their community, and no one is left behind.
- [The] economy to be strong, vibrant and successful and Surrey to be a great place to live, work and learn. A place that capitalises on its location and natural assets, and where communities feel supported and people are able to support each other.

2. It includes ten outcome-focused ambition statements:

The ambitions for people are:

- Children and young people are safe and feel safe and confident
- Everyone benefits from education, skills and employment opportunities that help them succeed in life
- Everyone lives healthy, active and fulfilling lives, and makes good choices about their wellbeing
- Everyone gets the health and social care support and information they need at the right time and place
- Communities are welcoming and supportive, especially of those most in need, and people feel able to contribute to community life.

The ambitions for place are:

- Residents live in clean, safe and green communities, where people and organisations embrace their environmental responsibilities

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- Journeys across the county are easier, more predictable and safer
 - Everyone has a place they can call home, with appropriate housing for all
 - Businesses in Surrey thrive
 - Well connected communities, with effective infrastructure, that grow sustainably.
3. On 13 November 2018, Council [endorsed a suite of documents](#) which set out a clear strategic and financial direction of travel for the council in response to the Vision¹. Delivering these and responding to the challenges we're facing means changing what we do, the way we do things and how we spend the money entrusted to us. We have consulted and are listening carefully to what people are saying. We are taking views into account as we plan the changes, improvements and re-focusing of our resources that is needed.
 4. People have said that the council should preserve services that help vulnerable adults and children, even if that means making reductions in spending elsewhere (MEL Research Report - Future of services: results from resident survey, January 2019). Doing so will mean we are less able to provide or support universal services – those available to all - as we focus on providing for those whose need is greatest and/or are least able to look after themselves. We believe this approach should help us to contribute the most we can to the Vision aspiration of Surrey being 'a uniquely special place where everyone has a great start to life, people live healthy and fulfilling lives, are enabled to achieve their full potential and contribute to their community, and no one is left behind.
 5. We understand that close partnership working between the council, district and borough councils, public sector organisations, the voluntary, community and faith (VCF) sector and businesses holds the key to delivering on the shared ambitions set out in the Vision. Organisations have told us that partnership is the essential way of working to secure better outcomes, and with this in mind we are reaching out to partners to work with us on our transformation journey.
 6. However, organisations cannot deliver the Vision alone, we will need the support and involvement of residents. We want to design services so that the right people, including residents, come together to first understand the issues and then work together to decide what we can do collectively to improve outcomes.
 7. On 13 November 2018, as part of the suite of new strategic and financial documents, Council agreed a [transformation programme](#). Seven thematic areas were identified to achieve the required transformation:
 - Service transformation
 - Partnerships and integration
 - New ways of working
 - Commissioning and procurement
 - Investment and income
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¹ (1)The Organisation Strategy 2019-2023, (2) 'Our People' 2021 – Workforce Strategy, (3) Preliminary Financial Strategy 2019 – 2024, (4) Transformation Programme (Full Business Case)

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- Technology and digital innovation
8. Communications, engagement, management behaviour and culture were also identified as cross-cutting elements which sit around the thematic areas. Within each theme projects were identified (these are set out in more detail by following the hyperlink in paragraph 7).
 9. This report focuses on five initial areas that fall under the service transformation theme. The council is seeking to reform these areas in order to be able to deliver improved outcomes for residents with a focus on the most vulnerable and ensure we are doing the very best we can for residents within a sustainable budget. The report sets out proposals for the future in the following areas, taking account of public consultation and engagement and Equality Impact Assessments (EIAs):
 - Children's Centres
 - Special educational needs and disability (SEND)
 - Libraries and culture
 - Community Recycling Centres (CRCs)
 - Concessionary bus travel.
 10. Cabinet are asked to consider these proposals now so that plans can be implemented in the 2019/20 financial year. As the council's transformation programme progresses, reports on other thematic areas or projects, with accompanying public consultation and EIAs, will be brought to Cabinet as required.

How this report is structured

11. This report is one part (Part A) of a two part report being considered by Cabinet under the item Revenue and Capital Budget 2019/20 to 2023/24. The remainder of this report sets out each of the five service areas subject to public consultation in turn, covering the following:
 - Transformation proposals
 - Recommendations
 - Reasons for recommendations
 - Consultation and engagement
 - Risk management and implications
 - Financial and value for money implications
 - Legal implications
 - Equality Implications
12. These are followed by a number of sections that relate to the whole report:
 - Statement of the Executive Director for Finance (S151 officer)
 - Legal implications – Monitoring officer
 - Equality implications
 - What happens next

Consultation and engagement informing this report

13. Before we started our public consultations on the five service areas, we carried out a range of engagement activity to inform the council's strategic and financial direction, and the transformation programme.
14. An extensive engagement exercise with residents and partners took place over the summer of 2018 to inform the Vision. We reached out to a wide range of people and communities, including groups such as homeless people and those who identify as lesbian, gay, bisexual or transgender (LGBT). People joined in the conversation on social media and submitted written comments. In total, 3,125 people provided their views, including responses from online surveys, paper surveys completed in libraries or using an easyread format, video interviews and engagement sessions for partners, voluntary, community and faith (VCF) groups and charities, elected representatives and other stakeholders. Everyone's views were captured and summarised in a report Our Surrey - feedback on the Vision for Surrey in 2030.
15. We held two participatory budgeting workshops with 98 residents on 26 and 29 October 2018 to gain initial insight into where they would invest the council's budget and manage difficult competing demands within constrained resources.
16. A meeting of the Surrey Equality Group (which includes representatives from a range of VCF organisations in Surrey, chaired by Councillor Denise Turner-Stewart, Cabinet Member for Community Safety, Fire and Resilience) took place on 24 October 2018 to talk to them about the council's budget challenges and consultation activity.
17. Members were involved and updated on the Vision engagement activity through a briefing for all Members on 15 October 2018 and the Corporate Overview Select Committee on 25 October 2018.
18. The council has undertaken further extensive consultation and engagement with a range of stakeholders including residents, partners and staff on the re-design of the five service areas outlined in this report that support delivery of improvements and savings in 2019/20 including:
 - Public consultations on proposals for five different service areas run simultaneously under the Have Your Say campaign. This ran from 30 October 2018 to 4 January 2019, and over 28,000 responses across all the consultations were received from stakeholders. The response rates were:
 - Children's centres (3,814 responses)
 - Community recycling centres (12,132 responses)
 - Concessionary bus travel (3,082 responses)
 - Libraries and culture (7,901 responses)
 - Special educational needs and disabilities (SEND) (1,133 responses).
 - Stakeholders had the option to complete an online survey on the council's website, hard copies or alternative formats, such as easyread. There were also 15 consultation drop-in sessions attended by 150 residents to assist them to complete the consultations they wanted to respond to.

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- Letters were received from a range of stakeholders making formal representations to the council on these consultations. Responses were received from organisations including district and borough councils (Mole Valley, Runnymede, Surrey Health, Tandridge, Waverley and Woking), VCFS organisations such as Sight for Surrey and Surrey Coalition for Disabled People, and partnerships, such as Spelthorne Health and Wellbeing Group. Written correspondence was also received from two Surrey MPs.
 - A survey on council spending priorities with a statistically representative sample of 1,100 Surrey residents (carried out by research company MEL).
 - Face-to-face discussions with a range of stakeholder groups including district and borough members and chief executives.
 - An estimated 5,700 VCFS organisations were invited to share their views electronically on the council's budget and service consultations. Early discussions are being held with the sector to explore ideas such as the role these organisations could have in taking over the running of specific services.

19. Further information about the consultation and engagement activity for each service transformation proposal is included within their respective sections in this report. Full analysis for each public consultation has taken place (listed in the background papers at the end of this report) and have been placed in the Members' and Cabinet Rooms and are available on the council's website.

TRANSFORMATION PROPOSALS – Children's Centres

20. We know that we must improve the way we support and safeguard those children that are most at risk of harm and neglect. It is a major priority for the council and is driven by our desire to see the Vision outcome *Children and young people are safe and feel safe and confident* a reality. To make a real difference we need to change how we work with vulnerable children and their families. Evidence shows that it is parents that need help – for example to address drug, alcohol or mental health issues – to enable them to support their children.
21. At the heart of this is building our Family Resilience programme. It has many components, but a core element is supporting families at a much earlier point, in their homes and communities, preventing problems escalating into a crisis that might require a child being taken into care. Our Early Help offer therefore has to improve. We must target our scarce social care resources on those families that most need our help.
22. The report sets out how we propose to make improvements, including extending the age of those children we help, from 0-5 year olds to 0-11 year olds. This means we can reach more vulnerable children and their parents. Our most vulnerable families don't always use our Children's Centres so we will also take our services to them – working with them, in their homes.
23. We are also proposing a number of new model Family Centres around the county to provide a base from which staff will go out into homes and
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communities, as well as provide a core offer (21 centres to be larger and dedicated to family services' use and nine to be smaller and accommodate other services and uses).

24. We know that many councils with good or outstanding Ofsted rated children's services have already made these changes, including reducing children's centres, so should Cabinet agree the proposals in this report, we are confident that in time we will be offering a much better service for those that need it most.

RECOMMENDATIONS - Children's Centres

25. It is recommended the Cabinet, having regard to the results of the public engagement and consultation activity in **Annex 1** and the Equality Impact Assessment in **Annex 1a**:

Recommendation 1

Endorse the remodelling of the remaining Children's Centres to create Family Centres as part of a wider Family Service to support families with children aged 0-11 that are the most vulnerable.

Recommendation 2

Agree to the reduction in number of Children's Centres in Surrey from 58 centres to 21 centres and satellite sites, to be located in areas where children are most likely to experience poor outcomes. At least one main centre in each district and borough supported by the use of satellites, outreach workers and community venues.

Recommendation 3

Agree to reduce the number of mobile Family Centres in Surrey from two to one in order to reach areas where there are small numbers of vulnerable children and families.

REASONS FOR RECOMMENDATIONS – Children's Centres

26. Moving to a new model of Family Centre services will help develop a more effective way of supporting families that need help earlier to improve their outcomes. By reorganising Children's Centres into more targeted models of provision, we believe this will support more children and young people to avoid becoming subject to child protection or public care.
27. The Family Centre model will enable us to help more families and children to become more resilient who would otherwise be more likely to experience poor outcomes without support.
28. Retention of a mobile Family Centre means we can maintain outreach support to children and families across the county who may struggle to access a main centre or community venue.
29. By prioritising the location of Family Centres in areas of high deprivation, or where children are likely to be living in households that have low incomes or unemployment, this will enable us to prioritise resources for children who need services most. Deprived areas have been identified using the 2015 Income Deprivation Affecting Children Index, which shows the proportion of children

under the age of 16 living in low-income households in different neighbourhoods.

30. Recognising that some needs cross the boundaries of deprivation, such as domestic abuse and parental mental health, funding allocations are also being based on the total population of children within communities.
31. The composition of the families the Centres support have children across a range of different ages, which fall outside the current service offer for 0-5 year olds. Centres are already supporting families with children who fall outside of this age bracket. We therefore propose to expand the age range of children supported to 0-11 years as part of the service offer going forward.

CONSULTATION AND ENGAGEMENT – Children’s Centres

32. The Children’s Centres consultation focused on the role they will play in the new Family Resilience delivery model. Proposals consulted on were:
- Reducing the number of Children’s Centres in Surrey from 58 centres to 21 main centres and satellite sites (satellite sites being centres offering fewer services, and acting as meeting places for families and their support workers)
 - Children’s Centres to expand services offered from families with children aged 0-5 to families with children aged 0-11
 - Focus Children’s Centre resource on the most vulnerable children and families, primarily by locating main centres close to areas where outcomes are more adversely affected by levels of deprivation, while finding alternative solutions to maintain support from universal services, such as midwifery support. Deprivation is calculated based on the 2015 Income Deprivation Affecting Children Index, which shows the proportion of children under the age of 16 living in low income households in different neighbourhoods. Low income households are defined as:
 - Children in Income Support households
 - Children in Income Based Job Seekers Allowance households
 - Children in Working Families Tax Credit households whose equivalised income (excluding housing benefits) is below 60% of median before housing costs
 - Children in Disabled Person’s Tax Credit households whose equivalised income (excluding housing benefits) is below 60% of median before housing costs
 - National Asylum Support Service (NASS) supported asylum seekers in England in receipt of subsistence only and accommodation support.
 - Withdrawal of two mobile Children’s Centres from service.
33. The key points from the consultation feedback were:
- There was overwhelming support for the principle of investing more in services that help families earlier

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- The majority of respondents thought reductions in other council services ought to be prioritised over Children's Centres
 - Respondents wanted to retain the current method of allocating funding to Children's Centres, and the majority agreed there should be a fixed charge for certain activities where people had the ability to pay
 - Only a small minority of respondents agreed with the proposal to remove the mobile Children's Centres from service
 - There was strong support for more people to volunteer to run activities and help in Children's Centres, with most respondents agreeing they could support local communities to play a role in volunteering to help children and families.

34. Qualitative feedback picked up on matters such as:

- The value of Children's Centres in supporting all new parents through the first years of parenting, regardless of their income
- A feeling that removal of some centres meant "taking part of the community away" and leaving some areas struggling to cope
- Closing centres could undermine the principle of early intervention; vulnerable families in semi-rural areas with poor public transport links could be further isolated without the local centre
- Closing centres would exacerbate oversubscribed basic services at the remaining centres.

35. There were also suggestions for mitigating negative impact of closures, such as:

- Increasing outreach and mobile services to isolated families
- Charging those who can afford to pay for services
- Encouraging more volunteering
- Pooling resources from different sectors e.g. health and council services
- Making better use of other services and buildings
- Supplying more information about other services
- Keeping more centres open, but reducing opening hours.

36. To take full account of the feedback from the consultation, Cabinet must read the detail presented in **Annex 1**. In addition, an EIA, which takes this feedback into account, must also be read and is contained within **Annex 1a**.

37. Having taken into account the consultation feedback and equality analysis, it is proposed main Family Centres are located in the following places where children and families are most likely to experience poor outcomes:

- Caterham Sure Start Children's Centre
- Clarendon School and Sure Start Children's Centre
- Dorking Nursery School Sure Start Children's Centre (North Holmwood Goodwyns Road site)
- Epsom Downs Sure Start Children's Centre
- Epsom Primary Sure Start Children's Centre
- Guildford Nursery School and Sure Start Children's Centre
- Hale Sure Start Children's Centre
- Horley - Proposed offer within Horley Youth Centre
- Loseley Fields Sure Start Children's Centre

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- Orchard Sure Start Children's Centre
 - Pine Ridge Sure Start Children's Centre
 - Riverview Sure Start Children's Centre
 - Stanwell Sure Start Children's Centre
 - Sythwood Sure Start Children's Centre
 - The Haven Sure Start Children's Centre
 - The Red Oak Merstham
 - The Spinney Sure Start Children's Centre
 - Three Rivers Sure Start Children's Centre
 - Walton Sure Start Children's Centre
 - Welcare in East Surrey Sure Start Children's Centre
 - Woking Sure Start Children's Centre

38. We also propose that the following Centres cease to provide Children's Centre services and are repurposed for alternative (non-County Council) provision:

- Bagshot Sure Start Children's Centre
- Boxgrove Sure Start Children's Centre
- Brookwood Sure Start Children's Centre
- Burhill Sure Start Children's Centre
- Chobham and West End Sure Start Children's Centre
- Christopher Robin Sure Start Children's Centre
- Claygate and Oxshott Sure Start Children's Centre
- Dovers Green Sure Start Children's Centre
- Elstead and Villages Sure Start Children's Centre
- Hamsey Green Sure Start Children's Centre
- Horley Community Sure Start Children's Centre
- Horsell Sure Start Children's Centre
- Hurst Green and Holland Sure Start Children's Centre
- Kenyngton Manor Sure Start Children's Centre
- Leatherhead Trinity School and Children's Centre
- Meadow Sure Start Children's Centre
- Mytchett Sure Start Children's Centre
- Pyrford and Byfleet Sure Start Children's Centre
- Sayers Court Sure Start Children's Centre
- Spelthorne Sure Start Children's Centre
- St Johns Sure Start Children's Centre
- St Martin's Sure Start Children's Centre
- St Pauls C of E Infant School & Sure Start Children's Centre
- St Piers Sure Start Children's Centre
- Steppingstones Sure Start Children's Centre
- Tennyson's Sure Start Children's Centre
- The Dittons Children's Centre
- The Poplars Sure Start Children's Centre
- The Windmill Sure Start Children's Centre
- Weybridge Children's Centre
- YMCA Sure Start Children's Centre in Banstead.

39. We can see that effective use of a mobile unit could help families in need of support in community settings. We will therefore retain the use of one mobile Family Centre.

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40. Many of the activities taking place in Children's Centres are not delivered by Children's Centre staff. The existing Children's Centres already use volunteers to support the work they do. Voluntary sector, private organisations and partner agencies also regularly use the centres to support families. We expect this to continue in the new model and centres will work in partnership to make best use of Children's Centre buildings and community venues.
 41. The consultation proposed locating a satellite centre at the Addlestone Youth Centre. Whilst we are still proposing to have a satellite centre in Addlestone, we are re-looking at where the centre is best located and are in discussions with the existing provider of Sayers Court Children's Centre.
 42. The consultation set out our intention to rename our Children's Centres to reflect the new model. They will be re-named 'Family Centres' in line with supportive feedback from the consultation.
 43. Stakeholders have made suggestions to either keep Children's Centres open as they are now or with reduced hours. If these suggestions were followed, this would increase how much we would spend on buildings and leadership rather than supporting vulnerable families and have therefore not been carried forward.

RISK MANAGEMENT AND IMPLICATIONS – Children's Centres

44. If we continue to deliver Children's Centres as we do now, we will not be as effective as we can be in meeting the needs of the most vulnerable children in the county.
45. The new Family Centre model will focus resources on families who need it the most, therefore the amount of universal support currently delivered by Children's Centres will be reduced.
46. A detailed implementation plan will be set out with key milestones and resources required to minimise the impact on families currently being supported by Children's Centres during the transition to the new Family Centre model.
47. In addition, expanding the age range of children that Children's Centres will support from 0-5 to 0-11, while simultaneously reducing the budget and number of them, means there is a risk there will be fewer services available for children aged 0-5. This will be balanced out by the offer of more targeted support for some of the most vulnerable families with children aged 0-11.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS – Children's Centres

48. In the event that Cabinet make the decisions recommended to them, the overall financial implications for the council's budget are as follows.
49. The council's Final Financial Strategy (**Annex 6**) confirms the new model for Family Centres will achieve a £1 million saving in 2019/20 with a full year saving of £3.4 million anticipated from April 2020. The model is expected to be introduced between April and September 2019.

LEGAL IMPLICATIONS – Children’s Centres

50. The Childcare Act 2006 defines a children’s centre as a place or a group of places:
- Which is managed by or on behalf of, or under arrangements with, the local authority with a view to securing that the early childhood services in the local authority’s area are made available in an integrated way;
 - Through which early childhood services are made available (either by providing the services on site, or by providing advice and assistance on gaining access to services elsewhere); and
 - At which activities for young children are provided.
51. Section 5A of the Act places a duty on local authorities to make arrangements so that there are sufficient Children’s Centres, so far as reasonably practicable to meet local need. A Children’s Centre must provide more than one activity at the centre (the legislation cites ‘activities’ in the plural) in order to meet the statutory definition. The legislation does not specify how many or how few activities must be provided.
52. The council has discretion, therefore, in determining how to deliver early childhood services after considering its specific local circumstances. In doing so the council must consider its duty at Section 5A, in relation to Children’s Centres, as one element of a wider duty in Section 3(2) of the Act to make arrangements to secure that early childhood services in its area are provided in an integrated manner calculated to facilitate access and maximise the benefit of those services.
53. In addition the consideration as to how to provide early childhood services is part of the council’s general duty to improve the wellbeing of young children in their area and reduce inequalities (in accordance with section 1 of the Act). Section 1 of the Childcare Act requires the council to
- Improve the wellbeing of young children in the following areas:
 - Physical and mental health and emotional well-being
 - protection from harm and neglect
 - education, training and recreation
 - the contribution made by them to society; and
 - social and economic wellbeing
 - Reduce inequalities between young children in those areas; and
 - make arrangements to secure that early childhood services in their area are provided in an integrated manner which is calculated to:
 - facilitate access to those services and

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- maximise the benefit of those services to parents, prospective parents and young children

54. In considering whether these duties have been met Cabinet will note the proposal to include at least one centre in every district and borough in Surrey alongside the retention of one mobile Children's (Family) Centre to allow for service provision in areas where there are small numbers of vulnerable children and families. This is part of a wider transformation programme as set out in paragraphs 21-24 above. Cabinet will note that the provision of Children's Centres is as much about making appropriate and integrated services available as it is about provision of premises in particular geographic areas. Over and above the general duty to consult (see paragraph 178), Section 5D of the Childcare Act 2006 places a statutory duty on local authorities to consult before making significant changes to Children's Centre provision in their area. Paragraphs 32 – 43 of this report set out the details of the comprehensive consultation that has been carried out.
55. In addition Section 11 of the Children Act 2004 places upon the Council (and its partners) a responsibility to discharge its functions in such a way that it safeguards and promotes the welfare of children. The proposal to reform the way in which we deliver children's social care services through the new model of Family Resilience is proven in other areas to have been successful in protecting and supporting the wellbeing of children.
56. In determining the recommendations to Cabinet, full account has been taken of the consultation responses and the conclusion of the Equality Impact Assessments. Prioritising the location of Family Centres in deprived areas, retaining a mobile Family Centre and expanding the age range for children who can receive a service to 0-11 will enable us to better meet our duties to safeguard and promote the welfare of children in Surrey.
57. Cabinet will need to be satisfied that the proposals put forward meet the local authority duties as set out above.

EQUALITY IMPLICATIONS – Children's Centres

58. The Equality Impact Assessment (EIA) for the Children's Centres proposals (in **Annex 1a**) suggest there are both positive and negative impacts on the children and families that use them, the staff that deliver services and partner organisations that support operations.
59. Expanding the offer of Children's Centres to support families with children aged 0-11 will enable them to have access to targeted activities and services that will better help them progress. Changes to the funding and service delivery models are also expected to benefit children with disabilities, children and families from lower income households and more pregnant mothers and single parents due to greater investment of funding in areas with higher levels of deprivation.
60. In terms of adverse impact, children aged 0-5 and their families are likely to see reductions in provision as the age range of children supported by Children's Centres is expanded to 0-11. Children and families who are considered to have lower levels of need are likely to see services in their area reduced or even stopped. Reductions in the number of Centres could also affect where and when parents can access support for pregnancy or for single

parents, and changes to the times and locations of sessions could affect families who may be less able to balance accessing these with religious commitments.

61. Mitigations include working with partners to find alternative sites to minimise disruption, work with voluntary, community and faith sector organisations with groups who may have greater need of services, such as Gypsy, Romany and Traveller groups in Surrey, and retaining one mobile Children’s Centre to maintain outreach work
62. Negative impacts have also been identified on Children’s Centre staff. As women make up the majority of the workforce, they are more likely to be affected by possible redundancies or resignations. In addition, disabled staff and those with caring responsibilities would be affected should they need to re-locate to work in a new Centre and require alternative transport methods to get to work. These impacts are unable to be mitigated, given restructures will be required as part of the changes to Children’s Centres, and changing locations of Centres form a crucial part of the proposals.
63. In considering the equality implications of these recommendations Cabinet is referred to the specific requirements of the Public Sector Equality Duty set out in paragraphs 181 and 183.
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TRANSFORMATION PROPOSALS – SEND

64. This report outlines how we are working to improve and strengthen education for children and young people with SEND, providing improved support to help them reach their potential and lead independent lives. As the Vision states, we want to see everyone benefit from *education, skills and employment opportunities that help them succeed in life*. We are also very aware that our improvement work is taking place against a backdrop of a change in national policy, rising demand in Surrey and severe cost pressures in the service.
65. The strategic approach we have consulted on will see us investing more into earlier identification of need and support, creating additional specialist places in Surrey and upskilling the workforce to support children and young people with SEND to progress in their education.
66. We proposed five principles to underpin our work, which were broadly supported, and these will assist us to work with our partners and shape our future strategy ensuring our SEND services provide the right support and better outcomes for residents.

RECOMMENDATIONS - SEND

67. It is recommended the Cabinet, having regard to the results of the public engagement and consultation activity in **Annex 2** and the Equality Impact Assessment in **Annex 2a** agree:

Recommendation 4

To note the broad support from consultation respondents for the proposed principles for transformation of SEND services, namely:

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- Children with special educational needs are identified earlier and supported in a timely and effective way in order to improve their outcomes and wellbeing.
 - There is an increased focus on earlier intervention and prevention to offer help and meet needs at the earliest opportunity, reducing the demand on high cost, high need interventions.
 - Children and young people are helped to become resilient and independent so that they can lead independent and fulfilling lives in their own communities.
 - The voices of our children, young people and families are heard so they can shape and inform how we work together to get the best results.
 - Surrey's early years settings, schools, colleges and other providers are able to support children to live and grown up locally and achieve their full potential.

Recommendation 5

To note the broad support from consultation respondents for the areas of transformation for SEND services, namely:

- Early identification and support
- Developing local services and managing the market
- Partnership working
- Improving policy and practice.

Recommendation 6

To note that further engagement and co-design activity will be undertaken with families, health partners, education and other partners to explore the feedback, ideas and concerns shared through the consultation and develop the council's draft SEND strategy into a jointly owned Surrey special educational needs and disabilities strategy and long term action plan.

Recommendation 7

To delegate to the Executive Director for Children, Families, Lifelong Learning and Culture, in consultation with the Cabinet Member for All Age Learning, to approve the final joint strategy and the long-term action plan, once completed subject to paragraph 77 below and further Cabinet decision as necessary.

Recommendation 8

In the event that any of the co-design activity work, strategy identification and/or action plan gives rise to a change in the delivery of services that necessitates consultation and public engagement that will be undertaken alongside consideration to our Public Sector Equality and Section 11 Children Act 2004 duties.

REASONS FOR RECOMMENDATIONS - SEND

68. Agreeing the recommendations for the draft SEND strategy will enable us to carry out further co-design of those services for some of the most vulnerable children and young people in the county so they are able to access the high quality services they need.

CONSULTATION AND ENGAGEMENT - SEND

69. The aim of the SEND consultation was to understand the views of members of the public on the council's draft strategy which aims to strengthen education for children and young people with SEND. It was an opportunity for members of the public to have their say on five proposed principles:

- Children with special educational needs are identified earlier and supported in a timely and effective way in order to improve their outcomes and wellbeing
- There is an increased focus on earlier intervention and prevention to offer help and meet needs at the earliest opportunity, reducing the demand on high cost, high need interventions
- Children and young people are helped to become resilient and independent so that they can lead independent and fulfilling lives in their own communities
- The voices of our children, young people and families are heard so they can shape and inform how we work together to get the best results
- Surrey's early years settings, schools, colleges and other providers are able to support children to live and grown up locally and achieve their full potential.

70. The consultation was also an opportunity for members of the public to have their say about four proposed areas of transformation outlined in the draft SEND strategy:

- Early identification and support
- Developing local services and managing the market
- Partnership working
- Improving policy and practice

71. The key points arising from the consultation were:

- The majority of respondents agreed with what young people and their families have told us about services for children and young people with SEND so far, including:
- The importance of securing earlier intervention and help in schools and colleges for children and young people with SEND, especially those with issues such as emotional health and wellbeing and developing their independence;
- Waiting times to access to services are too long and can make things worse; and
- A lack of knowledge among some providers about their needs, and the desire of families to be involved in design and management of services their children need.

72. This confirms the need for a SEND strategy to improve the experiences of children and young people with SEND and their families.

73. Question 2 in the consultation asked for respondents views on the five principles that the strategy would be based on. Analysis of the qualitative

comments from respondents suggests a majority of respondents broadly agree with the five principles proposed. There was more of a split view in the quantitative feedback, with a slight majority agreeing or strongly agreeing with each of the principles. However, comments from a number of respondents suggest they were unsure whether they were being asked if the principles were currently followed, or if these were principles we would wish to follow in the future. The draft strategy document set out that these were proposed principles. It is clear from the consultation analysis that this perceived lack of clarity from consultees may have impacted their responses. Any future consultation on detailed proposals will be designed to ensure that the matters being consulted on are clear and unambiguous.

74. The majority of respondents strongly agree or tend to agree that the four proposed areas of transformation will better meet the needs of children and young people with SEND and their families and will better support professionals.
75. There is some level of disappointment with current services based on previous experiences. Some respondents showed distrust in the council following through with the plan or wanted more information about what would actually happen so they could influence any change. Respondents also shared ideas and concerns about the practical implications of possible changes to services. To address this, there will be further work completed to co-design services with stakeholders and secure support for plans and activities as they are developed. More detail on these will be published in February 2019.
76. To take full account of the feedback from the consultation, Cabinet must read the detail presented in **Annex 2**.
77. The responses will be used to inform engagement and co-design activities that will take place from February 2019 onwards, to develop a joint SEND strategy and a joint long-term action plan with families and partners.
78. In the event that any of the co-design activity work, strategy identification and/or action plan gives rise to a change in the delivery of services that necessitates consultation and public engagement that will be undertaken alongside consideration to our Public Sector Equality and Section 11 Children Act 2004 duties.

RISK MANAGEMENT AND IMPLICATIONS - SEND

79. There is a risk that the proposed strategy, which is underpinned by four key areas of transformation, might not achieve optimum financial sustainability and service improvements. This risk is being mitigated by having robust programme governance and performance monitoring in place to review the impact of the strategy throughout the course of the programme.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS - SEND

80. The strategy supports achieving financial sustainability within a three year period, whereby services provided are appropriate and within the government funding provided.

LEGAL IMPLICATIONS - SEND

81. At this point the Cabinet is only being asked to note the principles for transformation of SEND services and the areas for transformation. There are currently no proposed changes to service delivery.

EQUALITY IMPLICATIONS – SEND

82. An EIA on the draft strategic proposals consulted on is in **Annex 2a**. As the strategic direction informs any firm proposals for changes to service delivery the equality implications will be assessed and any legal requirements to consult complied with.

TRANSFORMATION PROPOSALS – Libraries and Culture

83. This report sets out how we are reshaping and modernising our libraries service so that it is up-to-date with needs and trends and provides and enables opportunities for everyone to learn, access information, acquire new skills, increase literacy and be involved in their communities. Our aspirations for our libraries and culture services connect to a number of outcomes within the Vision, including *Communities are welcoming and supportive, especially of those most in need, and people feel able to contribute to community life*.
84. People are increasingly recognising that modern technology and people's increasing use of it enables a different and more effective way of accessing information, obtaining books, learning and engaging with the world. We wish to make the best of the emerging and new opportunities this creates in our libraries and cultural services.
85. In line with the broad support expressed in the public consultation feedback we will explore opportunities to provide library services in multi-purpose community hubs, where feasible shared with other agencies and services.
86. The response to the public consultation demonstrated significant support for five guiding principles that will guide our work with partners to prepare more detailed proposals for a libraries and cultural service that best meets the needs of the people of Surrey.
87. Responses to the consultation have provided us with many thoughtful and innovative suggestions that will help inform a future service model for libraries. These are all being considered and further consultation will take place in 2019.

RECOMMENDATIONS – Libraries and culture

88. It is recommended the Cabinet, having regard to the results of the public engagement and consultation activity in **Annex 3** and the Equality Impact Assessment in **Annex 3a** agree:

Recommendation 9

To note refinements, in italics, to the five strategic principles of the proposed Libraries and Cultural Services Strategy, reflecting consultation feedback. These are:

- Libraries and cultural services provide and enable opportunities for everyone to learn, access information, acquire new skills, literacy and be involved in their communities.
- There *will be* a focus on the wellbeing and strengthening of communities, particularly the most vulnerable, to enable them to be resilient, *providing touch points and safe spaces*.
- Libraries and cultural services are most effective and efficient when they work in partnership with the public, voluntary, community and private sectors, including through the creation of shared spaces *creating a model of financial sustainability*.
- New technologies, including digital, enable libraries and cultural services to reach new audiences, and existing audiences in new ways, and offer 24/7 access.
- Volunteers are crucial community advocates and assets in libraries and cultural services, who also gain valuable skills and relationships through the work they do.

Recommendation 10

To note the Executive Director for Children, Families, Lifelong Learning and Culture will prepare detailed proposals with partners, including district and borough councils, for a proposed future model for library and cultural services in Surrey based on the five newly adopted strategic principles.

Recommendation 11

That a second public consultation is carried out setting out the detailed proposals referred to in Recommendation 9 above.

REASONS FOR RECOMMENDATIONS – Libraries and culture

89. Agreeing to these recommendations means the council can proceed to develop a financially sustainable future model of libraries and cultural services in Surrey, subject to consultation and the EIA, that reflects modern expectations, is fit for purpose and provides and enables opportunities for everyone to learn, access information, acquire new skills, increase literacy and be involved in their communities.

CONSULTATION AND ENGAGEMENT – Libraries and culture

90. The libraries and cultural services consultation was based on seeking views and comments on five strategic principles:

- Libraries and cultural services provide and enable opportunities for everyone to learn, access information, acquire new skills, improve literacy and be involved in their communities.
- There is a focus on the wellbeing and strengthening of communities, particularly the most vulnerable, to enable them to be resilient.
- Libraries and cultural services are most effective and efficient when they work in partnership with the public, voluntary, community and private sectors, including through the creation of shared spaces.
- New technologies, including digital, enable libraries and cultural services to reach new audiences, and existing audiences in new ways, and offer 24/7 access.

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- Volunteers are crucial community advocates and assets in Libraries and Cultural services, who also gain valuable skills and relationships through the work they do.

91. Residents and service users were asked whether they agreed or disagreed with the principles and whether they were likely to be affected positively or negatively by each principle. They were also asked for ideas and comments relating to each of the five principles to provide a qualitative response to the consultation.

92. The headlines from the feedback were:

- A majority of respondents agreed with each of the five strategic principles
- Respondents were positive about the relevance and role of libraries and culture in the community
- Respondents liked the idea of co-located services and shared spaces, e.g. cafes and libraries located together
- Libraries and cultural services should have both universal and targeted service offers. Those targeted could include children, older people and vulnerable groups, such as those who are socially isolated
- There were concerns about the future of the libraries network, particularly regarding the number of libraries. They also commented that while it was valuable to have volunteers in place, they were not a substitute for the expertise of paid staff
- While there was support for using new technologies to more effectively deliver services, this should not lose sight of the core offer provided by libraries and cultural services, e.g. access to books.

93. A small number of changes to the five strategic principles, reflecting the consultation feedback, are highlighted in **Recommendation 9**.

94. To take full account of the feedback from the consultation, Cabinet must read the detail presented in **Annex 3**. In addition, an EIA on the proposed changes has been prepared, and must be read (**Annex 3a**).

95. Once noted by Cabinet, detailed proposals for a future model for library and cultural services based on the five strategic principles will be prepared for public consultation.

RISK MANAGEMENT AND IMPLICATIONS - Libraries and culture

96. There are risks that will need to be managed through the programme governance arrangements, which include a need to ensure that the feedback from the consultation is used to inform any detailed proposals that are developed for further consultation with partners, stakeholders, the public and council staff. Also that the findings and actions from the EIA similarly need to be taken forward to inform any detailed proposals that are developed for further consultation.

97. It is clear from consultation analysis and the EIA that children and young people were less engaged in the process. Any future consultation on detailed proposals must be designed to ensure that the views of this demographic are captured.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS - Libraries and culture

98. Part of the desired outcome of the proposed new strategic principles for Libraries and Cultural Services is to reduce the net spend on these services to the Chartered Institute of Public Finance and Accountancy (CIPFA) County Council average within the council's Medium Term Financial Plan.
99. The Final Financial Strategy (**Annex 6**) has been modelled on achieving this over a phased period although it is recognised that detailed plans on how to do this are still to be developed and will be subject to further public consultation. If following the second public consultation the savings proposed are not achievable in full or within the originally proposed timescales, then the council would need to identify alternative savings proposals.

LEGAL IMPLICATIONS - Libraries and culture

100. Local authorities have a statutory duty under the Public Libraries and Museums Act 1964 'to provide a comprehensive and efficient library service for all persons' in the area that want to make use of it (section 7). At present there are no specific proposals for changes to the provision. Any change to the provision of this service will need to be the subject of full consultation and EIA in accordance with the council's duties to do so.
101. At this point the Cabinet is only being asked to note refinements to the strategic principles for transformation of libraries and cultural services. Plans for any changes to service delivery are in the process of being formulated and will be referred back to Cabinet at a future date.

EQUALITY IMPLICATIONS - Libraries and culture

102. The EIA in **Annex 3a** has identified that there are potentially positive impacts for all groups from a potential future service model, based on the five strategic principles, that provides libraries and cultural services through a new digital platform and community/cultural hubs.
103. The most significant negative impact on all groups is potential reductions of libraries and cultural services in stand-alone buildings in a future service model. There may also be impacts on service users who may struggle to get access, or have the skills to use, an enhanced digital platform proposed as part of a future libraries and cultural services offer.
104. Should we proceed with this potential model in the future, to mitigate these we plan to ensure there is geographical spread across the county through enhanced digital services and libraries and cultural services in community settings. We also plan to undertake targeted consultation with those groups who may experience physical barriers to participation such as older people, people with physical mobility challenges and rural communities.
105. It is recognised that if the future service model involved any closures of stand-alone buildings, this could not be fully mitigated by the digital platform and library/cultural services link points that may be developed. However, a future service model could include greater propensity to develop hubs with co-

located services, which we know people with disabilities have indicated they would value from the MEL survey research.

106. In addition, as there were low numbers of responses from children and young people to the consultation when compared to the proportion of them who are users of libraries and cultural services, we plan to carry out further targeted engagement with this group to build a stronger evidence base on the impact the principles may have on them.
107. There may also be potential impacts on staff arising from a future service model. We plan to fully include them in the design of the new service model and will consult formally if this means any changes in staffing structures.
108. In considering the equality implications of the recommendation to note the strategic principles, in particular the digital platform, Cabinet is referred to the specific requirements of the Public Sector Equality duty set out in paragraphs 181 and 183 of this report.

TRANSFORMATION PROPOSALS – Community Recycling Centres

109. The Community Vision for Surrey in 2030 sets out an ambition for residents to live in *clean, safe and green communities, where people and organisations embrace their environmental responsibilities*. Our contribution to this, set out in the Organisation Strategy, includes working with partners and residents to continue to minimise the amount of waste sent to landfill.
110. The amount of material being brought to CRCs by the public has reduced in recent years. Surrey has more CRCs than national guidance suggests necessary.
111. The Bagshot, Cranleigh, Dorking and Warlingham CRCs are the four least used CRCs, and are smaller, older and less well designed and laid out than other CRCs within the network. Closing them and extending the hours of the nearest alternatives (Camberley, Caterham and Leatherhead) will result in much needed cost savings, which in turn will help us better support our most vulnerable residents and those least able to help themselves.
112. We have listened carefully and following the public consultation feedback, rather than closing six CRCs, we are now proposing to close only the four least used sites.
113. Even after their closure, the greater majority of residents will be less than 20 minutes drive away from a CRC in good traffic conditions, and 30 minutes in very rural areas; in line with nationally defined standards.
114. The package of proposals being considered following consultation (including introducing some charges for certain construction-related materials and annual fees for vans dropping materials off) will save over £1 million per year.

RECOMMENDATIONS – Community Recycling Centres

115. It is recommended the Cabinet, having regard to the results of the public engagement and consultation activity in **Annex 4** and the Equality Impact Assessment in **Annex 4a** agree to:

Recommendation 12

Retain the community recycling centres (CRCs) located at Farnham and Lyne (Chertsey), based on the current and projected use of these sites.

Recommendation 13

Extend the opening hours of Camberley, Caterham and Leatherhead CRCs from six days a week to seven days a week from 1 April 2019.

Recommendation 14

Maintain the current prices for materials in the charging waste scheme.

Recommendation 15

Proceed with the permanent closure of the CRCs located at Bagshot, Cranleigh, Dorking and Warlingham from 1 April 2019 or as soon as practically possible after this.

Recommendation 16

Introduce a charge for construction wood and roofing felt from 1 April 2019 or as soon as practically possible after this.

Recommendation 17

Introduce an annual application fee for van, trailer and pick-up permits from Wednesday 1 January 2020, when all permits are due for renewal.

REASONS FOR RECOMMENDATIONS - Community Recycling Centres

116. Recognising both the value many residents place on Community Recycling Centres (CRCs) and the need to make savings, we propose to limit closure of CRCs to the minimum number possible to achieve savings. Bagshot, Cranleigh, Dorking and Warlingham are recommended for closure as they handle the least waste and have the lowest number of visitors. Further CRC usage information can be found in **Annex 4b** to this report.
117. As the nearest alternative CRCs within the network, extending the opening hours of Camberley, Caterham and Leatherhead CRCs should help to mitigate the impact of the CRC closures.
118. In addition, introducing charges for construction wood and roofing felt and launching permits for vans, trailers and pickups will assist in delivery of the savings target for 2019/20. While the option to increase charges on the existing charging scheme waste has been explored, it would have a negligible impact on savings delivery and charges are currently towards the upper end of charges relative to similar councils.

CONSULTATION AND ENGAGEMENT - Community Recycling Centres

119. Consultation respondents were asked for their views on the following four proposals:
- Proposal one: Permanently closing a number of smaller, less effective Community Recycling Centres (CRCs), whilst increasing the opening hours at some CRCs. The sites under consideration for closure are: Bagshot, Cranleigh, Dorking, Farnham, Lyne (Chertsey) and Warlingham.

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- Proposal two: Introducing a charge to dispose of construction wood and roofing felt.
 - Proposal three: Increasing the cost of disposing of items we already charge for.
 - Proposal four: Charging an annual application fee for van, pickup and trailer permits.
120. The consultation received a total of 12,132 responses. This included responses from residents and organisations and groups such as district, borough, parish and town councils.
121. Seven petitions were received concerning the proposed closures of Cranleigh, Dorking, Farnham, Lyne (Chertsey) and Warlingham CRCs.
122. The headline results from the consultation were:
- The majority of respondents did not support the proposal to close the CRCs. Of the three options for closure outlined, the proposal which attracted the least opposition was the closure of four CRCs in Bagshot, Cranleigh, Dorking and Warlingham, with opening hours to be increased at Camberley, Caterham and Leatherhead.
 - The majority of respondents disagreed with proposals to charge for disposal of wood used in construction, and more than two-fifths of respondents disagreed with proposals to charge for disposal of roofing felt.
 - More than half of respondents disagreed with the proposal to increase charges for items we currently dispose of. The level of disagreement increased when just looking at responses from people who currently use, or plan to use, the scheme.
 - There was an even split between all respondents who agreed or disagreed with the proposal to introduce an annual chargeable permit for vans, pickups and/or trailers. The majority of people who were planning to make use of the scheme disagreed with the proposal.
 - Other comments included concerns that CRC closures would increase journey times and have adverse impacts on the environment, do not account for projected growth in demand as the population increases, increased difficulties for residents to dispose of waste, particularly those with limited access to transport or mobility difficulties, and van users felt they were being unfairly penalised
123. To take full account of the feedback from the consultation, Cabinet must read the detail presented in **Annex 4**. In addition, an EIA on the proposed changes has been prepared, and must be read (**Annex 4a**).
124. Having considered the consultation feedback, the recommendation is to close four sites – Bagshot, Cranleigh, Dorking and Warlingham. The sites proposed for closure handle only one-tenth of all waste dropped off in Surrey. In addition, we are considering how to recover more recyclable materials from black bag waste, which could lead to further savings.
125. To respond to concerns on increased fly-tipping, experience from introducing similar changes in the past suggests it is unlikely that this will increase as a result of the closures. However, we will continue to monitor fly-tipping levels

following the closures, and will work with partners to tackle the issue. We will also continue working with private landowners to help prevent fly-tipping on their land and associated costs of removal.

126. Farnham and Chertsey CRCs will remain open. In addition, to mitigate closure of some of the CRCs, we also propose to increase the opening hours at the sites in Leatherhead, Camberley and Caterham from six to seven days a week.
127. It is accepted that some people's journey times will be affected by needing to travel further to reach their nearest CRC – we estimate that approximately 54,000 households will be affected. We plan to launch a communications programme to raise awareness of alternatives to CRCs, such as kerbside collections by district and borough councils or commercial waste companies.
128. Responding to stakeholders' concerns about increased vehicle emissions, previous experience suggests that CRC users will not necessarily result in them attending an alternative CRC. Our communications programme will also encourage residents to try not to make a specific journey to a CRC, and, where possible, to make this part of an everyday car journey, such as while out shopping or travelling to work. The anticipated fall in car journeys should also result in decreased vehicle emissions.
129. Regarding access issues for residents with mobility issues, financial difficulties and no transport, we accept that some residents may need to travel further, which could impact on them. There is an opportunity for residents to consider how often they need to visit a CRC, or whether kerbside collection could be a viable alternative. For those with mobility issues that need to use the sites, a plan for mitigation has been set out in paragraph 137.
130. We still recommend the introduction of charges for disposal of wood relating to construction and roofing felt, but existing charges will not be increased. We also still recommend to Cabinet that an annual permit is introduced for van users costing between £5 and £10 per year from Wednesday 1 January 2020.
131. Vans and trailers are more likely to be used by traders disposing of waste in greater volumes than other vehicles. There is a need to bring in a control system for this, and the council's view is it is right that those who use a van or trailer fund this system.

RISK MANAGEMENT AND IMPLICATIONS - Community Recycling Centres

132. A common concern raised by respondents is that the closure of CRCs and the introduction of charges for certain types of waste will lead to more fly tipping, which will lead to increased clearance costs for private landowners and district and borough councils. Whilst increased fly tipping cannot be ruled out as a consequence of these changes, the council's experience to date with the changes introduced over the past two years is that fly tipping has not increased. In addition, there are existing enforcement mechanisms in place to address any issues.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS - Community Recycling Centres

133. The Section 151 Officer notes that the savings presented in the Final Financial Strategy (**Annex 6**) are estimates. The actual saving may change depending on a number of factors such as the actual volume of waste or, in the case of site closures, depending on formal agreement with the council's waste contractor Suez. The estimated saving of £1 million assumes measures are implemented on Monday 1 April 2019, and any delay will potentially reduce the saving available in 2019/20.
134. The saving includes £650,000 for closure of the CRCs, £300,000 to introduce charges for construction wood and roofing felt, £50,000 from further changes to the reuse scheme, £10,000 from the introduction of permits for vans, trailers and pick-ups, and £5,000 from selling advertising space at CRCs.

LEGAL IMPLICATIONS - Community Recycling Centres

135. The council has a legal duty under the Environmental Protection Act to ensure residents in its area have a place to dispose of their waste. There is no specified minimum requirement in relation to the number of CRCs, other than sufficient CRCs should be provided to be reasonably accessible to residents. Cabinet will need to be satisfied that the recommendations for closure of the four CRCs, and the alternative provision identified to mitigate the impact of those closures enables the council to meet those duties.

EQUALITY IMPLICATIONS - Community Recycling Centres

136. The main impact identified (**Annex 4a**) is the effect of increased demand on existing CRC sites within the wider network if the recommendation for closure of the sites in Bagshot, Cranleigh, Dorking and Warlingham is accepted. For example, the site nearest Warlingham is in Caterham, where service users will need to use steps to access waste containers. While staff are on hand to support people with more limited mobility to use stairs, increased demand on the site may make it more difficult for staff to provide this support.
137. To mitigate against this, staff at CRC sites will be instructed to prioritise support to those service users who have limited mobility.
138. In considering the equalities implications of this recommendation Cabinet is referred to the specific requirements of the Public Sector Equality duty set out in paragraphs 181 and 183 of this report.

TRANSFORMATION PROPOSALS – Concessionary bus travel

139. This report is proposing bringing our concessionary bus travel scheme for disabled people into line with the statutory offer as funded by government, and in common with most other councils. We are proposing to enable free bus travel for disabled people between 9.30am and 11:00pm, during which 98% of journeys by disabled people are currently undertaken.
140. Surrey is one of a few areas of the country that also provides additional funding for free bus travel for companions of disabled people. We are proposing to retain companion passes so entitled pass holders and a

companion can travel for free between 9:30am and 11:00pm on weekdays, all day at weekends and bank holidays.

141. We will work with bus operators to explore and encourage their willingness to continue to support concessionary travel.
142. If agreed by Cabinet, savings of £400,000 per year will be generated by making these changes from 1 April 2019.

RECOMMENDATIONS - Concessionary bus travel

143. It is recommended the Cabinet, having regard to the results of the public engagement and consultation activity in **Annex 5** and the Equality Impact Assessment in **Annex 5a** agree:

Recommendation 18

To withdraw the non-statutory additional travel concession for disabled pass holders and offer the national statutory English National Concessionary Travel Scheme (ENCTS) in Surrey from 1 April 2019. Disabled pass holders will be able to travel for free between 09.30 and 23.00 on weekdays, all day at weekends and on bank holidays

Recommendation 19

To retain companion passes so from 1 April 2019 entitled pass holders and a companion can travel for free between 9:30am and 11:00pm on weekdays, all day at weekends and bank holidays.

Recommendation 20

To note officers will continue discussions with bus operators on a commercial offer of a reduced fare or flat fare scheme in the county.

REASONS FOR RECOMMENDATIONS - Concessionary bus travel

144. By agreeing these recommendations, this will help the council to achieve savings of £400,000 to contribute towards its overall savings requirement in 2019/20.
145. In addition, impact on travel is likely to be minimal. Analysis shows that only 2% of all journeys made using the disabled pass take place before 9:30am and after 11:00pm on weekdays.
146. Having considered the consultation feedback, and the impact removal of the companion pass will have on disabled pass holders and their companions, we are proposing to retain companion passes, but bring the terms of companion pass usage in line with those of disabled passes. This means companion pass holders will be able to travel on the bus network for free from 9:30am to 11:00pm on weekdays, and free all day for weekends and bank holidays.

CONSULTATION AND ENGAGEMENT - Concessionary bus travel

147. The council consulted with the public and stakeholders on proposals to:
- Remove free concessionary travel for disabled pass holders before 9:30am and after 11:00pm Monday to Friday, which is currently paid for by the council. Pass holders would still be able to travel for free after 9:30am and

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- before 11:00pm Monday to Friday, which is paid for by the English National Concessionary Travel Scheme (ENCTS). Free travel at any time on Saturdays, Sundays and Public Holidays would be unaffected.
- Remove companion passes. Pass holders would continue to travel for free, however, their companions would no longer receive free travel. This is currently funded by the council.
148. Over 3,000 people responded using the consultation survey, of which 690 were received as hard copy. Letters were received from 27 stakeholders. 19 emails and one letter were received from the public.
149. It was notable that the majority of respondents were neither disabled nor companion pass holders, yet the most significant level of concern was still for vulnerable service users who could feel more disadvantaged should the changes be agreed. Nearly four in five respondents said they were responding for themselves, but only around two in five stated they have a disabled or companion bus pass.
150. There were specific concerns on higher impacts for people with sensory disabilities, particularly people who are blind or deafblind, and people with learning disabilities.
151. Most respondents did not believe savings should be made in this service area. Over half of people said they believe savings should be made from other areas of council spend ahead of concessionary travel reductions. A very small minority stated they supported the proposals.
152. Respondents commented the proposals seemed at odds with the Government's Inclusive Transport Strategy 2018 – a strategy that focuses on improving transport options for disabled people, and highlighted challenges with existing pass holders attempting to use their passes when they were no longer valid.
153. In addition, a number of stakeholders suggested the proposals were at odds with the ambition in the Vision namely *Journeys across the county are easier, more predictable and safer*.
154. The majority of responses highlighted the potential to negatively impact on:
- Vulnerable people and their ability to live independently
 - People's wellbeing, social inclusion and rural isolation
 - People's personal finances and those of family, friends or professionals who care for them.
155. To take full account of the feedback from the consultation, Cabinet must read the detail presented in **Annex 5**.
156. There may be approximately 600 disabled children and young people using their free concessionary bus pass to travel to school or college who may be entitled to free home to school transport.
157. If any child / young person can no longer use their concessionary bus pass to get to school and following an application and assessment are found to be entitled to free home to school transport, in these instances the council

purchasing a bus season ticket to enable them to travel to school will be the most cost effective option.

158. Any change or removal of discretionary elements paid by the council will not impact on our statutory duty to administer the ENCTS in the county or our duties in relation to free home to school transport.

159. The feedback has also informed the EIA presented in **Annex 5a**. Cabinet are required to read this and take the findings into account in their final decision.

RISK MANAGEMENT AND IMPLICATIONS - Concessionary bus travel

160. Responses to the consultation and the face to face meetings with key stakeholders highlighted objection to the proposals and the potential impact on people's ability to access work, education and essential services such as medical or caring appointments.

161. These implications are recognised and work will continue on potential mitigation including discussions with bus operators on whether they could offer a reduced or flat fare to disabled and companion pass holders outside the statutory free travel requirements.

162. Based on feedback to the consultation from the public and stakeholders, there was a clear sense of the impact being most heavily felt by companion pass holders. In particular, the impact on carers, but also on family, friends or others who help disabled pass holders with travel. These individuals may be unregistered carers, and so are not entitled to receive any Carer's Allowance from the Government.

163. Based on the feedback it has been agreed that the use of companion passes should be reviewed over the next 12 months to get more information on the use of passes and the cost to the county council. After which a report will be taken to the Cabinet Member for Environment and Waste covering the ENCTS operation in Surrey. Usage will be aligned to the terms of use for disabled pass holders for free travel between 9:30am and 11:00pm on weekdays, all day at weekends and bank holidays.

164. There may also be a small number of disabled children and young people using their free concessionary bus pass to travel to school or college who may be entitled to free home to school transport. If they find they are no longer able to use their concessionary pass, but qualify for free home to school transport through an application and assessment process, then the council purchasing a bus season ticket for these children and young people would be the most cost effective option.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS - Concessionary bus travel

165. The current saving proposed in the council's Final Financial Strategy (**Annex 6**) is £400,000 for 2019/20. This can be broken down as £250,000 for the removal of non-statutory disabled concessions and £100,000 relating to increased automation. £50,000, originally to be realised from savings on companion passes, will now be saved from elsewhere in the concessionary

travel budget. If Cabinet agrees the recommendations in this report, this will support achievement of this saving.

166. There are 603 under 18s with a disabled person's pass and 339 under 18s with a companion pass. Some of these residents may require the purchasing of a season ticket to use on the bus to access school or college if, following application and assessment, they are entitled to free home to school transport.

167. The average cost to the council of providing a season ticket for eligible children is around £800 per pupil. We do not anticipate many young pass holders applying for and being eligible for free home to school transport.

LEGAL IMPLICATIONS - Concessionary bus travel

168. The two additional travel concessions consulted upon are non-statutory, offered as additions to the ENCTS. These two additional travel concessions are not universally offered across England or neighbouring authorities.

169. Any change or removal of discretionary elements paid by Surrey County Council will not impact on our statutory duty to administer the English National Concessionary Travel Scheme in the county.

EQUALITY IMPLICATIONS - Concessionary bus travel

170. If Cabinet agree the recommendations, the council will still be providing the level of service required under statute. However, as mentioned in paragraph 161, we are holding discussions with bus operators to consider introduction of a reduced or flat fare scheme across the routes they operate for both disabled and companion pass holders to mitigate negative impacts arising from these proposals.

171. There are some impacts identified in the EIA (**Annex 5a**) that are unable to be mitigated against including affecting service users' ability to access education, healthcare, work and other services; increase social isolation, particularly within more rural communities; stretch capacity of community and voluntary transport providers from increased demand; and there would be further pressures on people's personal finances and those of carers. This would potentially affect a number of older and disabled people, their families and carers.

172. In considering the equalities implications of this recommendation Cabinet is referred to the specific requirements of the Public Sector Equality duty set out in paragraphs 181 and 183 of this report.

STATEMENT OF THE EXECUTIVE DIRECTOR FOR FINANCE (S151 officer)

173. The council continues to face a significant financial challenge due to the twin pressures of rising need for its services and continuing reductions in central government funding. The council has a statutory requirement to set and deliver a balanced and sustainable budget.

174. In the context of these pressures, the financial challenge it faces and the requirement for a balanced budget, the council needs to make reductions in its

service budgets, and where appropriate consult upon how it makes these changes to service delivery. This report sets out how this has been achieved.

175. These budget reductions are critical to the financial resilience and stability of the council, and there continue to be risks on their delivery. The Section 151 Officer therefore requires the progress on achieving budget reductions to be tracked and monitored closely.

LEGAL IMPLICATIONS – MONITORING OFFICER – Overall
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176. The specific legal implications of the service transformation proposals requiring noting or decision are dealt with in the body of this report.
177. There are in addition overriding principles that apply to the decisions being recommended to Cabinet that must be adhered to when reaching a decision. These apply equally to each of the proposals contained in this report and are set out in paragraphs 178- 182 below.
178. Save for where there is a specific statutory requirement such as with Children's Centres, there is a clear expectation in public law that a council should carry out a public consultation process whenever it is considering making any significant changes to service provision especially where it is proposed that a particular service is withdrawn. The proposals contained within this report were the subject of a consultation which was open from 30 October 2018 until 4 January 2019. Care was taken to ensure that the relevant material was presented in a way that could be understood by all consultees. Written material was supplemented by engagement events and surveys.
179. The outcome of those consultations has been summarised in this report and its annexes. Cabinet must give due regard to the feedback obtained from the consultation exercises and conscientiously take it into account when making their final decision.
180. In coming to a decision on these issues the Cabinet needs to take account of all relevant matters. Relevant matters in this context will include the statutory requirements, and policy considerations, the impacts of the options on service provision, impacts on the budget, any relevant risks, the responses to any consultation and the public sector equality duty. The weight to be given to each of the relevant matters is for the Cabinet to decide.
181. The Public Sector Equality Duty (section 149 Equality Act 2010) equally applies to these decisions. There is a need to have due regard to the need to advance equality of opportunity for people with protected characteristics, foster good relations between such groups and eliminate any unlawful discrimination. These matters are dealt with in the equality paragraphs of the report and the Budget EIA (**Annex 7**), supplemented by the individual EIAs which are available to be read and considered. Members will see that negative impacts have been identified and they will need to take account of these and the mitigating actions that have been identified.
182. In addition Section 11 of the Children Act 2004 places duties on the council to ensure its functions, and any services that it contracts out to others, are discharged having regard to the need to safeguard and promote the welfare of children. This is relevant to any service that could be applicable to children and

the Cabinet should give active consideration to this possibility in reaching any decisions.

EQUALITY IMPLICATIONS – Overall

183. When taking decisions on the proposals outlined in this report, Cabinet must comply with the Public Sector Equality Duty in section 149 of the Equality Act 2010 which requires them to have due regard to the need to:
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
184. Having due regard means considering the need to: remove or minimise disadvantages suffered by persons who share a relevant protected characteristic; take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; and encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
185. EIAs are carried out to identify any adverse impacts that may arise as a result of the proposals for those with protected characteristics and to identify appropriate mitigations. Cabinet must read the full version of the EIAs and take their findings into consideration when determining these proposals.
186. **Annex 7** is the 2019/20 Budget Equality Impact Assessment which draws from the Equality Impact Assessments on the service areas consulted on in this report, namely Children’s Centres (**Annex 1a**), SEND (**Annex 2a**), Libraries and Culture (**Annex 3a**), Community Recycling Centres (**Annex 4a**) and Concessionary bus travel (**Annex 5a**).

WHAT HAPPENS NEXT?

187. If Cabinet approve the recommendations in this report, the Corporate Leadership Team will make preparations to start implementing these changes from the new financial year (1 April 2019) onwards.
188. Where it has been indicated that further public or staff consultation is required, planning for this will commence, with a view to carrying out these consultations in 2019.
189. We are at the start of our transformation journey. It will take more change, more improvement, greater efficiency and more shifting of our resources to ensure that the council is able to make the best contribution possible to the lives of Surrey people. This report has focused on five service areas but we are also making improvements to other service areas, and where necessary service transformation decisions will be brought to Cabinet at a future date.

Contact Officer:

Joanna Killian, Chief Executive

Email: Joanna.killian@surreycc.gov.uk

Telephone: 03456 009 009

Annexes referred to

Annex 1	Children's Centre Consultation Report
Annex 1a	Children's Centres Equality Impact Assessment
Annex 2	Special educational needs and disability (SEND) Consultation Report
Annex 2a	Special educational needs and disability (SEND) Equality Impact Assessment
Annex 3	Libraries and Culture Consultation Report
Annex 3a	Libraries Equality Impact Assessment
Annex 4	Shaping Surrey's MembersCommunity Recycling Centres (CRCs) Consultation Report
Annex 4a	Community Recycling Centres (CRCs) Equality Impact Assessment
Annex 4b	Waste Service Information
Annex 4c	Community Recycling Centres (CRCs) Environmental Consideration Summary
Annex 5	Concessionary Bus Travel Consultation Report
Annex 5a	Concessionary Bus Travel Equality Impact Assessment
Annex 6	2019/20 Budget and Financial Strategy 2019-24
Annex 7	2019/20 Budget Equality Impact Assessment

Sources/background papers:

A Community Vision for Surrey in 2030, Report to Council 9 October 2018

Our Surrey - report on engagement feedback on the Vision for Surrey in 2030, Annex B to Report to Council 9 October 2018

Organisation Strategy, Preliminary Financial Strategy, Transformation Programme and 'Our People' Strategy, Report to Cabinet 30 October 2018

MEL Research Report - Future of services: results from resident survey, January 2019

Children's Centres Consultation Summary Analysis January 2019

Special Educational Needs and Disabilities (SEND) Consultation Summary Analysis January 2019

Libraries and Cultural Services Consultation Summary Analysis January 2019

Community Recycling Centres Consultation Summary Analysis January 2019

Concessionary Bus Travel Consultation Summary Analysis January 2019

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SURREY COUNTY COUNCIL

CABINET

DATE: TUESDAY 29 JANUARY 2019



REPORT OF: MR TIM OLIVER, LEADER OF THE COUNCIL

LEAD OFFICER: LEIGH WHITEHOUSE, EXECUTIVE DIRECTOR OF FINANCE

SUBJECT: PART B) REVENUE AND CAPITAL BUDGET 2019/20 AND KEY FINANCIAL STRATEGIES to 2023/24

SUMMARY OF ISSUE

The council has embarked upon a programme of change and improvement to address a number of performance, financial and cultural shortcomings in order that we can help secure the very best outcomes for the people of Surrey. Along with many other councils, we face a significant financial challenge and are working to ensure that every pound we spend is aimed at delivering the priorities for Surrey, which are set out in the [Community Vision for Surrey in 2030](#) (the Vision).

On 13 November 2018, Council [endorsed a suite of documents](#) which set out a clear strategic and financial direction of travel for the council in response to the vision¹. Delivering these, and responding to the challenges we're facing means changing what we do, the way we do things and how we spend the money entrusted to us.

We have a strategy and plans in place that will ensure the council is on a stable financial footing. Through the programme of change we are undertaking, Surrey County Council will drive out inefficiencies and reduce costs, minimising the use of reserves this financial year and is anticipating not needing to rely on reserves at all for 2019/20.

The hard choices and tough decisions we are having to make about services and how we allocate our precious resources, having full and proper regard to consultation and engagement with residents, along with setting a council tax increase of 2.99%, if agreed by Cabinet and Council, will enable us to set a balanced budget for the 2019/20 financial year.

This report is to enable Cabinet to consider and make recommendations to Council on:

- the revenue and capital budgets for 2019/20, including budget reductions
- the council tax precept level for 2019/20
- the council's capital receipt flexibilities strategy, including the level of investment required to deliver the transformation programme, which aims to significantly change the way the council operates and delivers its services
- indicative directorate budget envelopes to 2023/24

¹ (1)The Organisation Strategy 2019-2023, (2) 'Our People' 2021 – Workforce Strategy, (3) Preliminary Financial Strategy 2019 – 2024, (4) Transformation Programme (Full Business Case)

- the council's Capital and Investment Strategy, which provides an overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services.

The report is informed by public consultation and engagement activity (**Annexes 1-5**), and equality impact assessments (**Annexes 1a-7b**).

The budget decisions and attached financial strategy, in **Annex 6**, support the achievement of the goals set out in the Vision and the council's [Organisation Strategy 2019-2023](#). They prioritise the investment of available resources and support the significant improvements and transformational changes that must be made to achieve improved outcomes for residents while also ensuring the future financial sustainability of the council.

This report is one part (Part B) of a two part report being considered by Cabinet under the item Revenue and Capital Budget 2019/20 to 2023/24.

RECOMMENDATIONS

Cabinet recommends Council notes the following important features of the revenue and capital budget:

- The Executive Director of Finance's statutory conclusions in his Section 25 statement.

Proposed budget: Cabinet recommends Council approves the following revenue and capital budget decisions:

- Approve the net revenue budget requirement be set at £885.9 million (net cost of services after service specific government grants) for 2019/20 (**Annex 6**), subject to confirmation of the Final Local Government Financial Settlement
- Approve the total council tax funding requirement be set at £680.1 million for 2019/20. This is an increase in the level of the general council tax of 2.99% (**Annex 6**).
- Notes that for the purpose of section 52ZB of the Local Government Finance Act 1992, the council formally determines that the increase in council tax is not such as to trigger a referendum.
- Set the Surrey County Council precept for Band D council tax at £1,453.50, which represents a 2.99% up-lift. This is a rise of 81p a week from 2018/19's precept of £1,411.29. This includes £102.39 for the Adult Social Care Precept, which remains at the same rate as last year. A full list of bands is as follows:

Council Tax Band	2018/19 £	2019/20 £
Band A	940.86	£969.00
Band B	1,097.67	£1,130.50
Band C	1,254.48	£1,292.00
Band D	1,411.29	£1,453.50
Band E	1,724.91	£1,776.51
Band F	2,038.53	£2,099.51

Band G	2,352.15	£2,422.51
Band H	2,822.58	£2,907.01

6. Approve the Flexible Use of Capital Receipts Strategy for 2019/20 to meet the statutory guidelines for the use of capital receipts to fund the transformation and reform of services (**Annex 8**)
7. Approve the application of a further £7.2 million in the current 2018/19 financial year to fund the transformation under the capital receipt flexibilities strategy (**Annex 8**).
8. Approve the use of £16.3 million in the 2019/20 financial year, to fund the transformation under the capital receipt flexibilities strategy (**Annex 8**).
9. That the underlying balance on the general fund remains set at £21.3 million as at 1 April 2019.
10. Approve the Total Schools Budget of £492.9 million to meet the council's statutory requirement on schools funding. (**Annex 6**).
11. Approve the overall indicative budget envelopes for Executive Directorates and individual services for the 2019/20 budget (**Annex 6**).
12. Note the indicative budget envelopes for 2020-24 (**Annex 6**).
13. Approve £413.8 million indicative five year capital programme, with £129.2 million capital investment in 2019/20 (**Annex 6**).

Capital Strategy: Cabinet recommends Council approves the following.

14. The Capital Strategy for 2019-24 (**Annex 9**)
15. The policy for making a prudent level of revenue provision for the repayment of debt (the Minimum Revenue Provisions policy) (**Annex 9a**)

REASON FOR RECOMMENDATIONS

Council will meet on 5 February 2019 to agree a budget and set the council tax precept for 2019/20. Cabinet must recommend a budget to Council to consider at this meeting.

The budget directs available resources to support the achievement of the council's ambitions and priorities in the Vision and the Organisation Strategy.

In particular, the budget proposals reflect the Vision ambition to ensure no one in Surrey is left behind. We know, as documented in the [evidence base](#) compiled to inform the 2030 Vision, that some residents experience a poorer quality of life than their neighbours - we will focus the resources we have available on actions that best support the most vulnerable people in communities, and those who do not have the means or resources to help themselves.

Prioritising spend in the current context of funding constraints and increased demands has necessitated the redirection of some funding from universal services and provision to targeted services and this is reflected in proposals for service transformation articulated in the accompanying Part A report Transformation Proposals – Delivering Better Services for Residents Cabinet report of 29 January 2019. The Part A report also details changes to services that include stopping some services we are not statutorily required to provide.

The budget will also support the delivery of the major transformational changes that are required to ensure that the council can improve priority outcomes for residents while managing growing demands for services and ensuring future financial sustainability.

BACKGROUND

1. On 9 October 2018, the council endorsed the Community Vision for Surrey in 2030, which was developed by a range of partners across the county following widespread community engagement and consultation. To set out clearly how the council would contribute to the goals in the Vision, a fresh strategic direction was agreed by council on Tuesday 13 November 2018, setting out in a new [Organisation Strategy](#), [Our People Strategy](#), [Transformation Programme](#) and [Preliminary Financial Strategy](#). Taken together these demonstrate how the council will prioritise investment and deliver the significant improvements and transformational changes required to achieve improved outcomes for residents while ensuring future financial sustainability. The Preliminary Financial Strategy set out the overall framework within which the council will manage its financial resources and support the delivery of the agreed priorities in a sustainable way. The strategy included indicative budget envelopes for each directorate leading to a balanced budget for 2019/20, within which services would deliver agreed outcomes and priorities.
2. Since 2010 the council has faced the twin financial pressures of falling government grants and rising need for its services. Although the council has made significant efficiency savings in this time, and raised council tax, since 2014 it has needed to draw down £88 million from reserves to ensure a balanced budget each year. Reserves are now at a level where it is not sustainable to continue this approach. The council does not expect a significant change in the wider financial outlook for local government in the medium term, and therefore has embarked upon a programme of transformation to ensure its services and finances are sustainable.
3. The main themes arising from transformation proposals have been grouped as:
 - a. **Promotion of choice and control for residents.** This relates to increasing introduction of self-service for residents in several areas, including more flexibility in ways they can contact the council. Alongside this, the council is continuing to increase the numbers of Direct Payments, especially in Adult Social Care, as well as supporting families to remain together where possible as part of changes in Children's Services.
 - b. **Changing the way we work, internally and for residents.** This relates largely to changes to working practice in the Health, Wellbeing and Adult Social Care and Children, Families and Learning Directorates which include using digital technology and supporting our workforce to be more productive to enable transformation projects and deliver productivity gains, developing new technologies, becoming a more agile organisation and thinking creatively about resource allocation within services.
 - c. **Prioritising spend to make us financially viable.** This relates to making sure that we are delivering the right service, to the right people, every time. It involves focussing on reablement and rehabilitation, assessing for long term needs when a person is at their best and reviewing care packages in a culture of optimism within Adult Social Care. Where the council is moving toward delivering services in a manner similar to other local authorities of comparable size, including as part of the reconfiguration of Children's Centres, these are being undertaken to ensure the most effective allocation of resources.

- d. **Maximising our income streams without disadvantaging residents.** This encompasses areas in which the council is introducing or making alterations to fees and charges as part of service delivery, including as part of changes in Highways, Transport and Environment and continued service development in Adult Social Care.
4. These groupings summarise the strategic actions the council is taking to transform into a modern organisation that provides effective, good quality services, with a focus on meeting the needs of the most vulnerable people of Surrey. Achieving our ambitions is reliant upon the best allocation of our resources, which may entail taking difficult decisions about how our services look in the future. The council's transformation programme seeks to reform the function, form and focus of the organisation so there will be significant impacts on services and our relationships with residents, partners and staff that need to be understood. These are set out in **Annex 7** Surrey County Council Budget 2019/20 Equality Impact Assessment.

2019/20 Revenue and Capital Budget

5. The Ministry of Housing, Communities and Local Government published the Provisional Local Government Settlement on 13 December 2018. Although the Final Settlement will not be issued until later in February 2019, this has led the council to revise some of its funding assumptions. These are described in full in **Annex 6**.
6. The proposed Budget Envelopes included in the Preliminary Financial Strategy were at a relatively early stage of development. The service budgets set out in **Annex 6** are the proposed budgets for 2019/20, which include changes to pressures and budget reductions, and are informed by the engagement and consultation activity the council has undertaken.
7. The statutory process for setting the revenue budget is for it to be recommended to the Council by the Cabinet. A revenue net budget of £885.9 million is proposed (as detailed in **Annex 6**) this includes setting a council tax Band D precept for 2019/20 of £1,453.50, an increase of just over 2.99%. This is equivalent to 81p per week
8. The government is expected to reform how local government in England is funded from April 2020. Two significant reviews are currently underway that will shape this new methodology; one is the consultation on the Fair Funding Review, changing the allocation and distribution of business rates, and the other will be articulated through the Green Paper on Adult Social Care, which has yet to be published by the government. The outcomes of these reviews are not currently known. However, the council plans over a rolling five-year timeline and has therefore made assumptions about the future level of funding up to March 2024. This is to provide indicative budget envelopes for each directorate and demonstrate the level of available funding to deliver services in the medium term.
9. The council has developed, in **Annex 9**, a Capital and Investment Strategy. The aim of this is to provide a high level overview of how capital expenditure, capital financing and treasury management activity contribute towards the council's ambitions and priorities. This strategy is supported by the capital programme for the next five years, which is also shown in **Annex 6**.

Flexible Use of Capital Receipts Strategy

10. The council has embarked on a programme of transformation in order to deliver financially sustainable services to residents in the future. Delivering the transformation programme requires a level of investment and the council is using the opportunity provided by the government to flexibly use capital receipts to fund this transformation of services. A requirement of this flexibility is that the Council approve a Flexible Use of

Capital Receipts Strategy and the business cases for their use. These are both included in **Annex 8**.

Consultation and Engagement

11. The council has undertaken extensive consultation and engagement with a range of stakeholders including residents, partners and staff on service priorities to inform the budget, and on proposals for the re-design of services that support delivery of improvements and savings in 2019/20. This has included:

- Holding two participatory budgeting workshops with 98 residents on 26 and 29 October 2018 to gain initial insight into where they would invest the council's budget and manage difficult competing demands within constrained resources.
- A meeting of the Surrey Equality Group (which includes representatives with a range of voluntary, community and faith sector (VCFS) organisations in Surrey, chaired by Councillor Denise Turner-Stewart, Cabinet Member for Community Safety, Fire and Resilience) on 24 October 2018 to talk to them about the council's budget challenges and consultation activity.
- Members being updated through a briefing for all Members on 15 October 2018 and the Corporate Overview Select Committee on 25 October 2018.
- Public consultations on proposals for five different service areas run simultaneously under the Have Your Say campaign. This ran from 30 October 2018 to 4 January 2019, and over 28,000 responses across all the consultations were received from stakeholders. The service areas affected were:
 - Children's Centres (3,814 responses)
 - Community Recycling Centres (12,132 responses)
 - Concessionary bus travel (3,082 responses)
 - Libraries and Culture (7,901 responses)
 - Special Educational Needs and Disabilities (SEND) (1,133 responses).

Stakeholders had the option to complete an online survey on the council's website, hard copies or alternative formats, such as easyread. There were also 15 consultation drop-in sessions attended by up to 150 residents to assist them to complete the consultations they wanted to respond to. Letters were also received from a range of stakeholders making formal representations to the council on these consultations. Responses were received from organisations including District and Borough councils (including Mole Valley, Runnymede, Tandridge, Waverley and Woking) and voluntary, community and faith sector (VCFS) organisations, such as Sight for Surrey and Surrey Coalition for Disabled People.

- A survey on council spending priorities with a statistically representative sample of 1,100 Surrey residents (carried out by research company MEL Research, see paragraphs 13 - 15).
- Face-to-face discussions with a range of stakeholder groups including District and Borough Members and chief executives.
- An estimated 5,700 VCFS organisations were invited to share their views electronically on the council's budget and service consultations.

12. The Cabinet is considering making changes to policy and service provision and as part of that process it is required to take account of the consultation and engagement activity undertaken. The feedback received has also been taken into account when finalising the revenue and capital budget proposals. The detail and analysis of this process is described in **Annex 6**.

Resident survey on future of council services

13. Between 17 December 2018 and 6 January 2019, the council ran a survey, commissioned through MEL Research, to determine residents' spending priorities. This built on the participatory budget workshops held in October 2018.

14. A statistically representative sample of 1,100 Surrey residents were interviewed, achieving a broadly even split across each of the 11 districts and boroughs, then by age and gender representative of Surrey's population.

15. The findings were:

- The majority of respondents were aware of budget pressures faced by local authorities up and down the country, although less were aware of the pressures facing the council. There was greater awareness of this among older and middle aged residents.
- The majority of respondents were unwilling to pay more council tax than allowed within council tax referendum thresholds (2.99%) on the services they identified as being most important to them. However, there was a large share of residents who were prepared to see a further rise of 1%, while close to a quarter were prepared to accept an increase of 2%. Support for increases were more likely to be seen with people of middle age, and from respondents who lived in rural areas.
- The most important services for respondents were those that supported vulnerable people, such as adult social care, services for vulnerable children and those at risk and support for children and young people with special educational needs and disabilities. This indicates the council's spending priorities align with those of residents.
- Residents were also asked to choose from a list of potential service changes. Many residents found this hard to do. Residents were supportive of changes that encouraged people to have greater control over their lives. They generally preferred to retain services rather than cutting them, with some people challenging the notion that services must be cut.
- Nine in ten respondents were supportive of the council providing services to those most in need, even if it meant spending reductions elsewhere. Respondents who lived in urban areas were most likely to agree with this. Six in ten respondents were also willing to be more active in civic life if they could see the results of their contribution, but over half said they were unsure how to get involved.
- Notably, there was greater appetite for involvement among younger people, families with children and people from Asian communities, but less so from older people. This indicates a need for developing appropriate infrastructure and opportunities to facilitate greater civic participation, and the importance of tailoring communications around opportunities to participate.

- The majority of residents were generally happy to use digital channels to contact the council, with broad agreement that they were happy to receive emails, do everything online and use web chat services. Younger people in particular were happy to embrace these technologies for supporting them and communicating with the council.
- However, there was strong agreement with always having an option to contact the council by telephone, most likely out of concern for older people and for dealing with more complex queries. In addition, residents with disabilities were least likely to support a digital-only offer. This shows the council's strategy to invest in more digital channels for customer contact aligns with resident expectations, but that particular consideration must be given to the needs of disabled people on any changes.

STATEMENT OF THE EXECUTIVE DIRECTOR FOR FINANCE (S151 officer)

16. The Executive Director for Finance is the Section 151 Officer as defined by the Local Government Act 1974. Legislation requires the Section 151 Officer to report on the robustness of the budget. This is included in **Annex 6**. In summary, the Executive Director of Finance indicates that although there is no general use of reserves to support the 2019/20 budget, the Transformation Programme savings and cost containment plans still include a high level of risks. A contingency within the budget of £10 million partly mitigates those risks against a total savings requirement of £82 million.
17. The Executive Director of Finance cautions against optimism bias and the report has highlighted the continuing serious financial challenges faced by the council in the years following 2019/20. These challenges are from continuing demand pressures on service budgets, especially in social care, education and waste and a high degree of uncertainty about the future level of funding. The government is set to revise the system for funding local government from April 2020, and if resource equalisation remains a factor in this, then Surrey County Council could continue to lose core funding from central government and business rates.
18. Finally, in accordance with the Prudential Code, the Executive Director of Finance supports the proposed capital and investment strategy. The various elements of the capital strategy and associated inter-related controls and policies demonstrate that the council's capital expenditure and investment decisions properly take account of stewardship, value for money, prudence, sustainability and affordability, by setting out the long term context in which capital expenditure and investment decisions are made, and by giving due consideration to both risk and reward and impact on the achievement of priority outcomes.

OTHER IMPLICATIONS:

EQUALITIES AND DIVERSITY

19. In approving the budget and the council tax precept, the Cabinet and Council must comply with the Public Sector Equality Duty in section 149 of the Equality Act 2010.
20. A high level Equality Impact Assessment (EIA) of the revenue savings proposals has been undertaken and is set out in **Annex 7**. Further EIAs will be undertaken where appropriate before individual proposals are implemented. In considering the proposals in this report, Cabinet Members are required to have 'due regard' to the objectives set out in section 149 of the Equality Act 2010, i.e. the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and the need to foster good

relations between persons who share a relevant protected characteristic and persons who do not share it (the Public Sector Equality Duty).

21. The Equality Act 2010 ('the EA') provides that a public authority must, in the exercise of its functions, have due regard to the need to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EA;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic (as defined by the EA) and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics set out in the EA are as follows:

- Age
- Disability
- Gender Reassignment
- Pregnancy/ maternity
- Race
- Religion or Belief
- Sex
- Sexual Orientation
- Marriage and civil partnership are also protected characteristics for the purposes of the duty to eliminate discrimination.

22. Prior to making a decision as to which savings proposals should be agreed, Cabinet must have due regard to the Equality Duty contained in Section 149 of the EA.

23. Having 'due regard' does not necessarily require the achievement of all the aims set out in section 149 of the EA. Instead it requires that Cabinet understand the consequences of the decision for those with the relevant protected characteristics and consider these alongside other relevant factors when making the decision to pursue one course of action rather than another, alternative, course of action that may have different consequences. The regard which is necessary will depend upon the circumstances of the decision in question, and should be proportionate.

24. The public sector equality duty set out in the EA is a continuing one, and it will therefore be necessary to monitor the effects of decisions and policies, not only during their formulation, but also after implementation.

25. The three equality aims set out above must be considered as a relevant factor alongside financial constraints and all other relevant considerations.

26. EIAs are carried out to identify any adverse impacts that may arise as a result of the proposals for those with protected characteristics and to identify appropriate mitigations. The full version of relevant completed EIAs have been placed in the Members' and Cabinet Room and are available on the council's website. They can be inspected upon request at County Hall. Members must read the full version of the EIAs and take their findings into consideration when determining these proposals.

LEGAL IMPLICATIONS – MONITORING OFFICER

27. Whilst the Cabinet is being asked to recommend, and subsequently the Council asked to agree, the revenue budget and capital programme, the budget decision does not constitute final approval of what policies would be or what sums of money will be saved

under the service proposals save for those areas where there is a specific recommendation being made.

28. The revenue budget and capital programme recommendations in the report do not commit the council to implement any specific savings proposal. When the Cabinet come to make specific decisions on budget reductions, where necessary, focussed consultations and the full equality implications of doing one thing rather than another will be considered in appropriate detail. If it is considered necessary, in light of equality or other considerations, it will be open to those taking the decisions to spend more on one activity and less on another within the overall resources available to the council.

WHAT HAPPENS NEXT

29. Council will set its budget and council tax precept on 5 February 2019.
30. The detailed budget will be presented to Cabinet on 26 March 2019.
31. The council will continue to pursue its transformation plans in order to achieve improved outcomes for residents while also ensuring the future financial sustainability of the council. When it is identified that further public or staff consultation is required prior to implementing any proposals, planning for this will commence, with a view to carrying out these consultations in 2019.

Contact Officers:

Leigh Whitehouse, Executive Director of Finance
leigh.whitehouse@surreycc.gov.uk

Joanna Killian, Chief Executive
Joanna.killian@surreycc.gov.uk

Telephone: 03456 009 009

Annexes referred to

Annex 1	Children's Centre Consultation Report
Annex 1a	Children's Centres Equality Impact Assessment
Annex 2	Special educational needs and disability (SEND) Consultation Report
Annex 2a	Special educational needs and disability (SEND) Equality Impact Assessment
Annex 3	Libraries and Culture Consultation Report
Annex 3a	Libraries Equality Impact Assessment
Annex 4	Community Recycling Centres (CRCs) Consultation Report
Annex 4a	Community Recycling Centres (CRCs) Equality Impact Assessment

Annex 4b	Waste Service Information
Annex 4c	CRCs Environmental Consideration Summary
Annex 5	Concessionary Bus Travel Consultation Report
Annex 5a	Concessionary Bus Travel Equality Impact Assessment
Annex 6	2019/20 Budget and Financial Strategy 2019-24
Annex 7	2019/20 Budget Equality Impact Assessment
Annex 7a	Adult Social Care Transformational Savings Equality Impact Assessment
Annex 7b	Customer Experience Equality Impact Assessment
Annex 8	Flexible Use of Capital Receipts
Annex 9	Capital and Investment Strategy 2019/20 – 2023/24
Annex 9a	Minimum Revenue Provision (MRP) Policy Statement 2019-20

Sources/background papers:

A Community Vision for Surrey in 2030, Report to Council 9 October 2018

Vision for Surrey 2030 – Evidence base, Annex A to Report to Council 9 October 2018

Our Surrey - report on engagement feedback on the Vision for Surrey in 2030, Annex B to Report to Council 9 October 2018

Organisation Strategy, Preliminary Financial Strategy, Transformation Programme and 'Our People' Strategy, Report to Cabinet 30 October 2018

MEL Research Report - Future of services: Detailed findings from resident survey, January 2019

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Family Resilience, Phase 1: Children’s Centres Consultation Report Tuesday 29 January 2019

Purpose of report:

This report summarises the consultation response, assesses potential mitigation options, any changes to the proposals and suggests recommendations to be agreed by Cabinet.

Recommendations:

1. Endorse the remodelling of the remaining Children’s Centres to create Family Centres as part of a wider Family Service to support families with children aged 0-11 that are the most vulnerable.
2. Agree to the reduction in number of Children’s Centres in Surrey from 58 centres to 21 centres and satellite sites, to be located in areas where children are most likely to experience poor outcomes. At least one main centre in each district and borough supported by the use of satellites, outreach workers and community venues.
3. Agree to reduce the number of mobile Family Centres in Surrey from two to one in order to reach areas where there are small numbers of vulnerable children and families.

Consultation Proposals and Approach:

THE NEW FAMILY CENTRE MODEL

4. It is proposed that our new Family Centres will focus on the children and families in most need. Currently the children’s centres offer a universal service and there is strong evidence that the families who are in greatest need do not use the centres, instead accelerating into child protection and public care. Research undertaken at Durham University points to better outcomes where there is a stronger focus on ‘hard to reach’ children and families.
5. There will be at least one Family Centre in every district and borough, 21 in total, with 9 satellite centres. We will also retain a mobile Family Centre. We will enable other service providers to offer some universal services from our Family Centres, but Surrey County Council will no longer offer universal or open access services. The Family Centres however will act as hubs for partner agencies and community organisations to offer universal services such as health visiting, breast feeding advice and support for new parents.
6. The new Family Centres will work with children aged 0 to 11 and their families. The services will be targeted and referrals will come via our new Early Help Hub, which will replace the current MASH (Multi Agency Service Hub) arrangements. This new approach builds on the Family Resilience model, based on early intervention and support. We are seeking to avoid children becoming subject to child protection or public care. There will be parallel services for adolescents.
7. The backdrop to these changes is that Ofsted have twice rated children’s services inadequate for children in need and protection in Surrey. Too many children are

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accelerated into high level child protection and public care services. The aim of the new Family Centres is to identify these families earlier, and to work alongside them to improve outcomes. There is little evidence to suggest that such families ‘walk into’ the current children’s centres and referrals for these families tend to come via schools, GPs and the police. The current model is not effective and will not meet the requirements set out in the Ofsted inspection frameworks and need to change.

8. Many local authorities have reorganised their children’s centres into more targeted models. Local authorities including Hertfordshire, Essex and Nottinghamshire have services for Children in Need of Help and Protection that are rated as good or outstanding by Ofsted, and these models have been the inspiration for Surrey County Council’s proposals.
9. By 2030 we want Surrey to be a uniquely special place where everyone has a great start to life, people live healthy and fulfilling lives, are enabled to achieve their full potential and contribute to their community, and no one is left behind. Family Centres will contribute to this vision by focussing on vulnerable families who without support would be left behind and experience poor outcomes.
10. Some examples of changes are given in the report “Stop Start: A Review of Children’s Centres” published by the Sutton Trust in April 2018. The report provides strong evidence from across the country regarding the scale of changes to Children’s Centres and the reasons that local authorities have changed their models. The reasons outlined in the report are very consistent with the proposed Surrey County Council approach.
11. The proposed plans for Family Centres in Surrey will mean that the 21 main Family Centres and nine satellite sites will have greater capacity to provide targeted services, while benefiting from economies of scale. Staff will also offer outreach services in the community and in family homes. Surrey County Council will retain a mobile Family Centre presence.
12. The new model will lead to savings of £3.4 million in 2020/21, as well as an in-year saving of £1 million for 2019/20. The financial savings are part of an overall strategy to ensure Surrey County Council provides the best it can for residents within a sustainable budget.
13. The proposed changes are consistent with funding, governance and guidance changes from 2013, when Children’s Centres guidance was altered to make provision more aligned for a more targeted service. This time also saw the introduction of the Early Intervention Grant and the cessation of ring-fenced funding for Sure Start Children’s Centres. The alterations Surrey County Council proposes would bring its provision in line with these changes.

CONTEXT

14. Surrey County Council believes that every child in Surrey should have the opportunity to reach their potential and that the best place for children to achieve this is within their own families. Whilst many children will do that without support, some will need help. That might be because of additional needs they have, their family circumstances or problems they are dealing with. We want to help these children, and their families, as soon as we can.
15. We know that we haven’t been doing this well enough. Ofsted inspected the Outcomes for Children in Need of Help and Protection in Surrey in 2018 and 2014 and reported

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these services were ‘inadequate’. That means we haven’t been keeping some children and families safe and giving them the right help when they need it.

16. We are also facing significant challenges to meet the needs of the most vulnerable children and families, whilst managing very difficult financial decisions. We need to make sure that the money we have makes the biggest difference to the children and families who need support the most. This means we need to spend less on universal provision and focus our resources on children and families who are more likely to experience poor outcomes without support.
17. We think the best way to do this is by helping families to become more resilient. That means they will be able to cope with change and bounce back when difficult things happen. To support family resilience, we need to change the way we do things and our culture – our values and the way we behave. Everyone who works with children and young people, and their families, will work together in an open way to identify both the strengths and needs of families, to find practical and achievable solutions, and provide the right amount of information, advice and support at the right time. We will focus on preventing problems before they happen and offer flexible, responsive support when and where it is required.
18. This will mean changes to a range of services and activities that children, young people and families use at the moment. The focus for Phase 1 of the Family Resilience consultation is on the role that we propose children’s centres will play in the new family resilience delivery model. The proposal section below describes how we envisage services provided by children’s centres will continue to contribute to meeting the needs of children and families in Surrey through centres, outreach and increased partnership working.

DETAILED PROPOSALS

19. There are 58 Children’s Centres in Surrey providing a universal service to families with children aged 0-5. Whilst they prioritise families with identified need, we cannot be confident that all children and families who need the support the most benefit from the support provided by the staff in Children’s Centres. We know that some of our most vulnerable families are the least likely to make use of existing Children’s Centres and we therefore need to focus our resources differently. We also know that the way in which Children’s Centres have been funded to date has meant some areas of the county have had less funding despite having higher levels of need. The Children’s Centre remodelling proposal seeks to address both issues.
20. Within the current Children’s Centre model, some Centres have already begun to offer targeted services that help families who are most in need. We think that Children’s Centres should build on this to give more help to the children and families that need it the most.
21. Centres are already offering support to families with children 0-5 and their older siblings - families are often varied with children ranging in ages. In recognition of this we are proposing the centres will focus on families with children aged 0-11. This would mainly be for families in need of Early Help or Targeted Help from the Family Resilience model. These services would be delivered in partnership with other provision such as the Family Support Programme and Targeted Youth Support.
22. Whilst we propose to focus the council’s Children’s Centre resources on the most vulnerable children and families, we also think that Children’s Centres should be the place where families can get support from other universal services such as health

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visiting, midwifery, Citizen’s Advice and support with housing and employment. We are working with partners to ensure that access is maintained for these services.

23. We propose to reduce the Children’s Centre budget by £3.4 million from April 2020, reducing the 58 current centres to 21 main centres and 9 satellite sites. The remodelling will take place between April 2019 and September 2019 and will achieve an in year saving of £1 million.
24. Each of the 11 districts and boroughs in Surrey will have at least one main centre. There will also be smaller satellite centres offering fewer services and open less frequently, but these will be places where social workers who are supporting families can meet with them. The main Centres, however, will also provide outreach support to families in their own homes, and will continue to use community venues where needed. This is a model that is already used effectively to support families that do not live near a Children’s Centre.
25. For this new model to work, some of the universal support currently provided will no longer be offered by Children’s Centres staff. The Centres will however continue to work with partner agencies and enable them to provide universal activities and support from the Centres.
26. Surrey County Council is also creating an Early Help Hub which will identify which services are most appropriate for families in need of Early Help and Targeted Help. The hub will provide a single point of contact to a range of services and will include a consultation telephone line and the Family Information Service. The Hub will work in partnership with the Children’s Centres to identify families who need the support available at the Centres and through the outreach workers.
27. The consultation proposed to withdraw the two mobile Children’s Centres from service due to the lack of use and high running costs. However, after considering the consultation feedback and the equalities impact analysis, we can see that the effective use of a mobile centre could help families in need of support who do not live near a main centre or community venue providing outreach support. We are now proposing to retain the use of one mobile Family Centre and will be exploring the most cost-effective way of achieving this. The mobile Family Centre will be deployed across the County in areas that do not have access to a local Family Centre, satellite or community venues.
28. The model will seek to maintain and where possible increase the level of outreach support to families using community venues where necessary.
29. To make sure we spend money on those who need it the most, we need to prioritise having centres in areas that are most likely to have children affected by deprivation or living in households that have low incomes or unemployment. The 2015 Income Deprivation Affecting Children Index (IDACI) scores (measures that show the proportion of children under the age of 16 that live in low-income households, broken down into neighbourhood area codes) have been used to identify these areas. For this measure, low-income households are defined as:
 - Children in Income Support households
 - Children in Income Based Job Seekers Allowance households
 - Children in Working Families Tax Credit households whose equivalised income (excluding housing benefits) is below 60% of median before housing costs

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- Children in Disabled Person’s Tax Credit households whose equivalised income (excluding housing benefits) is below 60% of median before housing costs.
 - National Asylum Support Service (NASS) supported asylum seekers in England in receipt of subsistence only and accommodation support.
30. We also recognise that some types of need, such as children affected by domestic abuse and parental mental health, cross the boundaries of deprivation. The funding allocation for each district and borough has therefore been designed to also reflect the total population of children in communities.
31. The new funding allocation has also been used to ensure the budget is also focussed on those areas that need it the most. The range of proposed budget reductions therefore range from an increase of 2% in Elmbridge compared to a 58% reduction in Mole Valley.
32. In developing the approach, we have worked with existing Children’s Centre providers to develop locally agreed solutions for their borough/district. Where agreement has been reached between existing providers these have formed the proposals submitted for consultation. In some district/boroughs local solutions are still being negotiated. Where this is not successful the council will carry out a formal tender process to establish a new provider in those areas.
33. Some existing providers, including schools, do not wish to continue providing Children’s Centres in the future and so it is inevitable that some new local solutions will be necessary for the future model.
34. We have asked for feedback on how the Centres could help create more resilient communities where families support one another through the normal challenges of parenting and family life.
35. The following key data was also used to inform the proposal:
- Early Help Needs Assessment and District & Borough Needs analysis
 - Income Deprivation affecting Children in Need Index (IDACI)
 - Lower Super Output Areas (LSOAs) figures
 - Gender distribution in Surrey - Surrey-i
 - Responses to the Proposed Model by Providers– Surrey Says
 - Feedback from initial engagement and cluster meetings with providers.
 - Children and Family Health Surrey – NHS
 - Health and Wellbeing Surrey
 - Office for National Statistics Figures
36. The proposal differs for each Surrey district and borough as the proposed changes are based on the principles of providing support where it is needed most, a summary of the changes by district and borough is shown here:

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Elmbridge		
Future locations for main children’s centres	Future locations for satellite children’s centres	Current Centres where no SCC service would be offered
Walton Sure Start Children’s Centre	Cobham Sure Start Children’s Centre	Burhill Sure Start Children’s Centre
Three Rivers Sure Start Children’s Centre	Community venues depending on identified need	Weybridge Children’s Centre – A Sure Start for all
		The Dittons Sure Start Children’s Centre
		Claygate and Oxshott Sure Start Children’s Centre

Epsom and Ewell		
Future locations for main children’s centres	Future locations for satellite children’s centres	Current Centres where no SCC service would be offered
Riverview Sure Start Children’s Centre	Community venues depending on identified need	St Martins Sure Start Children’s Centre
Epsom Primary Sure Start Children’s Centre		Meadow Sure Start Children’s Centre

Spelthorne		
Future locations for main children’s centres	Future locations for satellite children’s centres	Current Centres where no SCC service would be offered
Stanwell Sure Start Children’s Centre	Buckland Sure Start Children’s Centre	Kenyngton Manor Sure Start Children’s Centre
Clarendon School & Sure Start Children’s Centre	Saxon Sure Start Children’s Centre	Spelthorne Sure Start Children’s Centre

Runnymede		
Future locations for main children’s centres	Future locations for satellite children’s centres	Current Centres where no SCC service would be offered
The Haven Sure Start Children’s Centre	Proposal to locate a satellite children’s centre in Addlestone, location to be confirmed	Sayes Court Sure Start Children’s Centre
	Chertsey Nursery School and Children’s Centre	The Poplars Sure Start Children’s Centre
	Community venues depending on identified need	

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Surrey Heath		
Future locations for main children’s centres	Future locations for satellite children’s centres	Current Centres where no SCC service would be offered
Orchard Sure Start Children’s Centre	Community venues depending on identified need	Bagshot Sure Start Children’s Centre
Pine Ridge Sure Start Children’s Centre		Chobham and West End Sure Start Children’s Centre
		Mytchett Sure Start Children’s Centre

Woking		
Future locations for main children’s centres	Future locations for satellite children’s centres	Current Centres where no SCC service would be offered
Sythwood Sure Start Children’s Centre	Community venues depending on identified need	St John’s Sure Start Children’s Centre
Woking Sure Start Children’s Centre		Pyrford and Byfleet Sure Start Children’s Centre
		Horsell Sure Start Children’s Centre
		Brookwood Sure Start Children’s Centre

Mole Valley		
Future locations for main children’s centres	Future locations for satellite children’s centres	Current Centres where no SCC service would be offered
Dorking Nursery School Sure Start Children’s Centre (North Holmwood Goodwyns Road site)	Dorking Nursery School Sure Start Children’s Centre (West Street site)	Leatherhead Trinity School & Children’s Centre
	Community venues depending on identified need	

Reigate & Banstead		
Future locations for main children’s centres	Future locations for satellite children’s centres	Current Centres where no SCC service would be offered
Epsom Downs Sure Start Children’s Centre	Community venues depending on identified need	Steppingstones Sure Start Children’s Centre
Welcare in East Surrey Sure Start Children’s Centre		Dovers Green Sure Start Children’s Centre
The Red Oak Merstham		Horley Community Sure Start Children’s Centre
Horley. Proposed offer within Horley Youth Centre		The Windmill Sure Start Children’s Centre
		YMCA Sure Start Children’s Centre in Banstead

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Tandridge		
Future locations for main children’s centres	Future locations for satellite children’s centres	Current Centres where no SCC service would be offered
Caterham Sure Start Children’s Centre	Community venues depending on identified need	Hurst Green & Holland Sure Start Children’s Centre
		St Piers Sure Start Children’s Centre
		Hamsey Green Sure Start Children’s Centre

Guildford		
Future locations for main children’s centres	Future locations for satellite children’s centres	Current Centres where no SCC service would be offered
Guildford Nursery School and Sure Start Children’s Centre	Ash Grange Sure Start Children’s Centre	Boxgrove Sure Start Children’s Centre
The Spinney Sure Start Children’s Centre	Community venues depending on identified need	St Pauls C of E Infant School & Sure Start Children’s Centre

Waverley		
Future locations for main children’s centres	Future locations for satellite children’s centres	Current Centres where no SCC service would be offered
Loseley Fields Sure Start Children’s Centre	Wharf Nursery School & Sure Start Children’s Centre (Eashing Building or community venues)	Tennyson’s Sure Start Children’s Centre
Hale Sure Start Children’s Centre	Potters Gate Sure Start Children’s Centre	Christopher Robin Sure Start Children’s Centre
	Community venues depending on identified need	Elstead & Villages Sure Start Children’s Centre

37. Consultees were asked for their views on the locations of the main Centres and were presented with a list of the proposed changes as listed in the tables above. They also had the opportunity to express whether they agreed or disagreed with the proposed locations and supply their own comments.
38. Many of the activities taking place in Children’s Centres are not delivered by Children’s Centre staff. The existing Children’s Centres already use volunteers to support the work they do. Voluntary sector, private organisations and partner agencies also regularly use the Centres to support families. We expect this to continue in the new model and Centres will work in partnership to make best use of Children’s Centre buildings and community venues.
39. The consultation set out our intention to rename our Children’s Centres to reflect the new model. The consultation feedback supported changing the name to ‘Family

Centres’ we are therefore proposing to take this forward as we implement the new model.

APPROACH

40. Initial engagement sessions were held between January and February 2018 in the four Surrey quadrants to acquaint partners and relevant stakeholders with the proposed model and what it could mean locally. Cluster meetings were also held across the 11 district and boroughs in Surrey during spring 2018 and engagement workshops were undertaken with current Children’s Centre staff in October 2018.
41. In addition, a seminar for Surrey County Council elected members took place in April 2018 which provided opportunity to discuss the overall Early Help consultation proposals with a strong focus on Children’s Centre restructure.
42. On 16 October 2018, the decision was taken to commence public consultation on the proposal outlined – under delegated powers by a council officer – by Dave Hill, Executive Director Children, Families, Lifelong Learning and Culture. This decision was taken in consultation with the Cabinet Member for Children.
43. The consultation for family resilience and Children’s Centres was launched, run and promoted as part of the Have Your Say consultation campaign. Alongside the family resilience consultation, the ‘Concessionary Bus Travel’, ‘Special Educational Needs and Disabilities’, ‘Libraries and Cultural Services’ and ‘Community Recycling Centres’ were all included in the campaign.
44. The consultation was launched on Tuesday 30 October 2018 and concluded on Friday 4 January 2019.
45. Several public drop-in sessions took place throughout the consultation period. At least one week-day session was held in each district & borough with further sessions booked in the evening, on a Saturday and an additional mid-week session in Reigate and Banstead – these sessions were booked in response to feedback from the public in the first weeks of the consultation period.
46. Several Local Committees were invited to consider and discuss the proposed service changes as they relate to their respective areas. At the date of writing this report, recommendations have been made to the following Local (or Joint) Committees:
 - Waverley Local Committee, 14 December 2018.
 - Elmbridge Local Committee, 26 November 2018.

In addition, both public and Member written questions have been submitted and considered at the following:

- Mole Valley Local Committee, 12 December 2018. Written public questions.
- Spelthorne Joint Committee, 10 December 2018. Written Member questions.

At these local and joint committees, no specific actions or decisions were taken regarding the family resilience consultation.

Summarised Consultation Analysis

47. The consultations followed a rigorous and robust method to analysing, interpreting and synthesising large amounts of data. Specifically, a series of analytical workshops have ensured that each consultation working group have collaborated to co-design a user-centred framework and analysis process to ensure that the users’ voice is reported in a clear and digestible fashion.
48. Responses to the consultation were received in a variety of formats however the majority were submitted via the online Surrey Says questionnaire. All responses whether submitted online, by post, or via written correspondence to Members and officers, have been considered as part of the analysis. The number of responses received in total, via each channel, is as follows:

Email/ Letters	17
Surrey Says	3,797 Direct online response (Surrey Says) = 3,659 Easy Read paper questionnaires = 11 Standard paper questionnaires = 127

49. A demographic analysis was carried out on all responses:
- Reigate and Banstead registered the largest response with 611 respondents, whereas Epsom and Ewell registered the smallest response with 129 respondents.
 - The majority of responses were from women aged 25-44 years old (2,178 – 57%).
 - The majority of respondents (87%) reported no health problem or disability.
 - A third of respondents were in full-time employment and a third in part-time employment and just over 11% were homemakers.
 - Over 79% of respondents identified as White British. The number of BME groups in the sample under-represents their proportion in the Surrey population.
 - Nearly half of the sample reported they were Christian and just over 40% said they had no religion.
50. Respondents were asked a number of questions on the overall family resilience approach; targeting of resources, the use of mobile centres, charging for services and volunteering. Each of these questions were analysed by all the key demographics and over 100 tables of analysis are available. For ease of presentation the overall response to each question is summarised here:
- a) There was strong support for **our aim to invest more in services that help families earlier** with over 81% agreeing. The level of agreement was observed across all boroughs and all demographic sub groups.
 - b) There was very limited support for our **proposal to withdraw the mobile Children's Centres from service** with about a fifth of people agreeing. Over a third **strongly**

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disagreed. All boroughs exhibited a similar response but residents from some, including Reigate and Banstead and Tandridge, exhibited noticeably higher disagreement with this proposal.

- c) Only two fifths of the responses (38%) agreed with the proposal **to allocate funding to Children’s Centres in areas where there are more families on low incomes**. This was highest in Spelthorne (54%) and lowest in Elmbridge (28%). In Mole Valley and Waverley, which will take the largest percentage cuts in funding, 43% and 46% agreed with this proposal.
- d) Nearly two thirds of respondents (60%) agreed with the proposal **that families who can afford it should pay a fixed charge for certain activities**. Agreement was highest in Epsom and Ewell (70%) and lowest in Guildford (53%).
- e) There was strong support (73%) from all boroughs for the proposal **that children’s centres could play a role in supporting local communities to take part in volunteering to help children and their families**.
- f) Nearly two thirds (61%) of respondents agreed that **Children’s Centres should encourage more people to volunteer to run activities and help in the children’s centres**. Spelthorne registered the largest support with 69% agreeing with this approach. When asked if **they would volunteer** to help in a children’s centres nearly half (43%) said they would. This was highest in Spelthorne and Runnymede (49%) and lowest in Mole Valley (32%)
- g) There was strong disagreement (86%) that Children’s Centres are an appropriate area to make savings and strong agreement (79%) that “Savings should be made from other county council services before making any savings from Children’s Centres”. These findings were reflected across all boroughs.
- h) Respondents were asked to select a name for a new service from a list of three or to suggest a new name. Nearly a third of respondents didn’t have a view on this. A quarter (25%) preferred *Family Centres* followed by 23% preferring *Child and Family Centres*.
- i) Respondents were presented with the plans for each district and borough and asked whether the right locations were chosen for the Centres within their borough. They were also given the opportunity to comment on the plans for other boroughs which a small percentage of respondents chose to do. The question asked was as follows:

“Given that we have to make these reductions and are committed to targeting funding at the areas of highest need; to what extent do you agree or disagree that we have chosen the right locations for these services?”
- j) In summary, around a sixth to two fifths in each borough thought the right locations were chosen. Epsom and Ewell registered the highest level of agreement (39%) whereas Surrey Heath and Tandridge registered the lowest level of agreement (17%).
- k) Respondents were asked to agree or disagree with the following approach;

“If we are unable to use the current Children’s Centre buildings we will endeavour to find a local alternative”

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In summary, about a fifth to a half of residents agreed that the council should try to find a local alternative. Spelthorne recorded the highest level of agreement (53%) and Guildford the lowest level of agreement (21%).

51. Within the Family Resilience consultation questionnaire respondents could answer up to three ‘free text’ questions. A detailed qualitative analysis was carried out on this feedback – including feedback received from other written correspondence – and these provide an indicator of the main concerns and issues residents have with the proposed changes to Children’s Centres.
52. Whilst many agreed that it was right to target Children’s Centres at those most in need, there was concern that although a parent may not be on a low income they still have needs and require support to help them through the first years of parenting. For example, the issues mentioned most often included help for women with post-natal depression and help to alleviate isolation and the lack of local family support - which affect people from all social classes. There was also concern that deprivation indicators do not always take account of the pockets of deprivation in affluent areas.
53. Residents and practitioners praised the work of Children’s Centres, supporting their views with personal experiences describing how the Centres had helped them through difficult times. Many viewed the Centres as a community asset and believed their closure would be “taking part of the community away” leaving some areas struggling to cope. People were particularly concerned about the increasing isolation that will be felt by some new parents and the mental health problems that will result.
54. Some respondents felt that closing Centres and stopping some universal activities would undermine the principle of early intervention, with vulnerable children and families not being spotted early enough, resulting in more costly intervention further down the line.
55. The issue of access to the remaining services - whether that be direct access to the Centres or the provision of sufficient outreach services - was mentioned by significant number of residents. It was believed that closing Centres in some semi-rural areas with poor public transport could result in further isolation for vulnerable families. When commenting on the borough specific plans, some people observed that the Centres selected to stay open were too geographically close together, leaving large areas without reasonable access to the service.
56. Some respondents reported that several Centres are oversubscribed with queues for basic services, albeit the majority of these could be described as universal services. There was a belief that closing Centres could only make this situation worse.
57. People made various suggestions as to how to minimise some of the negative consequences of the closures.
 - Increasing outreach and mobile services to reach isolated families
 - Charging those who can afford to pay for services
 - Encouraging more volunteering
 - Pooling resources from different sectors e.g. health and council services
 - Make better use of other services and buildings

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- Supply more information about other services
 - Keeping more centres open but reducing opening hours
58. The suggestions and alternatives put forward in the consultation have been considered together with the Equality Impact Analysis. The suggestions to either keep Centres open as they are now or with reduced hours have been considered. These suggestions however would increase how much is spent on buildings and leadership rather than supporting vulnerable families and have therefore not been proposed.
59. Charging for services and encouraging volunteers are both aspects of the new delivery model that will be taken forward by individual centres in the future but we will need to ensure that charges are not a barrier for families who need the services and volunteers are used effectively. Neither of these proposals however would prevent the need to close the centres as proposed.
60. The suggestions to increase outreach support and maintain the use of the mobile Children’s Centres are being taken forward by keeping the use of one bus and wherever possible increasing the number of outreach workers as the Family Centres are implemented.
61. Pooling resources, working in partnership with other agencies and improving access to information are features of the wider family services improvements and transformation. The new Family Centres will enable and develop local partnership working to meet the needs of the families in communities using the Family Centres and through outreach using community venues.
62. Full results from the consultation [are available on the council’s website](#).

Proposals Implications and Mitigation Options

63. A detailed Equality Impact Assessment (EIA) has been conducted to assess the potential implications of the proposals and the impact on residents, service users and vulnerable groups. The proposal is expected to affect:
- Children and families
 - The staff working in Children’s Centres
 - Health practitioners such as Health Visitors and Midwives who deliver services from current Children’s Centres
 - Provision delivered by the Voluntary, Community and Faith Sector, and Lifelong Learning, that is currently offered at Children’s Centres. This may result in a broader loss of provision for families, and a loss of funding for the sector.
 - Young people who access youth provision at some of the venues being considered and staff who work there
 - Schools due to impact on the school readiness of children, and change of use of buildings on their premises.
64. Potential negative and positive impacts resulting from the proposals have been considered in detail, with a significant range of evidence sources used to inform the analysis, further detail is included in the attached EIA (Annex 1a) and an overview of the key potential impacts is provided here:

Annex 1 – Children’s Centres Consultation Report

- Children aged 0-11, and their families, will have access to targeted activities and services that will help them to progress.
 - Funding and provision is being allocated based on the Index of Deprivation Affecting Children (IDACI). Therefore, children and families who live in areas of lower income will benefit from services being located within their community.
 - Families who need support but do not live close to a Children’s Centre will be supported by outreach workers.
 - More women will be affected by the proposals through possible redundancy and resignations as they make up the majority of the workforce of Children’s Centres
 - Disabled staff and staff who have caring responsibilities, and their families, may be negatively impacted by the proposals if service relocation requires different methods of transport. There is also the possibility of being redeployed to roles not best suited to disabled personnel.
 - Some children and families who experience particular barriers to engagement, are unable to travel to their nearest Children’s Centre or do not engage with universal provision may miss out on support and activity at an early stage because they remain unknown to the outreach teams.
 - The consultation responses have shown a low level of agreement with the proposed locations of Family Centres. The responses largely focus on the loss of a local facility and access to the universal services they provide. A significant number of responses suggested using alternative community venues.
65. A number of key actions have been identified in order to mitigate and reduce the potential negative impacts resulting from the proposals; these are documented in the Equality Impact Assessment in detail and can be summarised as follows:
- We will ensure clear communication with health colleagues about the potential changes and supporting them to find alternative delivery sites to minimise disruption to services where necessary. We will ensure joint communication with the public about access to these services to provide reassurance
 - We will continue to make use of community venues and will work with partners and other community facilities and providers to ensure the needed support and service is in place. There will be an expectation for the Family Centre to develop and enable universal provision and it will form part of the new Family Centre specification and contracts that will be put in place
 - The consultation did not stipulate the wide range of community venues that are used by existing Children’s Centres, this will be made clearer as the new Family Centre model is established.
 - We will work with other services and voluntary organisations that support Gypsy, Romany and Traveller work in the community. Continuation of targeted outreach services and provision of adequate resources to support minority groups.
 - Ensure joined up working with Local Family Partnership initiatives.
 - Change the proposal and retain 1 mobile Children’s Centre

Changes to Consultation Proposals

- 66. The consultation proposed to withdraw the two mobile Children’s Centres from service due to the lack of use and high running costs. However, after considering the consultation feedback and the equalities impact analysis we can see that effective use of a mobile centre could help families in need of support who do not live near a main centre or community venue providing outreach support. We are now proposing to retain the use of one mobile Children’s Centre and we be exploring the most cost-effective way of achieving this.
- 67. The consultation proposed locating a satellite centre at the Addlestone Youth Centre. Whilst we are still proposing to have a satellite centre in Addlestone we are relooking at where the centre is best located and are in discussions with the existing provider of Sayes Court Children’s Centre.

Risk management and implications:

- 68. If we continue to deliver Children’s Centres as we do now, we will not meet the needs of the most vulnerable children in the county.
- 69. The new Family Centre model will focus resources on families who need it the most, therefore the amount of universal support currently delivered by Children’s Centres will be reduced.
- 70. A detailed implementation plan will set out with key milestones and resources required to minimise the impact on families currently being supported by Children’s Centres during the transition to the new Family Centre model.
- 71. In addition, expanding the age range of children that Children’s Centres will support from 0-5 to 0-11, while simultaneously reducing the budget and number of them, there is a risk there will be fewer services available for children aged 0-5. This will be balanced out by the offer of more targeted support for some of the most vulnerable families with children aged 0-11.

Financial implications:

- 72. In the event that Cabinet make the decisions recommended to them, the overall financial implications for the council’s budget are as follows.
- 73. The council’s Final Financial Strategy (Annex 6) confirms the new model for Family Centres will achieve a £1 million saving in 2019/20 with a full year saving of £3.4 million anticipated from April 2020. The model is expected to be introduced between April and September 2019.

Report contact: Nigel Denning, Early Help Transformation Lead

Contact details: 03456 009 009

Sources/background papers:

Annex 1 – Children’s Centres Consultation Report

Children’s Centre Consultation Response Analysis Report

Annexes:

Annex 1a – Children's Centre Equality Impact Assessment

Equality Impact Assessment (EIA)



1. Topic of assessment

EIA title	Recommissioning of Children’s Centres in Surrey
EIA author	Nikki Parkhill

2. Approval

	Name	Date approved
Approved by	Nigel Denning	07 January 2019
Approved by	Dave Hill (Executive Director, Children, Families, Learning and Culture)	07 January 2019
Approved by	Mary Lewis (Cabinet Member for Children)	16 January 2019

3. Quality control

Version number	v. 12	EIA completed	07 January 2019
Date saved	10.1.19	EIA published	21 January 2019

4. EIA team

Name	Job title	Organisation	Team role
Lesley Hunt	Supporting Children's Manager	Surrey County Council	Project Insight
Sue Turton	Children's Centre Advisory Team Manager	Surrey County Council	Project Insight
Chris Tisdall	Principal Commissioning Manager Early Help and Early Years	Surrey County Council	Project Insight
Dom McVey	Lead Commissioner, Insight and Innovation	Surrey County Council	Researcher & data analysis- Public Consultation
Nigel Denning	Early Help Transformation Lead	Surrey County Council	Advice

Annex 1a – Children’s Centres Equality Impact Assessment

Adam Whittaker	Policy and Strategic Partnerships Manager	Surrey County Council	Advice
Janet Polley / Deborah Chantler	Senior Principal Solicitors	SCC	Legal Advice

5. Explaining the matter being assessed

What policy, function or service is being introduced or reviewed?

This EIA assesses the impacts of proposed changes to children’s centres in Surrey on children, families and staff who have protected characteristics.

Children’s centres bring together services for young children from birth to five years and their families in a multi-professional way. They work with children and families within and across the community and also make direct contact with families not accessing other services. In order to reach the children who need support the most, children’s centres take services into family homes and community settings used by families as well offering them from the centre. The core purpose for children’s centres is to ensure that by the time children reach school age they are ready to take advantage of all the opportunities available to them. Children’s centres make a key contribution to enabling families to become more resilient. This means that families are more able to cope with change and difficult circumstances.

There are currently 58 children’s centres in Surrey primarily supporting families with children aged 0-5.

It is proposed that our new Family Centres will focus on the children and families in most need. Currently the children’s centres offer a universal service and there is strong evidence that the families who are in greatest need do not use the centres, instead sometimes accelerating into child protection and public care. Research undertaken at Durham University points to better outcomes where there is a stronger focus on ‘hard to reach’ children and families.

There will be at least one Family centre in every district and borough, 21 in total, with 9 satellite centres. We will also retain a mobile Family Centre. We will enable other service providers to offer some universal services from our Family Centres. Surrey County Council will signpost universal or open access services. The Family Centres will act as hubs for partner agencies and community organisations to offer universal services such as Health Visiting, breast feeding advice and support for new parents.

The new Family Centres will work with children aged 0 to 11 and their families. The services will be targeted and referrals will come via our new Early Help Hub, which will replace the current MASH (Multi Agency Service Hub) arrangements. This new approach builds on the Family Resilience model, based on early intervention and support, which has at its core the goal of keeping families together where possible. We are seeking to avoid children becoming subject to child protection or public care, as far as this is appropriate. There will be parallel services for adolescents.

	<p>The proposed changes will mean that there will be fewer children’s centres in Surrey, but that the offer currently provided for families with children aged 0-5 will be extended to those with children aged 0-11. Resources will be targeted to families who need them the most, so centres will be located in areas with the lowest socio-economic outcomes. This is a different approach from how the council has historically allocated funding.</p> <p>The proposal seeks to achieve a £1m saving in 2019/20. The revised funding formula for centres will however mean that some boroughs and districts will experience a greater reduction than others.</p>
<p>What proposals are you assessing?</p>	<p>The purpose of children’s centres will be to develop the resilience of families with children aged 0-11. To do this they will contribute to three main strategic outcomes:</p> <ul style="list-style-type: none"> • Improving child and family health; • Narrowing the gap for disadvantaged children and families, and; • Strengthening family relationships and wellbeing. <p>As a result of increased resilience, children will be enabled to be happy; healthy; learn; achieve their potential; and become economically independent citizens.</p> <p>This EIA considers the following proposals:</p> <ul style="list-style-type: none"> • Children's Centres are remodelled to create Family Centres as part of a wider Family Service, to support the families with children aged 0 -11 that are the most vulnerable. • Family Centres are located in areas where children are most likely to experience poor outcomes, with at least 1 main centre in each district and borough supported by use of satellites, outreach workers and use of community venues. • To retain one mobile Family Centre in Surrey to deal with areas where there a small numbers of vulnerable children and families.
<p>Who is affected by the proposals outlined above?</p>	<p>The proposal is expected to affect:</p> <ul style="list-style-type: none"> • Children and families • The staff working in children’s centres • Health practitioners such Health visitors and Midwives who deliver from current children’s centres • Provision delivered by the Voluntary, Community and Faith Sector, and Lifelong Learning, that is currently offered at children’s centres. This may result in a broader loss of provision for families, and a loss of funding for the sector. • Young people who access youth provision at some of the venues being considered as delivery sites for children centre activities and the staff who work there

- Schools due to impact on the school readiness of children, and change of use of buildings on their premises.

6. Sources of information

Engagement carried out

Initial engagement sessions were held between January and February 2018 in the four Surrey quadrants, to acquaint partners and relevant stakeholders with the proposed model and what it could mean locally. Cluster meetings were also held across the 11 district and boroughs in Surrey during spring 2018 and engagement workshops were undertaken with current children’s centre staff in October 2018.

In addition, a seminar for Surrey County Council elected members took place in April 2018 which provided opportunity to discuss the overall Early Help consultation proposals with a strong focus on Children’s Centre restructure.

A formal public consultation ran from 30th October 2018 through to 4th January 2019 which involved an online survey delivered through Surrey Says (paper copies and an ‘easy read’ version were also available) and opportunities for face to face discussion at drop in events in every borough and district. Overall, we received 3739 responses to the survey. The vast majority of respondents agreed with the principle of earlier intervention, and two fifths agreed with allocating resources according to need. Recurrent themes included issues of access; rurality; transport; isolation; and a reduction of support for parents/ carers experiencing poor mental health and emotional wellbeing. These issues are discussed below and mitigations for these factors will be described.

Data used

The following key data was used to inform the proposal:

- SCC Early Help Needs Assessment (2018) and District & Borough Needs analysis
- Income Deprivation affecting Children in Need Index (IDACI)
- Lower Super Output Areas (LSOAs) figures
- Gender distribution in Surrey - Surrey-i
- Responses to the Proposed Model from Providers– Surrey Says
- Feedback from initial engagement and cluster meetings with providers.
- Children and Family Health Surrey – NHS
- Health and Wellbeing of Children and Young people in Surrey
- Office for National Statistics Figures
- Surrey Children’s Centre EStart Data extracted October 2018
- Data from the Outcomes Star reporting system
- Social Mobility Commission (2017) Social Mobility in Great Britain: 5th State of the Nation Report

- SCC Children’s Centre Reach Profiles (2016)
- Surrey Children’s Centre Outcomes Star report (extracted in October 2018)
- Department for Communities and Local Government (DCLG), IMD 2015
- The analysis of the responses to Phase 1 of the Family Resilience public consultation which focussed specifically on the proposals relating to children’s centres in Surrey (January 2019)

7. Impact of the new/amended policy, service or function

7a. Impact of the proposals on residents and service users with protected characteristics

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence
Age	<ul style="list-style-type: none"> Children aged 0-11, and their families, will have access to targeted activities and services that will help them to progress. Funding and provision is being allocated based on the Index of Deprivation Affecting Children (IDACI). Therefore, children and families who live in areas of lower income will benefit from services being located within their community. Families who need support but do not live close to a children’s centre will be supported by outreach workers. 	<ul style="list-style-type: none"> Reduction in universal services and fewer children’s centres will reduce access to provision for families: some existing entry points into preventative and targeted provision will be reduced. This may result in difficulties within families being missed, and these factors increasing. There may be an increased chance of children not meeting their milestones/ experiencing poor outcomes relating to health and wellbeing and school readiness. Children and families considered to have less/ lower level needs will have fewer opportunities to access provision as the delivery of universal services is significantly 	<p>According to the Office for National Statistics, there are approximately 71,000 children in Surrey aged 0-4 and 78,100 children aged 5-9. (https://www.surreyi.gov.uk/dataset/population-projections-2016-2041)</p> <p>As at 30 June 2015, registration rates at the 58 Children’s Centres across Surrey show that the range of services available reached 80% of families living in disadvantaged areas and 74% of families overall - <i>Health and Wellbeing of Children and Young people in Surrey</i></p> <p>The Surrey Children’s Centre Reach Profiles (2016) showed a range of 79.69% - 91.28% and mean average of 83% children aged 0-4 registered with a children’s centre.</p> <p>As of 12.10.18, there were 56,861 children registered at children’s centres in Surrey. This demonstrates that the percentage of 0-4 year olds registered at children’s centres has remained constant. Between 1st October 2017 and 30th September 2018, 16,735 were seen at children’s centres more than 3 times. The mean average number of attendances is 6.5</p>

		<p>reduced, or in some locations moved to being signposted elsewhere.</p> <ul style="list-style-type: none"> • Children from military families may be negatively impacted by the proposed closure of Mychett and Pirbright & Brookwood Children’s Centres. 	<p>times per annum with a range of 1 to 186 times seen during the 12 month period.</p> <p>Registration by age:</p> <ul style="list-style-type: none"> • 7,703 children aged 0 • 10,968 children aged 1 • 12,311 children aged 2 • 12,954 children aged 3 • 12,825 children aged 4 <p>The Early Help Needs Assessment (SCC, 2018) and the borough and district based Early Help Advisory Boards have identified that there is a gap in provision for children aged 5-11 and their families.</p> <p>10% of children in Surrey live in poverty. Children living in poverty experience worse outcomes than their peers living in more affluent households. This is more pronounced in affluent areas such as Surrey (Social Mobility Commission, 2017)</p> <p>35% of military children in Surrey live in Surrey Heath.</p>
<p>Disability</p>	<ul style="list-style-type: none"> • The new funding model will increase the percentage of funding available to areas with high deprivation. Disabled children disproportionately live in low economic areas. Funding will therefore be matched more appropriately to disabled families. 	<ul style="list-style-type: none"> • The proposed restructure may reduce the quantity of frontline universal services. This change may affect children with disabilities and their families. • It is thought that families with the most needs tend not to travel out of their local area as they do not drive and public transport is 	<p>Health and Wellbeing Surrey estimates that there are 8,500 children with a disability in Surrey. Of those children, it is estimated that 55% are living in poverty or near to living in poverty.</p> <p>According to the EStart data (October 2018), 167 children and 412 parents registered at children’s centres have declared a disability. However, of the children who have been seen at centres, 123 have been identified as having a disability and 179 have been listed as having ‘special needs’. It is unclear if any of those children have been identified against</p>

	<ul style="list-style-type: none"> • The focus on delivering targeted services is likely to include provision for families who have a child with special educational needs and/ or disabilities. • Outreach will be provided to ensure access for the families who would benefit most from support. 	<p>generally poor in those areas. It is estimated that only 6% have gone to another Children’s Centre.</p>	<p>both categories and if the data accurately reflects the number of disabled children and parents/ carers who access the provision.</p> <p>Of the 1038 families who are using the Outcomes Star:</p> <ul style="list-style-type: none"> • 55 parents have a chronic health condition as do 53 children; • 9 parents and 43 children have a sensory impairment; • 32 parents and 37 children have a physical disability; • 423 parents have mental health issues, as do 43 children; • 57 parents and 131 children have a learning disability. <p>It is important to note, however, that only 234 families have a single identified need, and therefore, the numbers listed above may capture an individual family for more than one category of need.</p> <p>The Early Help Needs Assessment (2018) has identified a gap in support for parents of children who have special educational needs and/ or disabilities and complex needs (incl. ASD and ADHD). A further gap identified is for access to provision that enables needs to be identified and responded to early.</p> <p>Post-natal depression has been identified as a key issue for many parents accessing children’s centres through the public drop-in sessions and the responses to the online survey. Post-natal depression is not linked to income. Partners and families are concerned about people who are experiencing post-</p>
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			<p>natal depression and their ability to access provision. It has been suggested that post-natal depression is compounded by social isolation and changes in employment patterns and social life when the primary carer takes time away from work to be with their child during parental leave. According to Health Surrey, postnatal depression can happen at any time for up to two years after giving birth and affects 1 in 8 women.</p> <p>The IMD 2015 showed that the top 10 areas with a mental health need amongst the adult population at a greater level than the England average as;</p> <p>:</p> <ul style="list-style-type: none"> • Old Dean (Surrey Heath) • Merstham (Reigate and Banstead) • Preston (Reigate and Banstead) • Westway (Tandridge) • Horley Central (Reigate and Banstead) • Beare Green (Mole Valley) • Court (Epsom and Ewell) • Box Hill and Headley (Mole Valley) • Portley (Tandridge) • St Michaels (Surrey Heath). <p>Parents and community members who attended the public drop-in sessions during the consultation phase have highlighted the challenges of travelling for families who need to access a different children centre. In particular, they have highlighted that parents/ carers may need to take multiple buses which will be costly in both time and money. Public transport can be particularly inaccessible for disabled parents and children.</p>
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			Some respondents to the public consultation highlighted that some provision that facilitates early identification and support for families who have children with special educational needs and/ or disabilities may be affected by the closure of some centres.
Gender reassignment	<ul style="list-style-type: none"> None identified for now although parents of children aged 5-11 who are questioning their gender identity, who identify as non-gender binary, or wish to transition, may be able to access more support. 	<ul style="list-style-type: none"> None identified at this stage 	It has not been possible to find any data specifically related to gender reassignment and children’s centres. It is possible that for some people, a change in children’s centre provision and staffing may feel difficult due to a fear of discrimination.
Pregnancy and maternity	<ul style="list-style-type: none"> Children’s centres will continue to provide invaluable support to families before, during and after pregnancy. The funding model will better target funding to areas of high deprivation where there are higher rates of pregnancy and support required for single parents. 	<ul style="list-style-type: none"> Children’s centres bring together an array of services and professionals such as health visitors, midwives etc. who provide invaluable services to pregnant women and nursing mothers. These services include baby weighing clinics, sleep and weaning workshops, breastfeeding and post-natal depression support. The reduction in the number of children’s centres is likely to impact on the choices parents have of when and where 	<p>As of January 2018, there were 5,554 pregnant women registered with the Children’s Centres across Surrey.</p> <p>About 145 teenage parents and 3380 lone parents of 0-4 children are registered with Children’s Centres across Surrey.- <i>Estart Data</i></p> <p>Children born to women under 20 are at a higher risk of being born into poverty (Surrey Young Parents Framework- draft- March 2007).</p> <p>21% of young women who are not in education, employment or training are young parents.</p> <p>Younger fathers are at risk of experiencing anxiety and depression, poorer physical health and nutrition, are more likely to use alcohol and substances, have</p>

		<p>they can access this provision.</p> <ul style="list-style-type: none"> The delivery of the Family Nurse Partnership, a service beneficial to many young mothers, could be impacted by the change. 	<p>poorer educational attainment and use violence within the family.</p> <p>Respondents to the consultation highlighted concerns about the negative impact of the reduction in the number of children’s centres on new parents, especially those who have limited support from families and/ or limited social networks, people who experience post-natal depression, those who experience challenges with breast feeding and women who are unable to drive in the weeks following the birth of their child who would currently be in walking distance of support. Respondents highlighted that these factors are compounded by rurality and infrequent, disjointed and costly public transport.</p>
<p>Race</p>	<ul style="list-style-type: none"> None identified 	<ul style="list-style-type: none"> There may be a negative impact on families who access particular children’s centres that are proposed to close, or the mobile provision which may be withdrawn. Families from GRT communities can potentially lack trust in local services and councils, with a stigma relating to these. The formalisation of referral routes into provision, increased targeted provision and a loss of universal provision, may 	<p>The ethnicity of 56% (32,360 children) of the children registered at children’s centres is unrecorded. 17, 598 have been identified as White British, 1,797 any other white background. 88 have been registered as Gypsy, Roma or Traveller. However, we know that there are approximately 10,000 to 12,000 GRT families in Surrey which includes approximately 1400 children, although this is likely to be a conservative estimate (Surrey Brighter Futures Strategy 2014-2017). This raises questions about the quality of data recorded on Estart. Some families choose not to declare their race/ ethnicity due to fears of and/ or experiences of judgement and discrimination. It may be that this is similar for people from other BAME groups.</p> <p>This population is disproportionately affected by poverty and GRT children have poorer outcomes in relation to educational achievement and increased experiences of discrimination, bullying and school</p>

		deter families from accessing provision.	exclusions. There is also a higher incidence of mental health issues and GRT children experience significant barriers to accessing health care. There is a need to secure better and more stable accommodation for this population in order to improve health and educational outcomes for children.
Religion and belief	<ul style="list-style-type: none"> None identified 	<ul style="list-style-type: none"> The changes to location and times of sessions may have an impact on families who have commitments relating to their religion/ beliefs. 	According to the 2011 Census, 62.7% of Surrey is Christian, 0.5% Buddhist, 1.3% Hindu, 0.3% Jewish, 2.2% Muslim, 0.3% Sikh and 24.7% no religion. There is a 4% difference between the percentages of people who identify as Christian in rural areas (66.2%) versus the percentage who identify in urban areas (62.3%).
Sex	<ul style="list-style-type: none"> None identified at this stage 	<ul style="list-style-type: none"> The majority of parents using Children’s Centre services are female and any changes to the service will impact disproportionately on them, particularly those with young children. Some centres run specific services for dads, usually run on a weekend, which may be impacted by a reduction in staff and the number of sites. 	<p>Of 82,776 parents registered, 59.8% are female Of children seen, 48.92% are female and 51.03% male, with no gender given for the remaining children.</p> <p>Younger fathers are at risk of experiencing anxiety and depression, poorer physical health and nutrition, are more likely to use alcohol and substances, have poorer educational attainment, are more likely to experience time in custody, and to use violence within the family. (Surrey Young Parents Framework- draft-March 2007).</p> <p>63% of the respondents to the Public Consultation were female.</p> <p>Some respondents to the Public Consultation highlighted the importance of the activities delivered for fathers at children’s centres. Respondents mentioned in particular the value of men being able to</p>

			meet other fathers and to have the opportunity to develop a strong bond with their children. One father mentioned that he felt it particularly important for men to have the opportunity to spend time with their children without their mum so that she can have some time for herself in order to enhance her wellbeing.
Sexual orientation	<ul style="list-style-type: none"> None identified, although parents of children aged 5-11 who are questioning their sexual orientation may be able to access more support. 	<ul style="list-style-type: none"> None identified 	It has not been possible to find any data specifically related to sexual orientation and children’s centres. It is possible that for some people, a change in children’s centre and staff may feel difficult due to a fear of discrimination.
Marriage and civil partnerships	<ul style="list-style-type: none"> None identified 	<ul style="list-style-type: none"> None identified 	<p>Parents registered at Children’s Centres across Surrey as of 15.10.18 (eStart data extract):</p> <ul style="list-style-type: none"> Non-recorded status 13,513 Civil partnership 144 Divorced 184 Living with partner 16,743 Married 47,815 Separated 462 Single 3838 Widowed 77
Carers (protected by association)	<ul style="list-style-type: none"> None identified 	Carers may have to travel further to access services (see the section on Disability) and may experience a loss of support, specifically for families with children who have special educational needs and/or disabilities.	<ul style="list-style-type: none"> See the section on Disability

7b. Impact of the proposals on staff with protected characteristics

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence
Age	<ul style="list-style-type: none"> None identified at this stage 	<ul style="list-style-type: none"> None identified at this stage 	<ul style="list-style-type: none"> Feedback from initial engagement and cluster meetings with Providers. CC staff data related to staff directly employed by SCC as of 2018
Disability	<ul style="list-style-type: none"> None identified at this stage 	<ul style="list-style-type: none"> Staff with disabilities may be negatively impacted by the proposals if service relocation requires different methods of transport. Staff who are carers, and those they care for, may be negatively impacted if staff are relocated The changes to children’s centres, and therefore working arrangements, may have a negative impact on the mental health, emotional wellbeing and physical health of affected staff. 	<ul style="list-style-type: none"> Feedback from initial engagement and cluster meetings with Providers
Gender reassignment	<ul style="list-style-type: none"> None identified at this stage 	<ul style="list-style-type: none"> None identified at this stage 	
Pregnancy and maternity	<ul style="list-style-type: none"> None identified at this stage 	<ul style="list-style-type: none"> Staff who are on maternity or adoption leave during the changes to staffing structures may be negatively impacted because they are not able to contribute to any developmental work within the directorate, or have the opportunity to choose which role to apply for. 	

Race	<ul style="list-style-type: none"> • None identified at this stage 	<ul style="list-style-type: none"> • None identified at this stage 	-
Religion and belief	<ul style="list-style-type: none"> • None identified at this stage 	<ul style="list-style-type: none"> • None identified at this stage 	
Sex	<ul style="list-style-type: none"> • None identified at this stage 	<ul style="list-style-type: none"> • The vast majority of staff employed in Children’s Centres are female, and therefore, women will be disproportionately affected by the proposed changes. 	<ul style="list-style-type: none"> • All the current Children’s Centre managers are female.
Sexual orientation	<ul style="list-style-type: none"> • None identified at this stage 	<ul style="list-style-type: none"> • None identified at this stage 	
Marriage and civil partnerships	<ul style="list-style-type: none"> • None identified at this stage 	<ul style="list-style-type: none"> • None identified at this stage 	
Carers (protected by association)	<ul style="list-style-type: none"> • None identified at this stage 	<ul style="list-style-type: none"> • Carers may experience a negative impact due to changes to working locations and working patterns which may result in it being challenging to fulfil caring responsibilities 	

8. Amendments to the proposals

Change	Reason for change
Reinstate the delivery of mobile provision through the use of a bus.	To ensure that families living in rural areas and isolated communities are able to access provision that enables their children to achieve positive outcomes. 55% of respondents to the public consultation disagreed/ strongly disagreed with removing this provision.
Ensure there is a robust approach to outreach across the county through the use of community venues and delivery in homes.	To ensure that families who are in need of support, but do not live close to a children’s centre or face barriers relating to transport, are able to access the services required.
Develop an approach to recruiting, training and involving volunteers and voluntary organisations in the delivery of provision alongside skilled and qualified paid staff.	This is response to feedback gathered through the public consultation. 62% of respondents thought that volunteers could help with running activities and nearly 50% said that they would volunteer. This approach provides greater flexibility and resource for delivery which may mean that some universal provision is able to continue.

9. Action plan

Potential impact (positive or negative)	Action needed to maximise positive impact or mitigate the negative impact	By when	Owner
Disruption in services targeted at pregnant women and nursing mothers.	Ensure clear communication with health colleagues about the potential changes and supporting them to find alternative delivery sites to minimise disruption to services.	March 2019	Director for Family Resilience & Safeguarding
Children’s centres provide wide-ranging services and a disruption in service delivery is likely to be felt by children and their families.	Ensure that there is clear communication with families and partners so that they are clear about the changes to be made and the provision that will be available. Where particular communities, groups and individuals have been identified as being negatively impacted, develop a local solution via an outreach approach.	March 2019	Director for Family Resilience & Safeguarding
A reduced number of physical centres and opportunities to identify	<ul style="list-style-type: none"> The new Early Help Hub will act as the referral pathway for the Children’s Centre 	April 2019	Director for Family

<p>families in need of support. Effective arrangements to identifying families who need support and then ensure they are met need to be established.</p>	<p>Outreach workers. The Hub will consider the needs of the family and match with the most appropriate support.</p> <ul style="list-style-type: none"> • Work closely with partners (including the VCFS) who deliver universal services to families to ensure that they are able to identify causes for concern and that referral routes into children’s centre activity are clear. Collaborative, co-ordinated and close partnership working has been highlighted by Ofsted as good practice in the delivery of early help services for families. • Ensure that families know where to go for help should they need it by promoting children’s centres and the Family Information Service through universal services. • Deploy outreach workers within communities identified as having higher/ specific needs. 		<p>Resilience & Safeguarding</p>
<p>Some groups including military families, those who have children with special educational needs and/ or disabilities and families from the Gypsy, Roma and Traveller communities may experience particular barriers to accessing provision should their local centre close or targeted groups be re-located.</p>	<ul style="list-style-type: none"> • Develop a deep understanding of the barriers experienced by families with particular needs in order to respond appropriately. • Work with other services and voluntary organisations that support GRT and military families. • Continue targeted outreach services, mobile provision and the allocation of adequate resources to support groups with particular needs. • Ensure that the service specification clearly identifies priority groups and the requirement for outreach work. 	<p>April 2019</p>	<p>Director for Family Resilience & Safeguarding</p>

10. Potential negative impacts that cannot be mitigated

Potential negative impact	Protected characteristic(s) that could be affected
<ul style="list-style-type: none"> Women will be predominantly affected by the proposals through possible redundancy and resignations as they make up the majority of the workforce of Children’s Centres. 	Sex
<ul style="list-style-type: none"> Disabled staff and staff who have caring responsibilities, and their families, may be negatively impacted by the proposals if service relocation requires different methods of transport. There is also the possibility of being redeployed to roles not best suited to disabled personnel. 	Disability

11. Summary of key impacts and actions

<p>Information and engagement underpinning equalities analysis</p>	<ul style="list-style-type: none"> Initial engagement sessions were held between January and February 2018 in the four Surrey quadrants to acquaint partners and relevant stakeholders with the proposed model and what it could mean locally. Cluster meetings were held across the 11 District and Boroughs in late February and early March 2018. These provided opportunities to initiate development of the governance plans and funding proposals for the future Family Places model within each district and borough. A member seminar took place in April. This provided an opportunity to discuss the overall Early Help consultation proposals with a strong focus on Children’s Centre restructure. A formal public consultation ran from 30th October 2018 through to 4th January 2019 which involved an online survey delivered through Surrey Says (paper copies and an ‘easy read’ version were also available) and opportunities for face to face discussion at drop in events in every borough and district <p>The following key data was used to inform the proposal:</p> <ul style="list-style-type: none"> SCC Early Help Needs Assessment (2018) and District & Borough Needs analysis Income Deprivation affecting Children in Need Index (IDACI) Lower Super Output Areas (LSOAs) figures Gender distribution in Surrey - Surrey-i Responses to the Proposed Model from Providers– Surrey Says Feedback from initial engagement and cluster meetings with providers. Children and Family Health Surrey – NHS Health and Wellbeing of Children and Young people in Surrey Office for National Statistics Figures
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	<ul style="list-style-type: none"> • Surrey Children’s Centre EStart Data extracted October 2018 • Data from the Outcomes Star reporting system • Social Mobility Commission (2017) Social Mobility in Great Britain: 5th State of the Nation Report • SCC Children’s Centre Reach Profiles (2016) • Surrey Children’s Centre Outcomes Star report (extracted in October 2018) • Department for Communities and Local Government (DCLG), IMD 2015 • The analysis of the responses to Phase 1 of the Family Resilience public consultation which focussed specifically on the proposals relating to children’s centres in Surrey (January 2019)
<p>Key impacts (positive and/or negative) on people with protected characteristics</p>	<ul style="list-style-type: none"> • Children aged 0-11, and their families, will have access to targeted activities and services that will help them to progress. • Funding and provision is being allocated based on the Index of Deprivation Affecting Children (IDACI). Therefore, children and families who live in areas of lower income will benefit from services being located within their community. • Families who need support but do not live close to a children’s centre will be supported by outreach workers. • More women will be affected by the proposals through possible redundancy and resignations as they make up the majority of the workforce of children’s centres. • Disabled staff and staff who have caring responsibilities, and their families, may be negatively impacted by the proposals if service relocation requires different methods of transport. There is also the possibility of being redeployed to roles not best suited to disabled personnel. • Some children and families who experience particular barriers to engagement, are unable to travel to their nearest children’s centre or do not engage with universal provision may miss out on support and activity at an early stage because they remain unknown to the outreach teams. • The consultation responses have shown a low level of agreement with the proposed locations of Family Centres. The responses largely focus on the loss of a local facility and access to the universal services they provide. A significant number of responses suggested using alternative community venues.
<p>Changes you have made to the proposal as a result of the EIA</p>	<ul style="list-style-type: none"> • Reinstate the delivery of mobile provision through the use of a bus

<p>Key mitigating actions planned to address any outstanding negative impacts</p>	<ul style="list-style-type: none"> • Ensure clear communication with health colleagues about the potential changes and supporting them to find alternative delivery sites to minimise disruption to services and enable them to continue to provide universal activities at the remaining centres in the future model. • Ensure that there is clear communication with families and partners so that they are clear about the changes to be made and the provision that will be available. Where particular communities, groups and individuals have been identified as being negatively impacted, develop a local solution via an outreach approach. • Work with closely with partners (including the VCFS) who deliver universal services to families to ensure that they are able to identify causes for concern and that referral routes into children’s centre activity are clear. Collaborative, co-ordinated and close partnership working has been highlighted by Ofsted as good practice in the delivery of Early Help services for families. • Ensure that families know where to go for help, should they need it, by promoting children’s centres and the Family Information Service through universal services. • Deploy outreach workers within communities identified as having higher/ specific needs. • Develop a deep understanding of the barriers experienced by families with particular needs in order to respond appropriately • Work with other services and voluntary organisations that support GRT and military families. • Continue targeted outreach services, mobile provision and the allocation of adequate resources to support groups with particular needs. • Ensure that the service specification clearly identifies priority groups and the requirement for outreach work. • Ensure that the services specification includes enabling and developing Universal activities that can be provided by other partner agencies.
<p>Potential negative impacts that cannot be mitigated</p>	<ul style="list-style-type: none"> • More women will be affected by the proposals through possible redundancy and resignations as they make up the majority of the workforce of Children’s Centres. • Staff with disabilities may be negatively impacted by the proposals if service relocation requires different methods of transport.

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Special Educational Needs and Disabilities (SEND) Consultation Report 29 January 2019

Purpose of report:

This report summarises the consultation response, assesses potential mitigation options, any changes to the proposals and suggests recommendations to be agreed by Cabinet.

Recommendations:

It is recommended the Cabinet, having regard to the results of the public engagement and consultation activity in **Annex 2** and the Equality Impact Assessment in **Annex 2a** agree:

1. To note the broad support from consultation respondents for the proposed principles for transformation of SEND services, namely:
 - Children with special educational needs are identified earlier and supported in a timely and effective way in order to improve their outcomes and wellbeing.
 - There is an increased focus on earlier intervention and prevention to offer help and meet needs at the earliest opportunity, reducing the demand on high cost, high need interventions.
 - Children and young people are helped to become resilient and independent so that they can lead independent and fulfilling lives in their own communities.
 - The voices of our children, young people and families are heard so they can shape and inform how we work together to get the best results.
 - Surrey's early years settings, schools, colleges and other providers are able to support children to live and grown up locally and achieve their full potential.
2. To note the broad support from consultation respondents for the areas of transformation for SEND services, namely:
 - Early identification and support;
 - Developing local services and managing the market;
 - Partnership working; and
 - Improving policy and practice.
3. To note that further engagement and co-design activity will be undertaken with families, health partners, education and other partners to explore the feedback, ideas and concerns shared through the consultation and develop the council's draft SEND strategy into a jointly owned Surrey special educational needs and disabilities strategy and long term action plan.
4. To delegate to the Executive Director for Children, Families, Life Long Learning and Culture, in consultation with the Cabinet Member for All Age Learning, to approve the final joint strategy and the long-term action plan, once completed subject to paragraph 76 in the Part A report and further Cabinet decision as necessary.

5. In the event that any of the co-design activity work, strategy identification and/or action plan gives rise to a change in the delivery of services that necessitates consultation and public engagement that will be undertaken alongside consideration to our Public Sector Equality and Section 11 Children Act 2004 duties.

Background:

1. The council spends much more than other, similar, local authorities on services for children and young people with special educational needs and disabilities (SEND), and yet a significant number of children, young people and their families tell us they are often disappointed with the support they receive and experience poor outcomes in the things that matter to them at the end of their special educational provision: independence, an active social life and work-readiness.
2. We have a key role in supporting children, young people and families to thrive. We aim to provide good and outstanding services to children and their families in need of help and support, including those with SEND.
3. We want to make sure that every child growing up in Surrey has the best possible start in life and that children and young people with special educational needs and disabilities should be able to live, learn and grow up locally. We also need to ensure that this provision is cost-effective, fair across the range of children and young people's differing needs and sufficient when taking into account predicted future rising levels of need.
4. We recognise that SEND impacts the whole family, including parents, carers and siblings, and that the whole family is key to supporting the child or young person with SEND and helping them to reach their potential. We therefore need to take a collective approach to ensure that support is in place to address not only the needs of the child or young person with SEND, but also their family.

Consultation Proposals and Approach:

5. The council's draft special educational needs and disabilities (SEND) strategy is based around strengthening education for children and young people with SEND, developing inclusion into mainstream education settings and enabling more children and young people to get a good education, closer to home. The consultation sought feedback and views on investing more into SEND services to deliver earlier identification and support, creating additional specialist places in Surrey and upskilling the workforce to support children and young people with SEND to progress in their education.
6. The aim of this consultation was to understand the views of members of public on the council's draft SEND Strategy. The consultation was an opportunity for members of the public to have their say on the five proposed principles:
 - Children with special educational needs are identified earlier and supported in a timely and effective way in order to improve their outcomes and wellbeing.
 - There is an increased focus on earlier intervention and prevention to offer help and meet needs at the earliest opportunity, reducing the demand on high cost, high need interventions.

- Children and young people are helped to become resilient and independent so that they can lead independent and fulfilling lives in their own communities.
 - The voices of our children, young people and families are heard so they can shape and inform how we work together to get the best results.
 - Surrey’s early years settings, schools, colleges and other providers are able to support children to live and grown up locally and achieve their full potential.
7. The consultation was also an opportunity for members of the public to have their say about the following four proposed areas of transformation outlined in the council’s draft SEND Strategy:
- Early identification and support
 - Developing local services and managing the market
 - Partnership working
 - Improving policy and practice
8. The responses will be used to inform further engagement and co-design activities that will take place from February 2019 onwards, to develop a joint SEND strategy and a joint long-term action plan with families and partners. This co-design work will enable further exploration of the feedback, ideas and concerns shared through the consultation.

Summarised Consultation Analysis

9. The consultation ran from 30 October 2018 to 4 January 2019 with 1,133 responses. There were responses from District and Borough Councils, Local Committees and other groups, including Family Voice Surrey.
10. A full report on the consultation feedback [can be found on the Surrey County Council website](#). Below is a summary of the key finding and themes.
11. Question 1 asked for views on six statements about current services and experiences which were based on previous feedback from young people and families. The majority of respondents (between 62% - 87% across the statements) agreed that the issues families have told us about in the past are still relevant. This confirms the need for a strategy that improves the experiences of children and young people with SEND and their families.
12. Question 2 in the consultation asked for respondents views on the five principles that the strategy would be based on (para 6 above). Analysis of the qualitative comments from respondents suggests a majority of respondents broadly agree with the five principles proposed. There was more of a split view in the quantitative feedback, with a slight majority agreeing or strongly agreeing with each of the principles. However, comments from a number of respondents suggest they were unsure whether they were being asked if the principles were currently followed, or if these were principles we would wish to follow in the future. The draft strategy document set out that these were proposed principles. It is clear from the consultation analysis that this perceived lack of clarity from consultees may have impacted their responses. Any future

consultation on detailed proposals will be designed to ensure that the matters being consulted on are clear and unambiguous.

13. Questions 3-6 in the consultation asked respondents for views on whether the four proposed areas of work identified (para 7 above) would better meet the needs of children and young people, families, and practitioners. The majority of respondents strongly agreed or tended to agree that:
 - The proposals under Early Identification and Support will better meet the needs of children and young people with SEND (63%) and their families (62%) and will better support professionals (67%)
 - The proposals under developing local services and managing the market will better meet the needs of children and young people with SEND (63%) and their families (62%) and will better support professionals (55%)
 - The proposals under partnership working will better meet the needs of children and young people with SEND (58%) and their families (58%) and will better support professionals (54%)
 - The proposals for improving policy and practice will better meet the needs of children and young people with SEND (60%) and their families (59%) and will better support professionals (55%)
14. A qualitative analysis of all the comments made by respondents indicates the following key points and themes:
 - Proposals need to be more specific in order for responders to understand the impacts
 - Lack of trust in Surrey County Council following the principles and delivering the proposals
 - Lack of funding, concern that the plans will need additional funding and worry the current financial climate will mean cuts to services.
 - Some responders described negative personal experiences highlighting an immediate need for improvements
 - Need for working together across education health and social care
 - Concern about disparity of support and services
 - The importance that the SEND Strategy addresses the wide range of different needs of children and young people with SEND and the different approaches and levels of support needed.
15. The feedback, ideas and concerns will be explored in more detail with residents and stakeholders through the further engagement and co-design activities that will take place from February 2019 onwards.

Proposals Implications and Mitigation Options

16. The majority of respondents to the consultation agreed to the broad direction of travel set out within the strategy. This supports the early actions that the council is already taking in order to improve early identification and support, increase pre-statutory specialist support (such as education psychology and speech and language therapy) and increasing the number of specialist places for September 2019 and 2020.

17. There is some level of disappointment with current services and previous experiences in the qualitative responses. “Personal experience negative” was the most prevalent tag (113 responses) for question 1 which asks directly about feedback from families. It was also prevalent in question 2 which asks about the principles (62 responses); question 3, early identification and support (42 responses) and question 17, any other comments (65 responses). This confirms the need to co-design a strategy and action plan which tangibly improves experiences and outcomes.
18. “Lack of trust” was in the top two most prevalent tags across all 7 qualitative questions and was the most prevalent tag for 5 of those questions (ranging from 71 - 135 responses). This tag was selected where respondents to the consultation expressed a lack of trust and confidence in the council’s ability to deliver what is in the strategy or a general distrust in the way services are currently delivered. Further engagement and co-design events to support the development of a joint strategy and action plan and a robust communications plan will help to address this issue. Robust governance to oversee the delivery programme will ensure the proposals are delivered.
19. Some respondents felt that there was a lack of detail contained within the strategy about how SEND transformation was going to be achieved. “Proposal needs to be more specific” was selected in the top two most prevalent tags for the qualitative questions which ask about the four proposed areas of transformation; early identification and support (88 responses), managing the market (90 responses), partnership working (76 responses) and policy and practice (79 responses). There were also 52 responses tagged as “proposal needs to be more specific” for question 2 which asks about the 5 principles and 36 responses for question 17 which asks for any other comments. We will address this through the proposed co-design and engagement activity and the joint development of a detailed action plan with partners in spring 2019.
20. Some respondents stressed the importance of partnership working within the health, care and education sectors and that in order to achieve real transformation, change must be owned by all SEND system leaders across those sectors. “Insufficient partnership work” was a prevalent tag (63 responses) for question 4 which focuses on partnership working. In response we propose to develop a joint strategy with partners, rather than just a council strategy. In addition to this, a SEND System Partnership Board will be established to provide leadership and ensure delivery of the strategy for children and young people with SEND.
21. Some respondents expressed concerns about funding and questioned how the strategy could be fulfilled in the current financial climate. “Lack of funding” was a prevalent tag across all 7 qualitative questions. Question 1, previous feedback from families (74 responses); question 2, principles (106 responses); question 3, early identification and support (88 responses); question 4, market management (57 responses); question 5, partnership working (38 responses); question 6, policy and practice (36 responses) and question 17, any other comments (79 responses). The proposed further engagement and co-design work will enable more detailed consideration of investments and the practical implications of any changes.

Changes to Consultation Proposals

22. This section sets out the actions and plans detailing how we will respond to the feedback and ideas shared with us by stakeholders.

23. Although the majority of respondents agreed with the proposed five principles and areas of transformation, a number of respondents shared concerns and additional ideas that have led to some additional and adjusted proposals.
24. In response to the comments about the importance of partnership working with the health, care and education sector settings, we are proposing that further engagement and co-design work needs to take place with families and partners in spring 2019 to develop this into a joint strategy, that is owned across the whole SEND system, rather than just the council.
25. This co-design and engagement work will also address the comments and concerns about the lack of detail on practical implications and achievement of transformative changes.
26. Some respondents told us about the importance of ‘diagnosing difficulties at the earliest stage, and then specialist help, support, therapies are provided straight away’. We are currently investing more in to our education psychology service and speech and language therapy service in order to do this. In addition, we will also be outsourcing education psychology statutory assessment in order to free up our in-house capacity.
27. During the consultation we have heard feedback on what works and does not work within the current system as well as new ideas on what could be done differently, and concerns about potential changes. The consultation analysis will be shared with service leads and partners and the responses we have received through the consultation will be used to inform the next stage of co-design and engagement work and the development of SEND services and provision for the future.
28. The consultation analysis and next steps on engagement and co-design events will be shared with residents in February 2019. This will also be published on our Local Offer website and through social media channels.

Risk management and implications:

29. There is a risk that the proposed strategy which is underpinned by four key areas of transformation might not achieve the financial sustainability that is required. This risk is being mitigated by having robust programme governance and performance monitoring in place to review the impact of the strategy throughout the course of the programme.

Financial implications:

30. The strategy is based around achieving financial sustainability within a three year period.

Supporting Information

31. See the full consultation response analysis online at Surrey County Council’s website.
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Report contact: Zarah Lowe

Contact details: Zarah.lowe@surreycc.gov.uk, Telephone: 03456 009 009

Sources/background papers: the following documents are annexed to this report

Full Consultation Analysis [Surrey County Council website]

Annex 2a – SEND EIA

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Equality Impact Assessment (EIA)

1. Topic of assessment

EIA title	Special Educational Needs and Disabilities Strategy
EIA author	Peter Schnabel, SEND Implementation Officer

2. Approval

	Name	Date approved
Approved by	Liz Mills (Director - Education, Life-Long Learning and Culture)	18 January 2019
Approved by	Dave Hill (Executive Director, Children, Families, Learning and Culture)	18 January 2019
Approved by	Julie Iles (Cabinet Member for All-Age Learning)	18 January 2019

3. Quality control

Version number	V2.1	EIA completed	18 January 2019
Date saved	18 January 2019	EIA published	21 January 2019

4. EIA team

Name	Job title	Organisation	Team role
Zarah Lowe	SEND Transformation Programme Manager	SCC	EIA Responsible Officer
Peter Schnabel	SEND Implementation Officer	SCC	Author/EIA co-ordinator
Deborah Chantler/ Janet Polley	Senior Principal Solicitors	SCC	Legal advisor
Kirsty Cole	Principal Commissioning	SCC	Data advisor

Annex 2a – SEND Equality Impact Assessment

	Manager (Analytics)		
Susie Campbell	Quality Assurance and Professional Standards Development Manager (Social and Emotional Mental Health)	SCC	Service user impacts

5. Explaining the matter being assessed

<p>What policy, function or service is being introduced or reviewed?</p>	<p>The purpose of this Equality Impact Assessment is to review the potential impact of the proposed special educational needs and disabilities (SEND) Strategy for Surrey.</p> <p>The strategy focuses on inclusion and ensuring that children with SEND can get a good education at a school close to their home. The aim of the strategy is to make sure that every child growing up in Surrey has the best possible start in life so that children and young people with special educational needs and disabilities are able to live, learn and grow up locally. We also need to ensure that this provision is cost-effective, fair across the range of children and young people’s differing needs and sufficient when taking into account predicted future rising levels of need.</p> <p>We recognise that SEND impacts the whole family, including parents, carers and siblings, and that the whole family is key to supporting the child or young person with SEND and helping them to reach their potential. We therefore need to take a collective approach to ensure that support is in place to address not only the needs of the child or young person with SEND, but also their family.</p>
<p>What proposals are you assessing?</p>	<p>In order to improve outcomes for children and young people and achieve financial sustainability, we have developed a strategy based on supporting children and young people with SEND at an earlier stage.</p> <p>The strategy is based on five key principles:</p> <ol style="list-style-type: none"> 1. Children with special educational needs are identified earlier and supported in a timely and effective way, in order to improve their outcomes and wellbeing. 2. There is an increased focus on earlier intervention and prevention to offer help and meet needs at the earliest opportunity, reducing the demand on high cost, high need interventions. 3. Children and young people are helped to become resilient and independent so that they can lead independent and fulfilling lives in their own communities. 4. The voices of our children, young people and families are heard so they can shape and inform how we work together to get the best results. 5. Surrey’s early years settings, schools, colleges and other providers are able to support children to live, learn and grow up locally and achieve their full potential. <p>The recent SEND consultation (30 October 2018 – 4 January 2019) asked Surrey residents to feedback on the proposed five principles, the areas of transformation and what they see as priorities for improvement. Feedback is being used to support further engagement</p>

and co-design activity work with families, health partners, education and other partners to develop this strategy into a jointly owned Surrey special educational needs and disabilities strategy and long term action plan.

This EIA considers the principles of the proposed SEND Strategy and the transformation proposals that have been developed in line with the strategic approach

The proposals are grouped into four areas of transformation and we are proposing to make investment into the programme in two ways:

- Providing additional core funding over the next two years
- Investment in transformation over two years directly through the SEND Transformation programme and two associated programmes (All Age Learning Disability and Family Resilience).

1 Early identification and support

In early years, schools and colleges, we will ensure children and young people with additional needs are identified earlier and receive the assessment and support they need when they need it. This means we will:

- Ensure easier access to information, advice and support.
- Develop a graduated pathway (known as a Graduated Response) with associated guidance and support to ensure children and young people with additional needs receive early support and assessment to prevent escalation to more complex needs.
- Provide support through Educational Psychology, speech and language therapy and other support at an early stage (pre-statutory) for those who need it, as part of the graduated response.
- Establish an early help behaviour and emotional wellbeing pathway that will support children and young people with mental health needs and/or challenging behaviour and their families both at home and at school. This will also be part of the graduated response.
- Support education settings, including nurseries and schools to implement the graduated response.
- Develop a robust outcomes framework and monitoring tools.
- We will review and promote the local offer.

2 Developing local services and managing the market

We will:

- Increase our local specialist school places by providing around 350 additional places over the next two years and making use of

available capacity by working with existing schools to extend and adapt their arrangements.

- Increase our post-16 and post-19 education focussed pathways by creating around 100 additional places and programmes of support over the next two years.
- Create more specialist post-16 employment focused pathways through increasing our adult learning and employability provision, and expanding our Supported Internship programme, targeting an additional 120 places over four years.
- Develop a long term property strategy for specialist school provision in order to meet the needs of children with SEND.
- Work with specialist education providers and recommission where needed to ensure we are able to support a wider range of children and reduce the number of children and young people with SEND who are out of school or being placed in high cost placements in the non-maintained and independent sector. This will be accompanied by a new funding model to support a graduated pathway.
- Implement an attendance monitoring system in targeted specialist settings to improve safeguarding, gain a clearer picture about attendance and ensure best value for money.
- Implement an ambitious market management strategy in order to achieve efficiencies in the non-maintained and independent sector. This will be supported by a dynamic purchasing system currently being tendered to manage the procurement of placements and achieve better value for money.

3 Partnership working

Working with partners in healthcare and education to ensure educational provision is effective, of a high quality and delivers the best educational outcomes for children and young people with SEND.

We will:

- Facilitate the creation of local school clusters (taking account of/building on existing arrangements) and special school hubs to support flexible and blended offers of provision for children and young people with SEND.
- Develop a new school effectiveness approach, with inclusion at the heart, and seek to ensure that we reduce the number of exclusions and absence for children and young people with SEND, in-year placement changes and the number of children and young people with SEND in Pupil Referral Units for lengthy periods of time. The provision of additional specialist places where needed will also support this approach.
- Improve the quality, impact, timeliness and suitability of SEN Support plans and education, health and care planning through

<p>Who is affected by the proposals outlined above?</p>	<p>the improvement of quality assurance arrangements. We will use the graduated response and annual reviews to help achieve this.</p> <ul style="list-style-type: none"> • Develop joint commissioning for children and young people with complex needs involving parents, carers, children and young people in the planning, monitoring and evaluation of services, for example, therapy provision and Children, Adolescent and Mental Health Services (CAMHS) through new commissioning team arrangements. • Improve transition for young people and support them in preparing for adulthood. This will be in conjunction with investment into an all-age disability service being developed within the County Council and with young people and partners. <p>4 Improving policy and practice</p> <p>Improve the quality of our practice with partners to improve the experience for children and young people with SEND and their families. We will:</p> <ul style="list-style-type: none"> • Improve practice and the level of skills and knowledge for all those working with children and young people with SEND. This will be developed through the newly established Children’s Academy and by Teaching Schools and National Leaders of Education. • Commission a new outreach offer for mainstream schools through our Special Schools and Pupil Referral Units which will become hubs of excellence linked to early intervention and support. • Review and streamline our processes and policies to improve management and coordination of area information and maximise the positive impact of digital technology. • Improve the help, support and development for SENCos (Special Needs Co-ordinators within schools) through improved SENCo networks, training and development opportunities through the Children’s Academy, sharing best practice and helpdesk arrangements.
	<p>There are approximately 200,000 pupils in Surrey state-funded schools. Of these children and young people there are around 23,000 receiving special educational needs (SEN) support in an educational setting.</p> <p>In addition, Surrey maintains education, health and care plans (EHCPs) for a further 8,600 pupils (as of October 2018).</p> <p>The key groups affected by the proposals set out in this EIA are:</p> <ul style="list-style-type: none"> • Children and young people with SEND aged 0-25 in Surrey. • Parent carers (this term covers parents, grandparents, foster parents and special guardians) and siblings.

- Provider organisations across education, health and care and training including, but not limited to: early years settings; schools (maintained and independent); colleges; and providers of employment related skills and training.
- Staff from provider organisations including local authority staff and provider staff who support children and young people with SEND and their families.

6. Sources of information

Engagement carried out

- Service leads workshop (9 July 2018)
- Surrey CCG Children’s Lead Commissioner and Children and Families Health Surrey
- Schools Forum
- Schools Phase Councils (Early Years, Primary, Secondary and Special)
- Schools Funding consultation (3-25 September 2018)
- Family Voice Surrey – children, young people, families
- Individual Interviews with key professionals undertaken by The ‘Public Office’
- A formal public consultation on the proposed SEND strategy opened on 30 October 2018 and closed on 4 January 2019. Engagement and consultation events were conducted across All Districts and Boroughs, including evening and weekend events.

There were a total of **1133** responses to the consultation:

- **637** (56%) of respondents are a parent/carer of a child or young person with SEND
- **21** (2%) respondents are young people with SEND
- **837** (74%) of respondents are female
- Only **4%** of respondents identify as from black and minority ethnic (BME) groups. (Expectations in line with population from 2011 census would be 10%)

Data used

- Joint Strategic Needs Analysis (JSNA)
- SEND Strategy (Draft):
 - Finance data – historical spend in previous years and projected spend
 - MTFP
 - Performance Data
 - School Attainment data
 - Benchmarking against other similar Local Authorities
 - Overall Surrey Transformation Plan – other transformation programmes which support delivery of SEND services:
 - Family Resilience
 - All Age Learning Disability (AALD)
 - Information/research regarding peer local authority operating models
 - Personal Outcomes Effectiveness Tool (POET)
 - SEND Sufficiency
 - Sustainable Futures Project
- Family Voice Surrey SEND Survey (Submission to SCC re SEND Transformation Strategy Consultation – January 2019)
- Public consultation on SEND Strategy (30 October 2018 to 4 January 2019) – initial quantitative and qualitative findings – summary report January 2019:

7. Impact of the new/amended policy, service or function

The SEND Strategy has been developed in order to improve outcomes for children and young people and achieve financial sustainability.

The strategy proposes to achieve the shift in focus of support for children and young people with special educational needs and disability to an earlier pre-statutory stage and reduce our reliance on high cost placements in the non-maintained and independent sector.

This wide ranging transformation, involving all stakeholders, means that we will do things in a different way to deliver the better outcomes in a way that is financially sustainable.

In response to the feedback we have received back from the consultation we are proposing to do further engagement and co-design work with families and health and other partners to develop a strategy and a more detailed action plan that is jointly developed and owned with partners that will be consulted on and impact assessed as necessary.

Strategy / Proposal	Impact
<p>Early Identification and Support:</p>	<p>The impact of early identification and support will be that more children and young people with additional needs will receive early support and assessment with the aim of preventing escalation to more complex needs. This means that fewer children are likely to require specialist support and provision. In addition, working across services to provide early intervention, mental health support and a blended offer of wraparound support as need.</p> <p>We would expect early identification and support to potentially impact in the following ways:</p> <ul style="list-style-type: none"> • to increase the number of children with SEN Support Plans receiving specialist support at a pre-statutory stage. • to improve in the attainment and progress for children and young people on SEN Support and with a Statutory plan • to increase the number of children and young people who attend mainstream settings • to decrease the number of children who need to request an EHCP • to decrease the number of children and young people with SEND who are excluded from education settings.
<p>Developing local services and</p>	<p>The investment in more state-funded specialist provision in Surrey or close to Surrey will drive the following impacts:</p>

<p>managing the market:</p>	<ul style="list-style-type: none"> • An increase in the number of state-funded specialist school places in Surrey so that children will not need to travel so far to school and are able to maintain links with their community • An increase in the number of children and young people travelling independently or supported by their family • A decrease in the average distance travelled between home and school for pupils with EHCPs • An increase in the number of post 16/19 employment focussed pathways for young people to provide better support for their preparation for adulthood
<p>Partnership working:</p>	<p>Working in partnership with health, care and education settings and other services and organisations will ensure that children and young people with SEND achieve good outcomes and access provision and services that are of a high quality. Within this area of transformation, there is a focus on improving school effectiveness and sharing of best practice.</p> <p>This area of transformation will have the potential impact of:</p> <ul style="list-style-type: none"> • An improvement in the attainment and progress for children and young people on SEN Support and with a statutory plan. • a decrease in the number of children and young people with SEND who are excluded from education settings • a decrease in the number of children who need to request an EHCP
<p>Improving policy and practice:</p>	<p>Improving policy and practice through upskilling the wider workforce supporting children and young people with SEND and their families and streamlining processes and policies is likely to have the following impact:</p> <ul style="list-style-type: none"> • Increasing the number of children and young people with EHC plans who are able to attend and remain in mainstream settings • An improvement in the attainment and progress for children and young people on SEN Support and with a statutory plan

7a. Impact of the proposals on residents and service users with protected characteristics

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence
Age	<p>Early identification and support implemented across all ages giving early access to support and intervention.</p> <p>Improved transition for young people and support for them in preparing for adulthood.</p> <p>Increase in post – 16 and post – 19 pathways by creating around 100 additional places and programmes of support over the next two years. We will also work with post-16 providers and special schools to create additional post -16 capacity</p> <p>Create more specialist post - 16 employment focussed pathways through increasing our adult learning and employment provision and expanding our Supported Internship programme.</p>		<p>Identification of special educational needs and disabilities across the 0 to 25 age range will differ according to age and type of need.</p> <p>The proposals to provide more educational psychology and therapy support in the pre-statutory phase before a request for an EHCP has been made should benefit all age groups to reduce the level of need escalating by delivering more timely support.</p> <p>Special educational needs may begin to be identified when a child moves into an Early Years setting, such as a nursery or childminder.</p> <p>Many needs are identified once a child has moved to primary school or secondary school.</p> <p>The FVS survey highlighted the overwhelming support for the positive impact of post 16 special education and employment opportunities.</p> <p>The Special Educational Needs and Disability Code of Practice: 0-25 years specifically requires the application of a graduated approach to support children and young people with SEND prior to any statutory assessment and planning.</p>

			<p>The proposals place more emphasis on Preparing for Adulthood for those in National Curriculum Year 9 and beyond. This is the reasoning for developing more pathways for independence and employment for young people over 16.</p> <p>The number of EHCPs by age groups are shown below:</p> <p>Number of EHCPs ages 0-25 (5 October 2018):</p> <ul style="list-style-type: none"> • 8600 EHC Plans <p>Age of EHCP holders / General Population (NCY?)</p> <ul style="list-style-type: none"> • 0 to 4, 3.4% / 20.2% • 5 to 9, 27.9% / 22.2% • 10 to 14, 35.0% / 20.9% • 15 to 19, 28.8% / 18.8% 20 to 24, 4.9% / 18.0%
<p>Disability</p>	<p>Early Identification and Support</p> <p>Increased Educational Psychology, Speech and Language Therapy (SLT) and Occupational Therapy (OT) capacity and support as part of graduated response for children and young people in pre-statutory phase.</p> <p>Early identification and support removes lengthy statutory assessment process before the delivery of more timely and appropriate support</p>		<p>440 respondents to the public consultation (out of 1133 – 39%) provided written comments in addition to the quantitative assessment of the proposals regarding this transformational area of work.</p>

	<p>Establishing a new early help behaviour and emotional wellbeing pathway and additional support reduces exclusions from settings.</p> <p>Graduated response requires partners and educational settings to deliver more services and outcomes in pre-statutory phase.</p> <p>Provision closer to home and market management</p> <p>More local school provision will reduce travel distances and time for children and young people.</p>	<p>Market management of the NMI sector may result in some schools withdrawing from the market with negative consequences for the range of specialist provision available to meet the needs of children and young people. Some types of complex/specialist provision may no longer be available.</p> <p>Parents may perceive that less specialist provision is available for children and young people with the strategy’s aim to reduce the number of children and young people placed further away from home in non-maintained and independent placements</p>	<p>396 respondents to the public consultation (out of 1133 – 33%) provided written comments in addition to the quantitative assessment of the proposals regarding this transformational area of work. Sufficiency plan and supporting analysis provides a detailed analysis of home to school travel distances</p> <p>With fewer NMI places and more children attending maintained special schools, the increased number of maintained special school places will be located to address local unmet needs and to reduce travel distances/times equitably. The sufficiency planning has identified areas of unmet need and travel times/distances.</p> <p>Some respondents from the public consultation wrote about how more support is needed for children and young people in mainstream settings and some respondents gave personal experiences of mainstream not meeting needs. This issue of ‘mainstream not meeting needs’ was a high ranking topic in the consultation question regarding the principles of the proposed strategy. Some respondents were hopeful that more children and young people with SEND could attend mainstream settings in the future if</p>
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			<p>The primary contacts for parents of children with EHCPs are the SEN Caseworker and the child’s school for case specific issues.</p> <p>More general information about SEND can be obtained from many sources including Voluntary, Community and Faith Sector (VCFS) organisations, the SEND Local Offer, Family Information Service (FIS) and Surrey SEND Information, Advice and Support Service (SSIASS).</p> <p>Young people can meet new friends through the Surrey Youth Advisors Service (SYAS).</p> <p>Effective communication channels need to be designed to meet the needs of different audiences - children, young people and their parents/carers.</p> <p>The drive for more digital communication must not disadvantage those groups whose do not have access to IT or are unable to use it effectively.</p>
Gender reassignment	Gender identity and sexual orientation issues may be masked by behavioural and Emotional Wellbeing and Mental Health difficulties making early intervention and support more difficult to deliver effectively.	None identified	<p>No SEND specific data is available.</p> <p>Gender identity issues may be masked by behavioural and EWMH difficulties making early intervention and support more difficult to deliver effectively.</p>
Pregnancy and maternity	None identified	None identified	
Race	None identified	None identified	<p>The response to the consultation was low from BME and therefore we need to do further work to understand the potential impacts that these proposals will have.</p> <p>The effectiveness of early intervention by Education Psychologists and Speech and Language Therapists as part of the proposals for graduated response may be</p>

			reduced if children from ethnic groups have not had 'First Language Assessments'. Identification of SEND in children for whom English is not their first language may be difficult because of language issues.
Religion and belief	None identified	None identified	
Sex	Proposals to increase special school places according to local need may allow any increase in demand for single sex or mixed provision to be addressed.	None identified	<p>More boys than girls in Surrey are identified as having special educational needs and disabilities for both SEN Support Plans and statutory EHC Plans. In addition, we know that the incidence of differing types of need are changing at different rates, such as the increasing number of girls requiring social, emotional and mental health (SEMH) provision.</p> <p>For all types of special educational support (both statutory EHC plans and SEN Support plans) in Surrey schools (is this maintained schools? Only SEN support in mainstream), boys outnumbered girls by over two to one with 14354 boys and 6903 girls (SCC SEND Needs analysis 2016)</p> <ul style="list-style-type: none"> • General Surrey population (Male, 51.1% EHC holders: <ul style="list-style-type: none"> • Female, 26.4% • Male, 73.6% <p>This means that the proportion of boys to girls increases to 3 to 1 for holders of EHC plans.</p>
Sexual orientation	Gender identity and sexual orientation issues may be masked by behavioural and Emotional Wellbeing and Mental Health difficulties making early intervention and support more difficult to deliver effectively.	None identified	<p>Sexual orientation issues may be masked by behavioural and EWMH difficulties making early intervention and support more difficult to deliver effectively.</p>

Marriage and civil partnerships	None identified	None identified	
Carers (protected by association)	None identified	None identified	

7b. Impact of the proposals on staff with protected characteristics

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence																										
Age	The use of digital technology supports opportunities for flexible working practices to reduce travel, to work away from the office (including at home) and outside normal working hours where operationally acceptable	1. Some staff with protected characteristics may struggle to adapt to the new technology	<p>Ages of local authority staff working in SEN (excludes children's social care) – source SCC Data Operations – Equalities & diversity Monitoring Green Sheet - January 2019):</p> <table border="1"> <thead> <tr> <th>Age range (years)</th> <th>Percentage %</th> </tr> </thead> <tbody> <tr> <td>20-24</td> <td>3.4</td> </tr> <tr> <td>25-29</td> <td>9.4</td> </tr> <tr> <td>30-34</td> <td>9.3</td> </tr> <tr> <td>35-39</td> <td>13.9</td> </tr> <tr> <td>40-44</td> <td>13.0</td> </tr> <tr> <td>45-49</td> <td>13.6</td> </tr> <tr> <td>50-54</td> <td>14.6</td> </tr> <tr> <td>55-59</td> <td>11.6</td> </tr> <tr> <td>60-64</td> <td>7.9</td> </tr> <tr> <td>65-69</td> <td>2.7</td> </tr> <tr> <td>70-74</td> <td>0.6</td> </tr> <tr> <td>75+</td> <td>0.2</td> </tr> </tbody> </table> <p>Just over 50% of staff are aged 45 or older.</p>	Age range (years)	Percentage %	20-24	3.4	25-29	9.4	30-34	9.3	35-39	13.9	40-44	13.0	45-49	13.6	50-54	14.6	55-59	11.6	60-64	7.9	65-69	2.7	70-74	0.6	75+	0.2
Age range (years)	Percentage %																												
20-24	3.4																												
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65-69	2.7																												
70-74	0.6																												
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Disability	The use of digital technology supports opportunities for	Detailed proposals to be developed may change ways of	Disability analysis: 11.1 % of staff have declared disabilities																										

	flexible working practices to reduce travel, to work away from the office (including at home) and outside normal working hours where operationally acceptable	working for different SEND related jobs with a range of potential impacts. These might include changes to the requirements for travel or changes to ways of working through increased use of digital technologies with implications for staff with physical and sensory disabilities. The proposals currently identify no changes	<ul style="list-style-type: none"> Types of staff disability (which may impact on ways of working): <ul style="list-style-type: none"> Mobility, transport Visual/aural - Use of IT/phones etc <p>Many SEND staff already travel to meet children, young people and their families. The strategy to increase early intervention and support is unlikely to increase the amount of travel.</p>
Gender reassignment	None identified	None identified	
Pregnancy and maternity	The use of digital technology supports opportunities for flexible working practices to reduce travel, to work away from the office (including at home) and outside normal working hours where operationally acceptable	Detailed proposals to be developed may change ways of working for different SEND related jobs with a range of potential impacts. These might include changes to the requirements for travel or changes to ways of working through increased use of digital technologies with implications for staff with physical and sensory disabilities. The proposals currently identify no changes	<p>Data is not held on pregnancy and maternity.</p> <p>With 90% of staff being female and 50% of staff aged under 45, this means that at least 40% of staff under age 45 will be female.</p> <p>It is therefore reasonable to assume that pregnancy and maternity issues will need to be considered carefully in the co-design of detailed proposals.</p>
Race	None identified	None identified	

Religion and belief	None identified	None identified																
Sex	None identified	<p>Changes to working practices may affect more women than men due to the larger number of women than men in many SEND roles.</p> <p>The proposals currently identify no changes and consequential impacts.</p>	<p>Gender and full time/part time status (SEN staff):</p> <table border="1"> <thead> <tr> <th>Gender</th> <th>Full/part time</th> <th>Percentage %</th> </tr> </thead> <tbody> <tr> <td>Female</td> <td>Full Time</td> <td>27.9</td> </tr> <tr> <td>Female</td> <td>Part Time</td> <td>60.7</td> </tr> <tr> <td>Male</td> <td>Full Time</td> <td>5.5</td> </tr> <tr> <td>Male</td> <td>Part Time</td> <td>5.9</td> </tr> </tbody> </table> <p>A total of 88.6% of staff are female.</p>	Gender	Full/part time	Percentage %	Female	Full Time	27.9	Female	Part Time	60.7	Male	Full Time	5.5	Male	Part Time	5.9
Gender	Full/part time	Percentage %																
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Sexual orientation	None identified	None identified																
Marriage and civil partnerships	None identified	None identified																
Carers (protected by association)	The use of digital technology supports opportunities for flexible working practices to reduce travel, to work away from the office (including at home) and outside normal working hours where operationally acceptable	None identified	<p>Data is not held on whether a role holder within the organisation has carer responsibilities.</p> <p>However, it would not be unreasonable to assume that there are a significant number of staff with carer responsibilities because the following data is closely aligned with generally accepted carer demographics:</p> <ul style="list-style-type: none"> • high proportion of female staff • 50%+ of staff aged over 45 • high proportion of part-time staff <p>Changes in the way services are delivered, for example, working patterns/hours, locations may impact on the ability of staff who are carers to continue delivering care. This may have an indirect impact on some with protected characteristics (age, sex)</p>															

			The current proposals do not identify any specific changes and hence there are currently no identified negative impacts on this protected category.
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8. Amendments to the proposals

Change	Reason for change
<p>Although the majority of responders agreed with the proposed five principles and areas of transformation, a number of responders stressed the importance of partnership working with Health, Care and Education settings in order to achieve real change. We are proposing that further engagement and co-design work needs to take place with families and partners to develop this into a joint strategy, that is owned across the whole SEND system, rather than just the Council</p> <p>Some responders felt that there was a lack of detail contained within the strategy about how SEND transformation was going to be achieved. We are proposing to address through the joint development of a detailed action plan with partners.</p>	N/A

Emerging themes from public consultation analysis

The results of the consultation support the direction of travel of the principles and in particular the four identified areas of transformation (See section 7) and the consultation analysis report. Analysis of the qualitative feedback from respondents has identified many themes, largely drawn from experiences of the current SEND system rather than the proposals, to be considered in the next phase of co-design.

9. Action plan

Potential impact (positive or negative)	Action needed to maximise positive impact or mitigate negative impact	By when	Owner
Negative – Market management of the NMI sector may result in some schools withdrawing from the market with negative consequences for the range of specialist provision available to meet the needs of children and young people. Some types of complex/specialist provision may no longer be available.	Engagement and consultation with the Non-Maintained and Independent sector to help shape their offer and support development of a sustainable market	On-going	Director of Commissioning
Negative – Parents may perceive that less specialist provision is available for children and young people with the strategy's aim to reduce the number of children and young people placed further away from home in non-maintained and independent placements	Develop appropriate communications and engagement within the overall communications and engagement strategy to show how proposals deliver more, appropriate placements	On-going	Service Manager – SEND Programme
Negative – Some staff with protected characteristics may struggle to adapt to the new technology	Training will be designed and delivered to ensure all staff have the right IT skills	April 2020 onwards	Director of Education, Lifelong Learning and Culture
Negative - Detailed proposals to be developed may change ways of working for different SEND related jobs with a range of potential impacts. These might include changes to the requirements for travel or changes to ways of working through increased use of digital technologies with implications for staff with physical and sensory disabilities. The proposals currently identify no changes	Training will be designed and delivered to ensure all staff have the right IT skills	April 2020	Director of Education, Lifelong Learning and Culture
Negative - . Changes to working practices may affect more women than men due to the larger number of women than men in many SEND roles.	This will be reviewed on an on-going basis. The directorate restructure also includes its own EIA	April 2018 onwards	Director of Education, Lifelong Learning and Culture

The proposals currently identify no changes and consequential impacts.			
Positive – Early identification and support implemented across all ages giving early access to support and intervention.	The further co-design work of the graduated response and a jointly owned strategy and implementation plan, working with our health partners and settings will help to develop a greater understanding of the challenges within this sector and how these can be addressed.	September 2019	Director of Education, Lifelong Learning and Culture
Positive - Improved transition for young people and support for them in preparing for adulthood.	Ensure sufficient number of places on each pathway to meet demand	September 2019	Assistant Director for All Age Learning Disabilities
Positive - Increase post – 16 and post – 19 pathways by creating around 100 additional places and programmes of support over the next two years. We will also work with post-16 providers and special schools to create additional post - 16 capacity	Ensure sufficient number of places on each pathway to meet demand	September 2019	Assistant Director for All Age Learning Disabilities
Positive - Create more specialist post - 16 employment focussed pathways through increasing our adult learning and employment provision and expanding our Supported Internship programme.	Ensure sufficient number of places on each pathway to meet demand	September 2019	Assistant Director for All Age Learning Disabilities
Positive - Graduated response requires partners and educational settings to deliver more services and outcomes in pre-statutory phase.	The further co-design work of the graduated response and a jointly owned strategy and implementation plan, working with our health partners and settings will help to develop a greater understanding of the challenges within this sector and how these can be addressed.	September 2019	Director of Education, Lifelong Learning and Culture
Positive - Early identification and support removes lengthy statutory assessment process before the delivery of more timely and appropriate support	Establishing a new Graduated Response implementation team will also help ensure this work has the required impact.	April 2019	Assistant Director for Vulnerable Learners
Positive - New early help behaviour and emotional wellbeing pathway and additional support reduces children from being excluded from settings.	Joint working with health partners and settings and co-design with families will be a key part of the development of this pathway	April 2019	Assistant Director for Vulnerable Learners

<p>Positive - Increased Educational Psychology, Speech and Language Therapy (SLT) and Occupational Therapy (OT) capacity and support children and young people in pre-statutory phase.</p>	<p>The impact of this will be monitored through the SEND Programme Board</p>	<p>April 2019</p>	<p>Assistant Director for Vulnerable Learners</p>
<p>Positive – More local school provision will reduce travel distances and time for children and young people.</p>	<p>The impact of this on travel will be monitored through the SEND Programme Board</p>	<p>April 2020</p>	<p>Service Manager – SEND Programme</p>
<p>Positive – Gender identity and sexual orientation issues may be masked by behavioural and Emotional Wellbeing and Mental Health difficulties making early intervention and support more difficult to deliver effectively.</p>	<p>The development of Emotional Wellbeing and Mental Health behavioural pathways needs to take this into account.</p>	<p>September 2019</p>	<p>Assistant Director for Vulnerable Learners</p>
<p>Positive – The use of digital technology supports opportunities for flexible working practices to reduce travel, to work away from the office (including at home) and outside normal working hours where operationally acceptable</p>	<p>The Digital transformation programme will support this.</p>	<p>Ongoing</p>	<p>Programme Manager for Digital Transformation</p>

10. Potential negative impacts that cannot be mitigated

Potential negative impact	Protected characteristic(s) that could be affected
None identified at this stage	N/A

11. Summary of key impacts and actions

<p>Information and engagement underpinning equalities analysis</p>	<ul style="list-style-type: none"> • SEND Sufficiency planning (2017/2018) • Engagement with schools – Schools Forum and Phase councils • Engagement with service leads • Residents engagement events (October 2018) • SEND Transformation Business Case (September 2018) • SEND Strategy (October 2018) • Family Voice Surrey SEND Survey (Submission to SCC re SEND Transformation Strategy Consultation – January 2019) • SEND Strategy Public Consultation (October 2018 – January 2019)
<p>Key impacts (positive and/or negative) on people with protected characteristics</p>	<p>Key positive impacts on service users:</p> <ul style="list-style-type: none"> • Strengthened early identification services • Provision delivered closer to home <p>Key negative impacts:</p> <ul style="list-style-type: none"> • None identified at this stage
<p>Changes you have made to the proposal as a result of the EIA</p>	<p>None at this stage. The analysis of the public consultation and other engagement methods over the October to January 2019 period will inform the more detailed co-design phase.</p>
<p>Key mitigating actions planned to address any outstanding negative impacts</p>	<p>Key mitigating actions to address outstanding negative impacts include:</p> <ul style="list-style-type: none"> • Co-design of detailed proposals to deliver projects defined in the four areas of work within the strategy.
<p>Potential negative impacts that cannot be mitigated</p>	<p>None identified at this stage.</p>

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Libraries and Cultural Services Transformation Consultation Report Tuesday 29 January 2019

Purpose of report:

This report summarises the consultation response received regarding the new libraries and cultural services strategy and the five proposed strategic principles. The report also outlines proposed changes to the five strategic principles, resulting from the consultation and puts forward recommendations for the way forward to be agreed by Cabinet.

Recommendations:

1. To note changes, italicised, to the five strategic principles of the proposed Libraries and Cultural Services Strategy, reflecting consultation feedback. These are:
 - Libraries and Cultural Services provide and enable opportunities for everyone to learn, access information, acquire new skills, literacy and be involved in their communities.
 - There *will be* a focus on the wellbeing and strengthening of communities, particularly the most vulnerable, to enable them to be resilient, *providing touch points and safe spaces*.
 - Libraries and Cultural Services are most effective and efficient when they work in partnership with the public, voluntary, community and private sectors, including through the creation of shared spaces *creating a model of financial sustainability*.
 - New technologies, including digital, enable libraries and cultural services to reach new audiences, and existing audiences in new ways, and offer 24/7 access.
 - Volunteers are crucial community advocates and assets in libraries and cultural services, who also gain valuable skills and relationships through the work they do.
2. To note the Executive Director for Children's, Families, Life Long Learning and Culture will prepare detailed proposals with partners, including District and Borough councils, for a proposed future model for library and cultural services in Surrey based on the five newly adopted strategic principles.
3. That a second public consultation is carried out setting out the detailed proposals.

Consultation Proposals and Approach:

4. The libraries and cultural services consultation was carried out between Tuesday 30 October 2018 and Friday 4 January 2019 and was based on seeking views and comments on the following 5 strategic principles:
 - Libraries and cultural services provide and enable opportunities for everyone to learn, access information, acquire new skills, improve literacy and be involved in their communities.

Annex 3 – Libraries and Cultural Services Consultation Report

- There is a focus on the wellbeing and strengthening of communities, particularly the most vulnerable, to enable them to be resilient.
 - Libraries and cultural services are most effective and efficient when they work in partnership with the public, voluntary, community and private sectors, including through the creation of shared spaces.
 - New technologies, including digital, enable libraries and cultural services to reach new audiences, and existing audiences in new ways, and offer 24/7 access.
 - Volunteers are crucial community advocates and assets in libraries and cultural services, who also gain valuable skills and relationships through the work they do.
5. Through the consultation, residents and users of the services have been asked whether they agree/disagree on the principles and, whether, with each principle there will be a positive or negative impact on themselves. This has been done quantitatively through a tick box exercise. People have also been asked for their individual ideas and comments relating to each of the five principles to provide a qualitative response to the consultation.
 6. There have been 7,901 consultation responses received with over 50% providing a qualitative response which is highly encouraging.
 7. Cabinet are recommended to agree that this consultation will lead to a second public consultation on firm proposals concerning the future model for libraries and cultural services, developed on the basis of responses received in the first consultation.

Summarised Consultation Analysis

8. 7,901 people responded to the consultation. Asked about each of the five strategic principles, of those who expressed a view the proportion who either strongly agreed or agreed with each principle was 65% or more. This ranged from 97% strongly agreeing or agreeing with the first principle (opportunities to learn), to 75% strongly agreeing or agreeing with the fifth principle (role of volunteers), to 66% strongly agreeing or agreeing with the second principle (wellbeing and strengthening of communities).
9. This is highly encouraging and shows that the proposed principles put forward that could shape the future of libraries and cultural services in Surrey are very well supported by people who responded to the survey.
10. There was also a level of disagreement to all of the principles. For three of the principles, the number of respondents either disagreeing or strongly disagreeing with the principle fell between 8 and 13%. Less than 2% of respondents disagreed or strongly disagreed with the first principle (opportunities to learn), but more significantly, 16% of respondents disagreed or strongly disagreed with the second principle (targeting the wellbeing and strengthening of communities, particularly the most vulnerable). This corresponds with some of the qualitative feedback presented by respondents who felt that libraries and cultural services should target particular communities but should still continue to be a universal service for all.
11. However the overwhelming majority of respondents were supporting of all the principles which provides a strong blueprint for developing detailed proposals for the second public consultation.

Annex 3 – Libraries and Cultural Services Consultation Report

12. Just over 50% of respondents to the consultation provided qualitative feedback which has provided the council with a huge amount of information and ideas for taking libraries and cultural services forward into the future. To help analyse the data and to also cross reference with the other consultations which have been undertaken, the information collected has been grouped under the following themes. Each theme was then broken down further, as shown below, which allowed a thorough analysis of all the responses to be covered and all views taken into account:

Strengthening communities:

- **Shared spaces** - comments relating to libraries and cultural services being located and integrated with other services in the same building.
- **Community involvement** - suggestions around libraries and cultural services working with local groups or individuals.
- **Access for all** - comments relating to the universality of library and cultural services.
- **Vulnerable people** - comments relating to user who are vulnerable or who struggle to use services.
- **Wellbeing** – comments relating to libraries and cultural services supporting people’s wellbeing.
- **Learning** – comments relating to the learning opportunities provided by libraries and cultural services.
- **Children** - comments specifically relating to children & families’ use of services.
- **Cultural Services** – comments relating specifically to the value of cultural services, rather than libraries.

Resource constraints:

- **Consolidation** – comments relating to closing libraries in the context of concentrating resources to provide a better service for residents.
- **No changes to existing services** – comments relating to a desire for existing library and cultural services to be unchanged and remain as they are.
- **Staff** – comments relating to the role of paid SCC libraries staff.
- **Book stock** – comments relating to the book stock in Surrey libraries.
- **Libraries are redundant** – comments relating to the idea that libraries no longer needed in today’s society.

Working together

- **Volunteering** – comments relating to the use of volunteers in the service.
- **Partnerships** – suggestions around working with external partners – e.g. health, charities, district and borough councils businesses and shops etc.

Perceptions of the organisation

- **Surrey County Council** – Comments about Surrey County Council generally.
- **The consultation process** – comments on the consultation process.

Innovation

- **Digital** – lots of comments on the use of new technology as a positive but also some concerns for people who did not have access to new technologies.

Annex 3 – Libraries and Cultural Services Consultation Report

- **Improvements** – general comments relating to improvements that could be made to services.
 - **Marketing** – comments relating to promotion of services, or making residents/ service users more aware.
13. The analysis of the qualitative responses identified the following key themes:
- People were hugely positive about the relevance and role of libraries and cultural services in the community.
 - People like shared spaces – frequently mentioned ideas were cafes, children’s centres, information hubs, general support for co-located services and partners. People evidently understood the concept of hubs and sharing spaces.
 - People felt that libraries and cultural services should target particular communities but tempering this were comments stating that libraries and cultural services should continue to be a universal service for all.
 - There was a general support for the idea of libraries supporting the well-being of residents, particularly that of children, the elderly and other vulnerable people including the unemployed, socially isolated, new mothers and those residents who have little or no contact with other council services.
 - People like supporting and using volunteers within libraries and cultural services but there were concerns that volunteers should not replace paid staff and there was support given to the expertise provided by staff.
 - On digital services there was lots of support and comments supporting new technologies and the use of it, but also concerns raised that doing everything digitally was not the only answer. Particularly libraries should still be about books and library and cultural spaces, meeting people, combatting isolation, studying, accessing cultural activities and strengthening communities generally.
 - There were a considerable amount of comments that this consultation would eventually lead to a consolidation of resources and a future network with fewer libraries, including localised comments expressed around the closing of particular libraries. Thus increasing isolation and limiting access to services.
14. The full qualitative analysis report is [available on the council’s website](#). The detailed report also articulates actual quotes attributable to respondents. The full report also includes a demographic breakdown on who has responded to this consultation.

Proposals Implications and Mitigation Options
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15. From the consultation and response received on the proposed strategic principles for libraries and cultural services in Surrey, it is proposed that detailed proposals be developed for further consultation with partners, stakeholders, the public and staff.
16. The strong support for the strategic principles means there is a solid foundation on which to develop a future service model for libraries and cultural services. Stakeholders understood the benefits of co-locating services in buildings as a means to both improve access and to develop a more financially sustainable model.
17. We have seen broad support for moving to more digital services for an enhanced digital platform, but recognise concerns around barriers to participation. As part of

Annex 3 – Libraries and Cultural Services Consultation Report

development of a new service model, we propose to carry out targeted engagement with people who may be less able to access digital services or have the skills to do so. We will then develop mitigations to address any barriers to access.

18. The low number of responses from younger people means their views on a future model of libraries and cultural services provision is less well understood.
19. May be reductions in L&C delivered in stand-alone buildings. Could be part of future model, subject to consultation.

Changes to Consultation Proposals

20. The changes to the five strategic principles which has resulted from the first consultation carried out and the responses received are highlighted in the first recommendation of this report.

Supporting Information

21. Agreeing to these recommendations means the Council can proceed to develop a future model of libraries and cultural services in Surrey, subject to consultation, that reflects modern expectations, is fit for purpose and provides and enables opportunities for everyone to learn, access information, acquire new skills, increase literacy and be involved in their communities.

Risk management and implications:

22. There are risks that will need to be managed throughout this process which include:
 - There is a need to ensure that the feedback from this consultation is used to inform any detailed proposals that are developed for further consultation with partners, stakeholders, the public and SCC staff.
 - The findings and actions from the Equality Impact Assessment (EIA) also need to be taken forwards to inform any detailed proposals that are developed for further consultation with partners, stakeholders, the public and SCC staff.

Financial implications:

23. Part of the desired outcome of the proposed new strategic principles for libraries and cultural services is to reduce the net spend on these services to the Chartered Institute of Financial Authorities (CIPFA) County Council average within the council's medium term financial plan.

Report contact: Liz Mills, Director of Education, Lifelong Learning and Culture.

Contact details: 03456 009 009

Annexes

Annex 3a - Libraries and cultural services transformation strategy consultation Equalities Impact Assessment.

Sources/background papers:

Libraries and cultural services transformation strategy consultation analysis

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Equality Impact Assessment (EIA)



1. Topic of assessment

EIA title	Transforming Libraries and Cultural Services in Surrey
EIA author	Lesli Good, Ben Skipp

2. Approval

	Name	Date approved
Approved by	Liz Mills	07 January 2019
Approved by	Dave Hill (Executive Director, Children, Families, Lifelong Learning and Culture)	07 January 2019
Approved by	Julie Iles (Cabinet Member for All Age Learning)	16 January 2019

3. Quality control

Version number	9	EIA completed	07 January 2019
Date saved	15 January 2019	EIA published	21 January 2019

4. EIA team

Name	Job title	Organisation	Team role
Lesli Good	Assistant Director, Lifelong Learning and Culture (Interim)	SCC	Assistant Director
Ben Skipp	Programme Manager	SCC	Project Manager
Sarah Baker / Deborah Chantler / Janet Polley	Legal Services Manager / Senior Principal Solicitors	SCC	Legal advisors

Adam Whittaker	Policy and Strategic Partnerships Manager	SCC	Corporate Equalities Oversight
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5. Explaining the matter being assessed

<p>What policy, function or service is being introduced or reviewed?</p>	<p>Surrey County Council is developing a new strategy to support the delivery of libraries and cultural services. The development of this strategy is one component of a wider Surrey County Council transformation that is about how the council delivers services in the future within the financial constraints it is facing now and will continue to face in the future.</p> <p>As the first step the council has consulted residents, service users and partners on five strategic principles to underpin the development of the strategy. Consultation took place between 30th October 2018 and 4th January 2019.</p> <p>This EIA identifies the key equalities issues that flow from the strategic principles.</p>
<p>What proposals are you assessing?</p>	<p>The consultation sought feedback on five strategic principles to underpin the strategy development. These were:</p> <ol style="list-style-type: none"> 1. Libraries and cultural services provide and enable opportunities for everyone to learn, access information, acquire new skills, improve literacy and be involved in their communities. 2. There is a focus on the wellbeing and strengthening of communities, particularly the most vulnerable, to enable them to be resilient. 3. Libraries and cultural services are most effective and efficient when they work in partnership with the public, voluntary, community and private sectors, including through the creation of shared spaces. 4. New technologies, including digital, enable libraries and cultural services to reach new audiences, and existing audiences in new ways, and offer 24/7 access. 5. Volunteers are crucial community advocates and assets in libraries and cultural services, who also gain valuable skills and relationships through the work they do. <p>Residents, service users and partners were asked to indicate whether they agree/disagree with the principles and, for each principle what impact the principle might have on them. In addition, there was the opportunity for consultees to provide comments.</p>

The consultation has demonstrated that there is significant support for the five strategic principles to inform development of a new strategy for libraries and cultural services.

We have identified that positive impacts will include:

- the ability to access library, cultural and other services in the same building/community hubs
- increased access to services as a result of the enhanced digital platform
- the ability to access library and cultural services in community settings
- improvements in targeted services for specific groups

We have identified the following potential negative impacts, including:

- reduced access to libraries and cultural services operating in stand-alone buildings for older people, people with mobility issues and rural communities
- barriers to participation in proposed enhanced digital services by people who may not have access to, or the skills to use digital technology

We have also identified that we do not fully understand the impact of the principles on children and young people as they were under-represented in the consultation compared to use of libraries and cultural services. At 0.43% the percentage of responses to the library and cultural services stage one consultation from the 0 – 18 age group is disproportionately low when compared to the Surrey population and the use of libraries by the 0 – 14 age group who represent 27% of libraries current borrowers.

We are also aware that the development of a strategy and new service model will impact on staff and partners.

To address these impacts in the next phase of developing the strategy and new service model we will need to ensure that geographical spread is met through enhanced digital services and libraries and cultural services in community settings.

We will undertake targeted consultation with those groups who may experience physical barriers to participation e.g. older people, people with mobility challenges and rural communities.

We will undertake targeted consultation with children and young people to ensure that we understand better the impact of the strategic principles on this group.

We will seek to understand more fully barriers to participation for those who may not benefit from the enhanced digital platform and design services to reduce digital exclusion.

	<p>We will include staff in the design of the new service model and consult formally if there is a change in the structure.</p> <p>We will work closely with boroughs, districts, partners, voluntary sector and users to co-design the new service model.</p> <p>As a live document this EIA seeks to assess the impact of the consultation and these service outcomes with regard to groups with protected characteristics.</p>
<p>Who is affected by the proposals outlined above?</p>	<p>There will be a potential positive and negative impact on the following groups.</p> <p>All users of library and cultural services Surrey residents Visitors to Surrey Businesses</p>

6. Sources of information

Engagement carried out

The consultation was carried out from 30 October 2018 to 04 January 2019. Consultees were asked to complete a survey asking for views on the five strategic principles (shown in section 5). The survey was accessible both online and in hard copy, including an Easy Read version.

The council contacted multiple partner organisations to raise awareness of consultation with a link to the online questionnaire. These include, but are not limited to:

- Surrey District and borough local authorities
- All SCC schools
- Action for Carers
- Age Concern
- Age Uk
- Alzheimers Society
- Children's Centres
- Disability Access Networks
- Further education colleges
- Hospitals
- National Autistic Society
- NHS
- Surrey Community Action
- Surrey Youth Parliament
- University of Surrey
- Other Voluntary Groups and Charities

In addition, 13 drop-in sessions were held in each of the borough/district council areas across the county. These allowed people to ask questions about the strategy development and consultation content.

Data used

- Initial quantitative findings (see summary report – 22 Nov 2019) of the current consultation being carried out across Surrey on the proposed new libraries and cultural strategy.
- Final consultation summary report for the Libraries and Cultural Services Transformation, including both quantitative and qualitative responses.
- Usage data – analysing the numbers of visitors and issues made in each Surrey library.
- Research - Good practice and delivery models of library and cultural services, both nationally and internationally. Some examples were included in included in the consultation's strategy document.
- Financial data – Internal SCC libraries and cultural services finance data and CIPFA (Chartered Institute of Public Finance Authorities).

Annex 3a – Libraries and Cultural Services Equality Impact Assessment

- Statistical Datasets at ward level – IMD, IDACI, IDAOP, % of population aged 0 – 4 and 65+
- Geographical spread/ coverage of existing libraries and cultural buildings

7. Impact of the new/amended policy, service or function

7a. Impact of the proposals on residents and service users with protected characteristics

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence
<p>All groups</p>	<p>The 5 strategic principles that will underpin the development of the libraries and cultural strategy and new service model could have a positive impact on all groups as shown below:</p> <p>Users will be able to access a range of libraries, cultural and other services in one building/hub.</p> <p>Users will be able to access library and cultural services physically and digitally in community settings.</p> <p>Users will be able to access a wider range of services through an enhanced digital platform.</p>	<p>The 5 strategic principles that will underpin the development of the libraries and cultural strategy and new service model could have a negative impact on all groups as shown below:</p> <p>The possibility that the new strategy and service model will result in a reduction in stand-alone buildings in which only library and cultural services will be delivered.</p> <p>Increased emphasis on digital access to services might impact on residents who may not have the skills, or access to technology to benefit from this development.</p>	<p>See the detailed evidence for each group with protected characteristics in their specific section below.</p>

<p>Age</p>	<p>In addition to the positive impacts for all groups set out above, there are some positive impacts specific to some of this group.</p> <p>Younger and older users may benefit from targeted services.</p>	<p>The negative impact on this group is set out above in the section titled all groups.</p>	<p>Surrey Library Borrowers Compared to Surrey Population:</p> <table border="1" data-bbox="1346 252 2085 443"> <thead> <tr> <th>Age Band</th> <th>Current Borrowers</th> <th>Surrey Population</th> <th>Over /Under Representation</th> </tr> </thead> <tbody> <tr> <td>0-14</td> <td>27%</td> <td>18%</td> <td>+9%</td> </tr> <tr> <td>15-65</td> <td>55%</td> <td>63%</td> <td>-9%</td> </tr> <tr> <td>65</td> <td>17%</td> <td>19%</td> <td>-2%</td> </tr> </tbody> </table> <p>(March 2016)</p> <p>Libraries and Cultural Services Transformation Strategy Consultation Respondents:</p> <table border="1" data-bbox="1491 624 1966 815"> <thead> <tr> <th>Age Band</th> <th>Respondents to Consultation</th> </tr> </thead> <tbody> <tr> <td>Under 18</td> <td>0.43%</td> </tr> <tr> <td>18-64</td> <td>64.88%</td> </tr> <tr> <td>65+</td> <td>30.72%</td> </tr> </tbody> </table> <p>Children are significant users of Surrey Libraries in proportion to their representation in the Surrey population and are predominantly registered at the Category C, CPLs and some B libraries. There is significant use by children of rhyme times and other events at Category A and B libraries.</p> <p>The age group that has the highest rate of registration at Category A libraries is 16-64. A library member can register at any library and can use all libraries in the network. (Source: Library Data Management System March 2016 & ONS 2015 Mid-Year Estimates)</p>	Age Band	Current Borrowers	Surrey Population	Over /Under Representation	0-14	27%	18%	+9%	15-65	55%	63%	-9%	65	17%	19%	-2%	Age Band	Respondents to Consultation	Under 18	0.43%	18-64	64.88%	65+	30.72%
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<p>Disability</p>	<p>Disabled people will be able to access targeted services.</p>	<p>Increased emphasis on a digital platform could reduce access for people with disabilities where necessary adaptations have not yet been developed.</p>	<p>The Library Service does not hold data on disability of its users.</p> <p>The day to day activities of 13.5% of Surrey’s population are limited by a long term health problem or disability. This proportion is below the national average of 17.6% and is unchanged since 2001. The activities of 5.7% are limited “a lot”.</p> <p>The likelihood of suffering from a long term illness or disability increases with age. 78% of people over 85 reported a health problem compared with just 2.9% of children under 16.</p> <p>Source: Surrey-i, 2011 Census-Disability, Health and Carers)</p>
<p>Gender reassignment</p>	<p>The positive impact on this group is set out above in the section titled all groups.</p>	<p>The negative impact on this group is set out above in the section titled all groups.</p>	
<p>Pregnancy and maternity</p>	<p>In addition to the positive impacts for all groups set out above, there are some positive impacts specific to some of this group.</p> <p>Parents with young children may experience positive benefits from a wider service offer and on the enhanced digital platform eg co-location</p>	<p>The negative impact on this group is set out above in the section titled all groups.</p>	<p>Early years children (and therefore their parents) are significant users of Surrey Libraries in proportion to their representation in the Surrey population and predominantly are registered at the Category C, CPLs and some B libraries. There is significant use by children of rhyme times and other events at Category A and B libraries. (Source: Library Data Management System & ONS 2015 Mid-Year Estimates)</p> <p>In 2013 there were 13,569 live births recording the mother’s usual place of residence as Surrey. North East Surrey had the highest number with 4,084 live</p>

	<p>of midwifery services in library/cultural/community hubs.</p> <p>This group may benefit from targeted services.</p> <p>Residents from this group may access libraries and cultural services more actively if they are in buildings with a broader community focus.</p>		<p>births and the lowest number was 2,775 in the South West. (Source: Surrey-i)</p>
<p>Race</p>	<p>In addition to the positive impacts for all groups set out above, there are some positive impacts specific to some of this group.</p> <p>This group may benefit from an increased focus on targeted services.</p> <p>Residents from this group may access libraries and cultural services more actively if they are in buildings with a broader community focus.</p>	<p>The negative impact on this group is set out above in the section titled all groups.</p>	<p>The Library Service does not hold data on the ethnicity of its users.</p> <p>The population of Surrey is 83.5% White British. The District & Boroughs in Surrey that have more than 1% above the County average for a minority ethnic group are as follows:</p> <p>Elmbridge, Runnymede and Woking: White Other Spelthorne: Indian Woking: Pakistani Epsom & Ewell: Other Asian (Source: Census 2011)</p>

Religion and belief	<p>In addition to the positive impacts for all groups set out above, there are some positive impacts specific to some of this group.</p> <p>Residents from this group may access libraries and cultural services more actively if they are in buildings with a broader community focus.</p>	<p>The negative impact on this group is set out above in the section titled all groups.</p>	
Sex	<p>The positive impact on this group is set out above in the section titled all groups.</p>	<p>The negative impact on this group is set out above in the section titled all groups.</p>	
Sexual orientation	<p>In addition to the positive impacts for all groups set out above, there are some positive impacts specific to some of this group.</p> <p>This group may benefit from targeted services.</p>	<p>The negative impact on this group is set out above in the section titled all groups.</p>	<p>The Library Service does not hold data on its users for this protected characteristic.</p>
Marriage and civil partnerships	<p>The positive impact on this group is set out above in the section titled all groups.</p>	<p>The negative impact on this group is set out above in the section titled all groups.</p>	<p>The Library Service does not hold data for this protected characteristic of its users.</p>
Carers (protected by association)	<p>The positive impact on this group is set out above in the section titled all groups.</p>	<p>The negative impact on this group is set out above in the section titled all groups.</p>	<p>There are over 100 Reminiscence Professionals, (those engaging with Alzheimer sufferers usually in residential homes), and a number of Care Homes are also using Surrey Libraries regularly. Library Direct Volunteers offer an alternative service for those unable to physically access a Library.</p>

		<p>(Source: Library Data Management System)</p> <p>The percentage of the Surrey population providing unpaid care is 10%. The figure is similar across all the Districts & Boroughs, and slightly below the national average.</p> <p>Older people are more likely to be providing unpaid care than younger people, and providing more hours of care. Nearly 14% of people aged 65 or over provide care with more than quarter of these providing 50 hours or more. Among young people under 25, less than 2% provide care, around one in 13 of these providing 50 hours or more.</p> <p>Young adult carers can face barriers to education and employment which may be due to young people becoming more heavily involved in caring as they get older. Having a caring a role when aged 16 – 24 years old can affect future life opportunities.</p> <p>As the general population ages, the number of older people providing unpaid care is also expected to increase. Estimates have been produced of the number of older carers in Surrey to increase by 11% in Surrey. The largest increases are expected in Tandridge, Reigate & Banstead, Woking and Epsom & Ewell.</p> <p>(Source: JSNA 2013)</p>
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7b. Impact of the proposals on staff with protected characteristics

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence																		
<p>All groups</p>	<p>Opportunity to use their skills and knowledge to influence the new strategy for library and cultural services and the design of the service for the future.</p>	<p>Uncertainty throughout the next stage consultation process on how the new strategy and how the outcome in a possible new service offer might affect them.</p> <p>If, subject to the next stage of consultation the strategy brings forward a new service offer requiring staff to work in new locations they may have further to travel to work incurring greater expense of time and money.</p>																			
<p>Age</p>	<p>The positive impact on this group is set out above in the section titled all groups.</p>	<p>Staff who are older may find it difficult to adapt.</p>	<p>Surrey Libraries Staff:</p> <table border="1" data-bbox="1350 970 1904 1428"> <thead> <tr> <th data-bbox="1350 970 1594 1066">Age Range</th> <th data-bbox="1594 970 1904 1066">% of Library Staff</th> </tr> </thead> <tbody> <tr> <td data-bbox="1350 1066 1594 1114">15 to 19</td> <td data-bbox="1594 1066 1904 1114">9.6%</td> </tr> <tr> <td data-bbox="1350 1114 1594 1161">20 to 24</td> <td data-bbox="1594 1114 1904 1161">5.7%</td> </tr> <tr> <td data-bbox="1350 1161 1594 1209">25 to 29</td> <td data-bbox="1594 1161 1904 1209">5.9%</td> </tr> <tr> <td data-bbox="1350 1209 1594 1257">30 to 34</td> <td data-bbox="1594 1209 1904 1257">5.2%</td> </tr> <tr> <td data-bbox="1350 1257 1594 1305">35 to 39</td> <td data-bbox="1594 1257 1904 1305">6.1%</td> </tr> <tr> <td data-bbox="1350 1305 1594 1353">40 to 44</td> <td data-bbox="1594 1305 1904 1353">8.3%</td> </tr> <tr> <td data-bbox="1350 1353 1594 1401">45 to 49</td> <td data-bbox="1594 1353 1904 1401">7.9%</td> </tr> <tr> <td data-bbox="1350 1401 1594 1428">50 to 54</td> <td data-bbox="1594 1401 1904 1428">11.4%</td> </tr> </tbody> </table>	Age Range	% of Library Staff	15 to 19	9.6%	20 to 24	5.7%	25 to 29	5.9%	30 to 34	5.2%	35 to 39	6.1%	40 to 44	8.3%	45 to 49	7.9%	50 to 54	11.4%
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Disability	The positive impact on this group is set out above in the section titled all groups.	Staff with mental health issues may be more prone to be affected by any change in their working arrangements.	<p>Surrey County Council staff with a declared disability is as follows:</p> <ul style="list-style-type: none"> • Male: 3.10% • Female: 3.14% <p>(Source: SCC Equalities and Diversity Profile 2016)</p>																											
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Religion and belief	The positive impact on this group is set out above in the section titled all groups.	The negative impact on this group is set out above in the section titled all groups.	<table border="1"> <thead> <tr> <th>Religion</th> <th>Surrey %</th> <th>SCC Staff %</th> </tr> </thead> <tbody> <tr> <td>Christian</td> <td>62.8</td> <td>28</td> </tr> <tr> <td>Muslim</td> <td>2.15</td> <td>1.14</td> </tr> <tr> <td>Hindu</td> <td>1.33</td> <td>0.58</td> </tr> <tr> <td>Buddhist</td> <td>0.53</td> <td>0.5</td> </tr> <tr> <td>Sikh</td> <td>0.33</td> <td>0.07</td> </tr> <tr> <td>Jewish</td> <td>0.27</td> <td>0.13</td> </tr> <tr> <td>Other Religion</td> <td>0.37</td> <td>0.36</td> </tr> <tr> <td>No Religion</td> <td>24.80</td> <td>20.23</td> </tr> <tr> <td>Not Stated</td> <td>7.42</td> <td>48.99</td> </tr> </tbody> </table> <p>(Source: Census 2011 and SCC Equalities and Diversity Profile 2016)</p> <p>Staff belonging to the Christian faith and those with No Faith/Religion represent a greater proportion of staff to other religions although below the average when compared against the County as a whole. Those not stating a religion or belief are the largest category amongst staff.</p>	Religion	Surrey %	SCC Staff %	Christian	62.8	28	Muslim	2.15	1.14	Hindu	1.33	0.58	Buddhist	0.53	0.5	Sikh	0.33	0.07	Jewish	0.27	0.13	Other Religion	0.37	0.36	No Religion	24.80	20.23	Not Stated	7.42	48.99
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No Religion	24.80	20.23																															
Not Stated	7.42	48.99																															
Sex	The positive impact on this group is set out above in the section titled all groups.	The negative impact on this group is set out above in the section titled all groups.	<p>Surrey Libraries Staff Gender Breakdown:</p> <ul style="list-style-type: none"> • Male 13% • Female 87% 																														

Sexual orientation	The positive impact on this group is set out above in the section titled all groups.	The negative impact on this group is set out above in the section titled all groups.	All Staff Surrey County Council: <ul style="list-style-type: none"> • Heterosexual: 44.07% • LGBT: 1.19% • Not Declared: 54.74% (Source: SCC Equalities and Diversity Profile 2016)
Marriage and civil partnerships	The positive impact on this group is set out above in the section titled all groups.	The negative impact on this group is set out above in the section titled all groups.	There is no workforce data available.
Carers (protected by association)	The positive impact on this group is set out above in the section titled all groups.	The negative impact on this group is set out above in the section titled all groups.	There is no workforce data available.

8. Amendments to the proposals

Change	Reason for change
<p>As a result of the consultation the wording of the strategic principles has been amended, see below that changes are shown in italics.</p> <ul style="list-style-type: none"> • Libraries and cultural services provide and enable opportunities for everyone to learn, access information, acquire new skills, literacy and be involved in their communities. • There <i>will be</i> a focus on the wellbeing and strengthening of communities, particularly the most vulnerable, to enable them to be resilient, <i>providing touch points and safe spaces</i>. • Libraries and cultural services are most effective and efficient when they work in partnership with the public, voluntary, community and private sectors, including through the creation of shared spaces <i>creating a model of financial sustainability</i>. • New technologies, including digital, enable libraries and cultural services to reach new audiences, and existing audiences in new ways, and offer 24/7 access. • Volunteers are crucial community advocates and assets in libraries and cultural services, who also gain valuable skills and relationships through the work they do. 	<p>To respond to the wealth of ideas and information provided in the qualitative responses and make the principles clearer.</p>

9. Action plan

Potential impact (positive or negative)	Action needed to maximise positive impact or mitigate negative impact	By when	Owner
Potential impact of library and cultural services operating in stand-alone buildings on all groups.		TBC	Liz Mills
Potential impact on users who may not benefit from the enhanced digital platform if they do not have access to, or skills to use new technology.	In the next phase of developing the strategy and new service model we will investigate the barriers to participation for this group and design services to reduce digital exclusion.	TBC	Liz Mills
Potential impact on staff including increased levels of anxiety about how the development of a new strategy and potential changes in the service offer might affect them.	<p>Staff will be involved in the development of the strategy and future service offer.</p> <p>Senior management will implement a communications strategy during the strategy development and the next stage of consultation on same to ensure staff receive timely and accurate information.</p> <p>Staff will be equipped with information and tools to enable them to manage their interactions with customers positively whilst the strategy is being developed and during the next stage of the consultation.</p>	On-going	Lesli Good

10. Potential negative impacts that cannot be mitigated

Potential negative impact	Protected characteristic(s) that could be affected

11. Summary of key impacts and actions

Information and engagement underpinning equalities analysis

7,000 questionnaires were returned.
3,000 respondents provided comments in addition to sharing their view of the principles on which we consulted.
Partner organisations have provided feedback by letter and in meetings.
The % of respondents was subject to comparison against the demographics of Surrey's population.

Key impacts (positive and/or negative) on people with protected characteristics

The most significant negative impact which will affect all groups is the potential reduction of libraries and cultural services operating in stand-alone buildings.

Potential impact on users who may not benefit from the enhanced digital platform if they do not have access to, or skills to use new technology.

Positive impacts for all groups include opportunity to access libraries, cultural and other services in community/cultural hubs and the enhanced digital platform.

Potential impact on staff as a result of uncertainty during the strategy development process as to the impact of a new service offer on their roles.

Changes you have made to the proposal as a result of the EIA

The strategic principles have been amended, see below that changes are shown in italics.

- Libraries and cultural services provide and enable opportunities for everyone to learn, access information, acquire new skills, literacy and be involved in their communities.
- There *will be* a focus on the wellbeing and strengthening of communities, particularly the most vulnerable, to enable them to be resilient, *providing touch points and safe spaces*.
- Libraries and cultural services are most effective and efficient when they work in partnership with the public, voluntary, community and private sectors, including through the creation of shared spaces *creating a model of financial sustainability*.
- New technologies, including digital, enable libraries and cultural services to reach new audiences, and existing audiences in new ways, and offer 24/7 access.
- Volunteers are crucial community advocates and assets in libraries and cultural services, who also gain valuable skills and relationships through the work they do.

Key mitigating actions planned to address any

In the next phase of developing the strategy and new service model we will need to ensure that geographical spread is met through enhanced digital services and libraries and cultural services in community settings.

<p>outstanding negative impacts</p>	<p>We will undertake targeted consultation with those groups who may experience physical barriers to participation eg older people, people with mobility challenges and rural communities.</p> <p>In the next phase of developing the strategy and new service model we will investigate the barriers to participation for this group and design services to reduce digital exclusion. We will include staff in the design of the new service model and consult formally if there is a change in the structure.</p> <p>We will work closely with boroughs, districts, partners, voluntary sector and users to co-design the new service model.</p>
<p>Potential negative impacts that cannot be mitigated</p>	

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Shaping Surrey’s Community Recycling Centre Consultation Report Tuesday 29 January 2019

Purpose of report:

The council has to make some very tough decisions to ensure we deliver better outcomes for residents, especially vulnerable children, and to help us achieve the Community Vision for Surrey in 2030, where no one is left behind. This means we have to change how we deliver services, how we work more effectively with our partners, coupled with continuing to make savings.

We would like to thank the 12,132 residents and other stakeholders who gave their opinion on the proposed changes to community recycling centres (CRCs). We have listened carefully to these views and have taken them into consideration when developing a final plan. However changes to the service are absolutely necessary to set a sustainable budget, which enables us to continue to deliver a valued service by our residents in Surrey.

The recommendations set out below are the latest in a series of measures at CRCs. These have been designed to make CRCs better value for money by re-focusing them on their core offer: to provide places for residents to dispose of household waste that cannot be collected at the kerbside. We believe these recommended changes still support the strategic aims of increasing recycling and reducing landfill, and meets our legal requirements as a Waste Disposal Authority.

Recommendations:

1. Retain the community recycling centres (CRCs) located at Farnham and Lyne (Chertsey), based on the current and projected usage of these sites.
2. Extend the opening hours of Camberley, Caterham and Leatherhead CRCs from six days a week to seven days a week from Monday 1 April 2019.
3. Maintain the current prices for materials in the charging waste.
4. Proceed with the permanent closure of the CRCs located at Bagshot, Cranleigh, Dorking and Warlingham from Monday 1 April 2019 or as soon as practically possible after this.
5. Introduce a charge for construction wood and roofing felt from Monday 1 April 2019 or as soon as practically possible after this.
6. Introduce an annual application fee for van, trailer and pick-up permits from Wednesday 1 January 2020, when all permits are due for renewal.

Supporting information for these recommendations can be found in paragraph 36 to 39.

Background

1. As a result of rising demand for services particularly those supporting children, older people and our most vulnerable residents and a reducing government grant means the

Annex 4 – Shaping Surrey’s CRCs Consultation Report

council needs to make some very difficult decisions about the way it delivers services. With this in mind the Environment Service has been asked to propose measures, which would reduce the annual costs of managing waste at its CRCs. A programme of cost saving initiatives at CRCs has been underway since 2015/16 which has so far delivered circa £2.5 million of savings.

2. It has been identified that a further £1 million could be saved from the operation of the CRCs by introducing a number of service changes. The project associated with these changes forms part of the council’s transformation programme.
3. This report will inform the Cabinet about the legal background to the provision of the CRCs, provide facts around the current provision and describe the changes to the service that are being considered to make savings. The purpose of this will be to enable the Cabinet to make a decision on the proposed changes.

Legal Obligations of the Waste Disposal Authority

4. Surrey County Council (SCC) as Waste Disposal Authority has a legal duty to dispose of waste collected by the Surrey district and borough councils. In addition SCC must also provide places for residents to dispose of their own household waste free of charge (CRCs). In 2017/18 Surrey residents produced 510,000 tonnes of waste. Approximately 81% of this waste was collected at the kerbside by district and borough councils and around 19% (96,000 Tonnes) was collected at the CRCs.
5. SCC has discretion in the level of service that has to be provided at the CRCs. The key elements of this obligation are set out in **Table 1** as follows:

Table 1: Key elements of service level obligations

Legal Requirement	Comments
To provide a place or places.	The number of facilities is not prescribed.
They must be provided for <i>person’s resident within the county</i> .	There is no requirement to provide any free facilities for residents who live outside Surrey.
They must accept residents’ own household waste free of charge.	There is no requirement to accept any waste other than a residents own household waste free of charge. A number of wastes already accepted for free are not household waste.
They must be reasonably accessible.	There is no definition of what is reasonably accessible, both with respect to distance travelled and vehicle type accepted. However Waste Resources and Action Programme (WRAP) has suggested that a good minimum level of CRC provision with some exceptions for very rural/ urban areas would be: <ul style="list-style-type: none"> • Maximum catchment radius for a large proportion of the population: 3 to 5 miles (very rural areas: 7 miles) • Maximum driving times for the great majority of residents in good traffic conditions: 20 minutes (very rural areas: 30 minutes)

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	<ul style="list-style-type: none"> • Maximum number of inhabitants per HWRC (in all but the most urbanised areas): 120,000 • Maximum number of households per HWRC (in all but the most urbanised areas): 50,000
They must be available at all reasonable times including during at least one Saturday or Sunday per week.	There is no definition of reasonable times other than the availability for a period on a Saturday or Sunday.

6. It's worth noting that in 2015 the Department of Communities and Local Government (DCLG) introduced legislation to prevent further authorities from charging entrance fees at CRCs. A number of authorities had already implemented or were planning to implement this in order to avoid site closures. This ruling lies separate from the ability to charge for non-household waste which legislation allows.
7. The government published its Waste and Resources Strategy on Tuesday 18 December 2018 which includes wide ranging proposals to change the way we manage waste in the UK. The main thrust of these proposals is to shift the responsibility for recycling from the consumer and local authorities to producers of packaging materials. However there is also an indication that government will be looking for consistency in the way that councils collect recyclable materials including the introduction of mandatory food waste collections and the possibility of a free garden waste collection service. Work is currently underway with the Surrey Waste Partnership to understand the potential consequences of the proposals in the new strategy, however given the timetable for further consultation we are unlikely to have detailed proposals until late 2019 and beyond.
8. It is worth noting that many authorities restrict the use of their community recycling centres to their own residents or impose charges on residents from outside their area. Surrey County Council currently restricts the use of some sites on its northern border to Surrey residents only. Hampshire County Council are proposing to introduce a residents only policy at their community recycling centres in September 2019 later, however they are proposing to allow non-residents to use the site for a £5 entry charge.

The current service

9. SCC provides 15 CRCs across the county. The amount of material that they handle has reduced significantly since the introduction of the first substantial changes to the service in April 2016. In 2015/16 the CRCs handled 140,510 tonnes. However this year (2018/19) we are projecting an estimated throughput of 86,000 tonnes of waste and recycling. At the same time there has been no overall increase in the volume of material collected at the kerbside or by district and borough councils as fly-tipping, as shown in **Annex 4b**. Officers believe that the most likely explanation for the decrease in tonnage is that residents are using commercial waste services such as skips and the increased level of checks introduced as part of the charging scheme deterring the illicit use of the site by traders.

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10. The changes to the service that have been implemented to date are set out in **Table 2** below:

Table 2: Changes made at CRCs since 2015/16.

Date	Details of Change
1 April 2016	Reduced opening hours, so that all sites open 8am to 4pm weekdays and 9am to 4pm at weekends all year round (The CRC at Shepperton has had its hours extended during the summer service as a result of the Eco Park construction)
1 April 2016	Closed Dorking, Caterham, Cranleigh, Farnham and Warlingham CRCs one extra day per week.
1 April 2016	Removed rubble containers from the sites located at Bagshot, Caterham, Cranleigh, Dorking, Farnham and Warlingham ahead of the introduction of charging.
1 April 2016	Introduced a new van permit scheme with an annual 12 visit allowance and extended Surrey Resident scheme to additional sites.
1 Sept 2016	Introduction of charges for rubble, soil, plasterboard and tyres with 1 bag free daily allowance for rubble, soil & plasterboard
April/May 2017	Revive reuse shops opened at Earlswood, Witley and Woking CRCs. (A reuse shop was already in place at Leatherhead CRC on a trial basis, but this was extended to a permanent operation).
4 Dec 2017	Removed free daily allowance for rubble soil and plasterboard and extended Surrey resident scheme to the CRC at Camberley (The Surrey resident scheme was already in operation at Caterham, Epsom, Shepperton and Warlingham CRCs)
8 Jan 2018	Stopped vans trailers and pickups from using the CRCs at Bagshot, Caterham, Cranleigh, Dorking, Farnham and Warlingham.
8 Jan 2018	Retained a strategic network of 4 sites that would remain open 7 days a week (Earlswood, Shepperton, Witley and Woking) and reduced opening hours at most other sites: <ul style="list-style-type: none"> • Caterham, Leatherhead, and Camberley - open 6 days per week • Epsom, Chertsey, Guildford, Farnham – open 5 days per week • Bagshot – open 4 days per week • Warlingham, Dorking, Cranleigh – open 3 days per week

11. In 2017/18, 59% of the materials collected at the CRCs were recycled, composted or reused, 32% of materials were sent to energy recovery plants and 9% of materials were landfilled.

Customer satisfaction and site usage

12. The CRCs are very popular with residents and attracted an estimated 2.6 million visits in 2017/18. The quarterly resident surveys undertaken by a research company on behalf of SCC still show that the CRCs are one of the highest rated services that SCC provides, with 69.8% of respondents stating that they are either satisfied or very satisfied with the service. (Last measure taken April 2018 – June 2018). There is a risk that satisfaction levels may drop as a result of the proposed closures and additional charges.
13. As explained in paragraph 9 above, the amount of waste that CRCs now manage has fallen significantly. There has also been a drop in the number of visitors by car to CRCs, as shown in **Table 3** below:

Table 3: Car visits to CRCs compared against annual waste tonnages received from 2015/16 to 2018/19.

Year	Estimated annual car visits to CRCs (using weekly averages)	Waste tonnages
2015/16	3,160,152	140,510
2016/17	2,948,608	113,649
2017/18	2,603,588	95,845
2018/19	2,523,000 (projected)	86,000 (projected)

14. A further breakdown on car visits and waste tonnages by site can be found in **Annex 4b**.

Potential for further savings at Surrey’s CRCs

15. Officers have identified a further number of possible service changes which could be implemented to reduce costs. If implemented, they would affect the delivery of the service to residents therefore are subject to public consultation. These proposed changes are set out in paragraphs 18 to 27 below.

Changes which can be implemented without public consultation

16. Some of these proposed changes have no effect on the delivery of the service to residents, and can be implemented without a public consultation. Others have the potential to effect the service offered to residents, and therefore require a public consultation to understand their views and potential impacts to help inform the decision making process.
17. The following changes require no public consultation and will be implemented provided they prove cost effective.

a) Recovery of more recyclable materials from black bag waste.

For the past few years, our contractor, Suez has stationed staff at the residual waste bins on the CRCs to intercept black bin bags brought in by residents. These bags are then split open to recover any recyclable materials which can then be placed in the appropriate container. By diverting these materials from disposal, the council has reduced its costs by around £0.5m per year.

Composition analysis has shown that around 30% of the material delivered to the CRCs in black bags is recyclable, but not all of this material is currently captured. Officers are planning to operate a mechanical sorting trial in February 2019 to investigate the cost effectiveness of this as a means of increasing capture. This process would be undertaken away from public areas of the sites. Once this trial is complete the benefit of any savings by operating on a permanent basis will be quantified.

b) Selling Advertising Space at CRCs

Officers are investigating whether there is any potential to generate income from business advertising at the CRCs. Other local authorities who do this at their recycling

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centres have told us that they generate very limited income from this. Preliminary discussions have taken place with a provider and site surveys are proposed to establish potential locations for advertisements.

c) Open a further reuse shop at Shepperton CRC

It is proposed to open a further reuse shop at Shepperton CRC during 2019 as soon as the Eco Park construction works are completed. This reuse facility will include the opportunity for e-sales. Suez with SCC are also exploring other ways where it can generate further income through the reuse initiative; for example, working with prisons to refurbish bicycles and selling high value items online.

d) Increase income from trade waste activities

Officers are working with Suez to investigate ways to increase the amount of trade waste handled through the waste transfer stations and to generate more income from this activity.

Consultation Proposals and Approach

18. SCC have sought the views of residents and other stakeholders on proposed changes to CRCs via a public consultation that ran from Tuesday 30 October 2018 to Friday 4 January 2019. Consultation respondents were asked for their views on the following four proposals:

Proposal one: Permanently closing a number of smaller, less effective CRCs, whilst increasing the opening hours at some CRCs. The sites under consideration for closure are: Bagshot, Cranleigh, Dorking, Farnham, Lyne (Chertsey) and Warlingham.

Proposal two: Introducing a charge to dispose of construction wood and roofing felt.

Proposal three: Increasing the cost of disposing of items we already charge for.

Proposal four: Charging an annual application fee for van, pickup and trailer permits

19. The approach taken to prepare and deliver the consultation [can be found on the council's website](#). Further information and thinking behind the consultation proposals is provided below.

Proposal one - Permanent closure of smaller less well used CRCs

20. It can be seen from **Annex 4b** that there is a significant variation in the use of CRCs. The consultation identified the potential to close up to six of the fifteen CRCs. These sites are located at Bagshot, Cranleigh, Dorking, Farnham, Lyne (Chertsey) and Warlingham. These sites are smaller, less well used and, with the exception of the Lyne (Chertsey) site, are undeveloped single level sites which require to be closed to the public when bins are exchanged. Between them, these six sites currently handle less than 18% of the total waste dealt with at the CRCs.
21. The consultation sought the public's view on three potential options for closure.

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- 1) Close the four smallest CRCs at Bagshot, Cranleigh, Dorking and Warlingham and re-open the nearest alternative CRCs at Leatherhead, Caterham and Camberley seven days per week.
- 2) Close all six CRCs listed above and reopen all remaining CRCs seven days per week. In addition we would increase the number of staff and/or invest in facilities and technology to serve customers efficiently at these.
- 3) Close all six CRCs listed above and open all remaining sites five days per week in the winter (October – March) and seven days per week in the Summer (April – September) with extended opening hours past 4pm into the evening during summer where demand exists and where planning permits. In addition we would increase the number of staff and/or invest in facilities and technology to serve customers efficiently at these

Proposal two – Introducing a charge for construction wood and roofing felt

22. As described earlier in this paper, the legal obligation of the Waste Disposal Authority is to provide places where residents can dispose of their **household** waste free of charge. However not all waste that arises from a resident’s home is classified as **household** waste. For example construction and demolition waste from households and waste arising from excavations are not defined as **household** waste.
23. A number of different wastes are classed as non-household. It is legal for local authorities to charge residents for the disposal of these wastes and many Waste Disposal Authorities already charge for or restrict these types of wastes.
24. SCC already charges for non-household waste comprising rubble, soil, plasterboard and tyres as well any construction waste that is brought to sites in a van, trailer or pickup.
25. The proposal was to extend the existing charging scheme to include charges to residents for dealing with construction wood (materials such as sheds, fencing panels and posts, decking, and fitted kitchen units) and roofing felt. The charges for these items would be solely to cover the costs of dealing with these materials, including the administration of the charging system. The charge would be £4 per bag or item including VAT.

Proposal three- Increasing charges for rubble, soil and plasterboard

26. The charges that were introduced in September 2016 have not been increased to reflect inflation in costs. The proposal put forward in the consultation was to introduce a price increase per bag and per item of charging scheme waste from £4 to £5 to cover the increased disposal costs. The current disposal costs of £12 per sheet of plasterboard, £5 per tyre or part tyre and £50 for loose loads of construction waste per car will remain unchanged.

Proposal four - Introduction of charges for van, trailer or pickup permits.

27. Any resident wishing to use a CRC using a van, trailer or pickup must first apply to the council for a van and trailer permit. This allows residents to bring their household waste

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to one of our larger CRCs up to 12 times in any calendar year. Currently 11,032 live permits are registered to the system. A permit is currently free of charge. However it is proposed to introduce charges to cover the administration of this system. The exact charge is still being worked up but we believe it will be between £5 and £10 per year, to visit up to 12 times in that calendar year.

Summarised Consultation Analysis

28. The consultation received a total of 12,132 responses including 12,097 from residents, and 35 responses from organisations/groups such as district & borough and parish & town councils.

29. Seven petitions were received concerning the proposed closure of Cranleigh, Dorking, Farnham, Lyne (Chertsey) and Warlingham CRCs.

30. The headline results can be found in **Table 4** below and the consultation summary report [can be found on the council's website](#).

Table 4 Headline results from the consultation

Consultation subject	Result
CRC visits in the last 12 months	<ul style="list-style-type: none"> • Two-thirds of respondents (66%) said they had used a CRC monthly or more in the last 12 months.
CRC sites used in the last 12 months	<ul style="list-style-type: none"> • More than seven-tenths of respondents (72%) said they used one of the six CRCs that are proposed for closure in the last 12 months. • One in four respondents (26%) said they used the CRC in Farnham.
Respondent location	<ul style="list-style-type: none"> • Almost one in four respondents (24%) said they were from the postcode areas GU9/GU10 – Farnham and surrounding areas.
Proposal one: Permanently closing a number of smaller, less effective CRCs, whilst increasing the opening hours at some CRCs. The sites under consideration for closure are: Bagshot, Cranleigh, Dorking, Farnham, Lyne (Chertsey) and Warlingham.	<ul style="list-style-type: none"> • More than half of the respondents (54%) said they did not support option 1 to close the four smaller CRCs located at Bagshot, Cranleigh, Dorking and Warlingham while increasing the opening hours at Camberley, Caterham and Leatherhead. When looking at just the respondents who told us they use or will use one of the CRCs proposed for closure in option 1 the percentage that did not support this proposal increased to 93% • More than four-fifths of respondents (81%) said they did not support option 2 to close the six CRCs located at Bagshot, Cranleigh, Dorking, Farnham, Lyne (Chertsey) and Warlingham while increasing the opening hours at the remaining nine CRCs. When looking at just the respondents who told us they use or will use one of the CRCs proposed for closure in option 2 the percentage that did not support this proposal increased to 95% • Almost nine-tenths of respondents (88%) said they did not support option 3 to close the six CRCs located at Bagshot, Cranleigh, Dorking, Farnham, Lyne (Chertsey) and

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	<p>Warlingham, and reduce the service at the remaining nine CRCs to five days a week during the winter period but increase their opening hours over the summer. When looking at just the respondents who told us they use or will use one of the CRCs proposed for closure in option 3 the percentage that did not support this proposal increased to 97%.</p>
<p>Proposal two: Introducing a charge to dispose of construction wood and roofing felt.</p>	<ul style="list-style-type: none"> • More than half of respondents (55%) said they either disagreed or strongly disagreed with the proposal to charge for construction wood. When looking at just the respondents who told us they use or will use the charging scheme service the percentage that either disagreed or strongly disagreed increased to 65%. • More than two-fifths of respondents (41%) said they either disagreed or strongly disagreed with the proposal to charge for roofing felt. When looking at just the respondents who told us they use or will use the charging scheme service the percentage that either disagreed or strongly disagreed increased to 48%.
<p>Proposal three: Increasing the cost of disposing of items we already charge for.</p>	<ul style="list-style-type: none"> • More than half of respondents (51%) said they either disagreed or strongly disagreed with the proposal to increase the cost of disposing items we already charge for in the charging waste scheme. When looking at just the respondents who told us they use or will use the charging scheme service the percentage that either disagreed or strongly disagreed increased to 59%.
<p>Proposal four: Charging an annual application fee for van, pickup and trailer permits.</p>	<ul style="list-style-type: none"> • Exactly half of respondents (50%) said they either agreed or strongly agreed with the proposal to charge an annual application fee for a van permit. However, when looking at just the respondents who told us they use or will use the van permit scheme two-thirds of respondents (66%) told us that they either disagreed or strongly disagreed with this proposal.
<p>Suitability for making savings</p>	<ul style="list-style-type: none"> • More than seven-tenths of respondents (71%) felt that CRCs were not an appropriate area for the council to make savings by changing the service. • More than half of respondents (52%) felt savings should instead be made from other council services
<p>Key comments received via the questionnaire or by email and letter on the proposals.</p>	<ul style="list-style-type: none"> • A significant number of respondents in particular highlighted that any reduction to a CRC service especially permanently closing CRCs could increase journey times to the nearest alternative CRCs, increase traffic/congestion and have a negative impact on the environment including an increase in vehicle emissions, more bonfires, noise pollution and an increase in fly-tipping at an additional cost to council’s and private landowners. • There is concern the proposals will make it difficult for residents to dispose of waste especially those with mobility issues, financial difficulties and/or not transport. It’s also feared that the proposals could have a negative impact on

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	<p>recycling with more recyclable waste being thrown away in the kerbside black bin.</p> <ul style="list-style-type: none"> • It’s also felt that proposals to permanently close CRCs don’t take into account future demand with projected population growth and new dwellings that are set to be built in Surrey the next 10 – 15 years. • A number of concerns were raised about the suitability and safety of roads to alternative CRCs should their site close. • Some current van permit users felt they were being unfairly treated because they didn’t own a car. • Urged to fully consider the impact of DEFRA’s recently published resources and waste strategy before a decision is made on closures.
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Proposals Implications and Mitigation Options

31. The savings effect of each of the components of the CRC Transformation Programme has been calculated and is set out in Table 5 below. The saving is shown for 2019/20 and 2020/21 recognising that some changes may only deliver a part year effect in 2019/20.

Table 5: Estimated annual savings from the recommended changes to the CRC service

Proposal	Estimated saving 2019/20 (£000s)	Estimated saving 2020/21 (£000s)	Comments
Permanent closure of the four CRCs located in Bagshot, Cranleigh, Dorking and Warlingham,	£650	£650	This assumes all closures will go ahead from Monday 1 April 2019. If all closures were deferred to Tuesday 1 October 2019 the in-year saving for 2019/20 would reduce to £338,000.
Charging for construction wood and roofing felt	£300	£300	This assumes the introduction of charging for construction wood and roofing felt would go ahead from Monday 1 April 2019. If these changes were deferred to Tuesday 1 October 2019 the in-year saving for 2019/20 would reduce to an estimated £120,000.
Further changes to the reuse scheme: opening of the Shepperton revive shop and online trading	£50	£100	The current reuse scheme is on course to achieve £200,000 in 2018/19, and assumes that growth of an additional £50,000 can be achieved each year.

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Selling advertising space at CRCs***	£5	£10	Initial talks suggest that £5,000 could be achieved in 2019/20, and learning from the first year of delivery could be incorporated into the scheme to double savings the next year.
Introduction of charges for van & trailer permits****	£10	£50	The saving for 2019/20 is less recognising that the change won't come in until January 2020.
Recovery of more recyclable materials from black bag waste	£TBC	£TBC	A mechanical black bag trial is scheduled for February 2019 to obtain more intelligence on composition and to identify the most cost effective way to extract recyclables.
Increase income from trade waste activities at waste transfer stations	£TBC	£TBC	Talks are still ongoing with the contractor regarding ways to generate more income from trade waste.
Total	£1,015	£1,060	

32. The results from the consultation indicated the strongest opposition to the proposals to close some of community recycling centres. Unsurprisingly closure of a site was almost universally opposed by respondents who used that particular site. There was less opposition to the introduction of charges for wood and roofing felt and for charges for van permits although a significant proportion of respondents were still opposed to these proposals.
33. As can be seen from **Table 5** above, the bulk of savings relate to the closure of some of the CRCs and the introduction of charges for construction wood and roofing felt. Therefore if a decision were made not to implement these proposals, savings would be significantly reduced.
34. It is officers' intention to engage with our waste contractor Suez to explore opportunities for further cost savings through a contract restructure. This process is likely to commence in early 2019.
35. In addition to the specific responses to the options put forward in the consultation, there were a number of key issues that were raised by respondents that they felt would have negative effects if the proposals were implemented. These issues and proposed mitigations are listed in **Table 6** below.

Table 6: key issues raised in the consultation and mitigating actions

Issue raised	Proposed mitigation
Increase in fly-tipping	From our experience of recent changes to the service, and anecdotal evidence from other local authorities who have closed sites, fly-tipping is not expected to increase. In recent years the service have introduced measures to enforce against illegitimate use of CRCs by traders and this is reflected in the lower amounts of waste and visitors that the service is now dealing with. However it's possible that some traders are still illegitimately using the CRCs that are proposed for closure, and therefore there is a risk that fly-tipping could increase. The

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	<p>service will continue to monitor the position with fly-tipping, and will work with partners to tackle the issue. More information fly-tipping statistics can be found in Annex 4b.</p>
<p>Increase in cost to councils and private landowners to deal with any increases in fly-tipping</p>	<p>In recent years since changes have been made at the CRCs, the number of tonnes of fly-tipped material collected by district and borough council has decreased overall. This means that in 2017/18 the county council’s disposal cost for fly-tipped material was £100,000 less than it was in 2015/16. As above the service will continue to monitor the position and where necessary take appropriate mitigation. We’ll continue to work with private landowners through the SWP enforcement group to help prevent fly-tipping.</p>
<p>Increase in journey times</p>	<p>This is acknowledged, and the service estimate that up to a maximum of 54,295 households in Surrey (if they use the service) will now have a longer journey time to an alternative CRC. The impact of which has been mapped as shown in Annex 4b. However as part of the communications programme the service will advertise what alternatives are available to a CRC such as kerbside collections through the district and borough council or commercial waste companies.</p>
<p>Increase in vehicle emissions</p>	<p>The service have reviewed the catchment areas for the CRCs located at Bagshot, Cranleigh, Dorking and Warmingham to determine the vehicle emissions impact on households having to travel further in a car to reach an alternative CRC should these sites close. Using average return journey road distances in the original and new catchment areas, postcode survey data, CRC traffic count data, and typical emissions from a passenger vehicle, the closure of these sites would in theory lead to an estimated increase in vehicle emissions of an additional 571 tonnes per annum (equivalent to the energy used in 70 homes a year).</p> <p>However, this is the worst case scenario with <u>all</u> current car trips from these sites in 2018/19 transferring over to alternative CRCs in 2019/20. Based on our previous experience of changes to the service, we believe the impact will likely lead to less emissions, as we believe not all current users of these CRCs will make the additional journey to an alternative CRC. The service will also seek to minimise impact further by communicating to residents that they should try not to make specific trips to a CRC, and should instead, where possible, do this as part of one of their everyday car journeys such as going to shopping centres, or to work.</p> <p>It’s also important to note that the recent service changes that have been introduced in the last few years have seen a significant fall in car journeys to Surrey’s CRCs, which in theory could have led to a decrease in vehicle emissions.</p>
<p>More congested sites</p>	<p>This will be mitigated by increased workforce with charging scheme (processing cars faster) and the service looking into ANPR investment as a means for enforcing against illegitimate use by traders.</p>
<p>Recycling negatively impacted</p>	<p>It is possible that some residents may choose to dispose of their recyclables in their residual waste bin as an alternative to using</p>

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	<p>a CRC, however there is no evidence that changes to the service to date have negatively impacted on recycling rates and residual waste volumes. The service will continue to take steps such as increasing reuse and trialling further black bag sorting initiatives as part of the CRC transformation programme.</p>
<p>Population growth/new dwellings</p>	<p>The sites proposed for closure wouldn't be appropriate to send more residents to i.e. we need to get them to attend split level sites where they are better equipped to handle more tonnages/visitors. That said, in the next 10-15 years the council would hope to see the positive effects of extended producer responsibility, and advancement in technology, which in theory should mean that businesses take more responsibility for dealing with items such as waste packaging, further reducing the need for recycling centres. A map showing from the Surrey Infrastructure study showing expected housing growth by 2030/31 is attached as Annex 4b.</p>
<p>Van permit users getting an unfair deal</p>	<p>There is a need to control vans and trailers because these are often used by traders to dispose of waste. Vans & trailers can carry greater volumes of waste, rather than banning vans and trailers a control system has been introduced and it is right that those who utilise the convenience of a van or trailer pay for this.</p>
<p>More difficult for residents to dispose of waste especially those with mobility issues, financial difficulties and no transport</p>	<p>The location of the CRC's and types of waste brought to them mean that nearly all journeys are made by car. It is accepted that some residents will have to drive further to a CRC but there is an opportunity for residents to consider how often they need to visit a CRC or whether they can use the kerbside collection as an alternative.</p> <p>The service acknowledge that pedestrians who used the CRC at Warlingham will be impacted if they have no transport or are unable to drive. However anecdotal evidence suggests that most pedestrians who use the Warlingham CRC actually park their car outside the site and then walk in.</p>
<p>Any decisions on site closures needs to be delayed until the full impact of the government's new resources and waste strategy is understood</p>	<p>The Government's Waste and Resources Strategy was issued on Wednesday 18 December 2018. Its main focus is on shifting the responsibility and costs for recycling to producers and in terms of local authorities the main focus is on kerbside collections undertaken by district and borough councils. The only reference to community recycling centres is with respect a future review of the regulations that allow councils to charge for construction waste. Should this review remove the ability of the council to charge for construction waste then the council would expect the government to provide compensating funding to negate the effect.</p>
<p>Concern about the suitability and safety of roads to alternative CRCs</p>	<p>In recent years no road traffic accidents have been reported involving vehicles turning to/from recycling centres which are near to those earmarked for closure. The service are currently modelling traffic flow, and will consider any further assessments that are required, and what mitigations we may be able to offer with the local highway and/or the configuration of alternative sites before any sites close.</p>

Recommendations supporting information

36. It's accepted that closure of any of the CRCs will be unpopular with those who use them, however without closing any CRCs there will be a significant shortfall in savings. It is therefore recommended that closure of CRCs is limited to the minimum number necessary to achieve the savings. This would mean the permanent closure of CRCs at Cranleigh, Dorking, Warlingham and Bagshot. These CRCs are those which handle the least waste and have the lowest number of visitors (**Annex 4b**). The CRCs at Farnham and Chertsey would remain open noting that the closure of these sites would effect a greater number of users.
37. In order to meet the savings objective, it will also be necessary to extend the charging waste scheme to include construction wood and roofing felt.
38. It is not recommended that a price increase is introduced for existing charging scheme wastes as officers believe charges are already at the upper end of range of charges imposed by other councils and the saving achieved by increasing the price would be relatively modest.

Table 7 Comparison of charges for rubble at CRCs

Local authority	Charge per bag of rubble
Surrey CC	£4 per bag
East Sussex CC	£4 per bag
Bracknell Forest	£3 per bag
Norfolk CC	£3 per bag
Buckinghamshire CC	£2.50 per bag (<i>proposing to charge</i>)
Hampshire CC	£2.50 per bag
Devon CC	£2.20 per bag
Oxfordshire CC	£1.50 per bag

39. It is recommended that an annual charge for van permits be introduced. The exact cost is still being finalised, and will be confirmed as part of the advance communication to van permit users, but expect it will be between £5 and £10 per year, to visit up to 12 times in that calendar year. The earliest this could be introduced would be Wednesday 1 January 2020 because permits are renewed at the beginning of each year. This will mean that the saving achieved in 2019/20 would only be an estimated £10,000. In a full year it is estimated that the saving would be £50,000.

<u>Environmental sustainability implications</u>

40. As set out in Table 6 in paragraph 35, the key environment impacts that have been identified concern fly-tipping and vehicle emissions. The service have looked at a range of potential environmental impacts. Please see this summary assessment in **Annex 4c**.

Risk management and implications:

41. A common concern raised by respondents to this consultation and to all previous consultations is that closure of CRCs and the introduction of charges for certain types of waste will lead to more fly tipping, which will lead to increased clearance costs for private landowners and district and borough councils. Whilst increased fly tipping cannot be ruled out as a consequence of these changes, our experience to date with the changes that we have introduced over the past two years is that that fly tipping has not increased. However officers will need to monitor this carefully and take appropriate action such as increasing the frequency of fly tipping prevention publicity campaigns and working closely with the Surrey Waste Partnership enforcement officers group to identify further preventative actions. Recent changes in legislation which allow district and borough councils to issue fixed penalty notices for ‘duty of care’ offences should also assist in deterring fly tipping.
42. Fly tipping is an existing problem and in 2016, the Surrey Waste Partnership developed a fly tipping prevention strategy. The aim of this strategy was to raise awareness amongst members of the public of their responsibility to ensure any waste generated by them is disposed of correctly and also to improve the coordination between and effectiveness of district and borough enforcement teams.
43. If fly tipping were to increase as a result of these changes then part of the cost of clearance would fall to the county council because it is responsible for arranging and paying for disposal of fly tipped material collected by district and borough councils.
44. It should be noted that in the Waste and Resources Strategy published on Tuesday 18 December 2018, the government have indicated that they propose to review the regulations which enable local authorities to charge for construction waste generated in the home. This review would be subject to a consultation but there is no indication of when this review is likely to take place.

Financial implications:

45. The Section 151 Officer notes that the savings presented in this report are estimates. The actual saving may change depending on a number of factors such as the actual volume of waste or, in the case of site closures, depending on formal agreement with the council’s waste contractor Suez. The estimated saving assumes measures are implemented on Monday 1 April 2019, and any delay will potentially reduce the saving available in 2019/20.

What happens next

46. The proposals will be implemented from Monday 1 April 2019, as stated in the recommendations section above.
 47. Begin engagement on decommissioning CRC sites set to close.
 48. A communications programme will be devised to ensure that the changes are effectively publicised in advance to residents and other stakeholders. This will also include information regarding alternative recycling methods available at the kerbside or commercially, and general tips on what can be done to improve recycling.
-

Annex 4 – Shaping Surrey’s CRCs Consultation Report

Report contact: Richard Parkinson, Waste Operations Group Manager

Contact details: Tel 03456 009 009

Background papers:

Shaping Surrey’s Community Recycling Centres – Consultation results

Annexes:

Annex 4a – Community Recycling Centres Equality Impact Assessment

Annex 4b – Waste Service Information

Annex 4c – Environmental Consideration Summary

Equality Impact Assessment (EIA)



1. Topic of assessment

EqlA title:	Proposed changes to Surrey's Community Recycling Centres (CRCs)
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EqlA author:	Nicholas Meadows – Change Consultant
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2. Approval

	Name	Date approved
Approved by	Richard Parkinson	17 January 2019

3. Quality control

Version number	V2.1	EqlA completed	17 January 2019
Date Last saved	17 January 2019	EqlA published	21 January 2019

4. EqlA team

Name	Job title (if applicable)	Organisation	Role
Nicholas Meadows	Change Consultant	Surrey County Council	Author
Steve Strickland	Waste Contract Manager	Surrey County Council	Reviewer
Richard Parkinson	Waste Operations Group Manager	Surrey County Council	Approver
Jay Ganesh	Senior Programme Officer	Surrey County Council	Reviewer (Directorate Equality Group Representative)
Adam Whittaker	Policy & Strategic Partnerships Manager	Surrey County Council	Reviewer
Janet Polley	Senior Principal Lawyer	Surrey County Council	Reviewer

5. Explaining the matter being assessed

<p>What policy, function or service is being introduced or reviewed?</p>	<p>The council provides a network of 15 CRCs across the county, which help householders recycle waste from their homes. This EIA considers the impact of a reduction in the provision of CRCs and further changes to the charging waste and van permit schemes. .</p>
<p>What proposals are you assessing?</p>	<p>This equality impact assessment (EqIA) is seeking to understand what impact the following proposed changes would have on staff and users with protected characteristics:</p> <ol style="list-style-type: none"> a) The permanent closure of up to six smaller CRC sites located in Bagshot, Cranleigh, Dorking, Farnham, Lyne (Chertsey) and Warlingham. b) Further changes to the charging waste scheme to introduce wood and roofing felt to the scheme; c) Introduce a price increase for all materials in the charging waste scheme. d) Charge an annual application fee to residents for a van permit (owners of vans, trailers and pick-ups are currently required to register van permit before they can visit a CRC. This is provided free of charge and entitles them to 12 visits in a calendar year).
<p>Who is affected by the proposals outlined above?</p>	<p>The above recommendation will affect –</p> <ul style="list-style-type: none"> • Service users (residents) • Frontline service staff

6. Sources of information

<p>Engagement carried out</p>
<p>A number of engagement exercises have already been carried out, as outlined in the timeline below:</p> <p>2014 A CRC site user survey of behaviours and attitudes was completed during 2014. Residents were asked about gender, work status and house type, but the survey did not seek to identify whether any residents had protected characteristics. A total of 3440 online interviews were achieved using a combination of recruitment techniques (cold mailing to 30k Surrey residents, cards handed out to users at all 15 sites, plus an e-mail invitation to the Surrey Matters database).</p> <p>2015/16 A public consultation ran from 17 July 2015 until 30 September 2015 regarding proposed changes to the CRC service including charging for non-household waste. This received a total of 4581 responses and informed the final recommendations for change that were approved on 24 November 2015 by Cabinet.</p> <p>2017/18 A public and staff consultation on further proposed changes to the CRC service including the permanent closure of CRC sites ran from 23 June 2017 to 7 August 2017. This received a total of 13,637 responses including 13,573 from residents and 64 responses from organisations/groups such as District/Borough and Parish/Town Councils. Respondents to this consultation in particular highlighted that any reduction to a CRC service especially permanently closing CRCs could have a negative impact on recycling, increase journey times to the nearest alternative CRCs, increase traffic/congestion and have a negative impact on the</p>

environment including an increase in fly-tipping. The results of this consultation informed the final recommendations for change, which were approved by [Cabinet on 26 September 2017](#).

2018/19

A public and staff consultation on the proposals outlined in section 5 of this EqiA ran from 30 October 2018 and to 4 January 2019 and received a total of 12,131 responses. The feedback submitted during this consultation has been used to update this EqiA, and has informed the final recommendations for change that will be put forward to Cabinet for approval in early 2019, with any agreed changes coming into effect from April 2019.

Data used

- Surrey-I (local data portal) which can be searched by protected characteristics.
- Feedback to the postcode, consultation and customer satisfaction surveys.
- Feedback from the contractor and complaints submitted to the SCC contact centre.
- Benchmark of other local authorities that have made changes to their Household Waste Recycling Centre (HWRC) services.
- Traffic count data, driving time catchments and waste tonnage information.

7. Impact of the new/amended policy, service or function

Council officers have developed the proposals outlined in section 5 alongside this EqiA to understand the impact on service users (residents) and staff.

Potential impacts **on service users and staff with protected characteristics** have been listed below in sections 7a and 7b.

7a. Impact of the proposals on service users with protected characteristics

Protected characteristic ¹	Potential positive impacts	Potential negative impacts	Evidence
Age	<p>The single level CRC sites in Bagshot, Cranleigh, Dorking and Farnham require service users to climb steps to access waste disposal containers. This is currently mitigated through assistance provided by staff. If these sites were closed in accordance with the recommendation, the nearby alternative sites are more accessible split level facilities that do not require the use of steps to access a waste container and so are more accessible..</p>	<p>Pedestrians (service users) are currently allowed to walk into Warlingham CRC to access this site. If this site were to close it would impact pedestrians who use this site and have no means of other transport to drive to an alternative CRC. This would in theory have a greater impact on pedestrians with limited physical mobility, who are unable to drive.</p> <p>Caterham CRC could become busier should the nearby Warlingham CRC close. Caterham CRC is a single level site which requires residents to climb steps to access waste containers. Service users with limited physical mobility might find it difficult to use steps, and therefore assistance is provided by on site staff. However staff may become less available should the site become very busy, which could have a greater impact on serving customers with limited physical mobility, and make it more difficult for them to dispose of their waste i.e. wait longer to be served.</p> <p>These identified impacts do not extend to any other CRC. The other CRC sites with pedestrian access are unaffected by the proposals, and all other single level sites are proposed for closure.</p>	<p>Feedback submitted during the consultation/observation from the project team/contractor.</p>
Disability	<p>The single level CRC sites in Bagshot, Cranleigh, Dorking and Farnham require service users to climb steps to access waste disposal containers. This is currently mitigated through assistance provided by staff. If these sites were closed in accordance with the recommendation, the nearby alternative sites are more accessible split level facilities that do not require</p>	<p>Pedestrians (service users) are currently allowed to walk into Warlingham CRC to access this site. If this site were to close it would impact pedestrians who use this site and have no means of other transport to drive to an alternative CRC. This would in theory have a greater impact on pedestrians with limited physical mobility, who are unable to drive.</p> <p>Caterham CRC could become busier should the nearby Warlingham CRC close. Caterham CRC is a</p>	<p>Feedback submitted during the consultation/observation from the project team/contractor.</p>

¹ More information on the definitions of these groups can be found [here](#).

	the use of steps to access a waste container and so are more accessible..	<p>single level site which requires residents to climb steps to access waste containers. Service users with limited physical mobility might find it difficult to use steps, and therefore assistance is provided by on site staff. However staff may become less available should the site become very busy, which could have a greater impact on serving customers with limited physical mobility, and make it more difficult for them to dispose of their waste i.e. wait longer to be served.</p> <p>These identified impacts do not extend to any other CRC. The other CRC sites with pedestrian access are unaffected by the proposals, and all other single level sites are proposed for closure.</p>	
Gender reassignment	None	None	Screening- There is no differential impact on this protected characteristic.
Pregnancy and maternity	The single level CRC sites in Bagshot, Cranleigh, Dorking and Farnham require service users to climb steps to access waste disposal containers. This is currently mitigated through assistance provided by staff. If these sites were closed in accordance with the recommendation, the nearby alternative sites are more accessible split level facilities that do not require the use of steps to access a waste container and so are more accessible.	<p>Pedestrians (service users) are currently allowed to walk into Warlingham CRC to access this site. If this site were to close it would impact pedestrians who use this site and have no means of other transport to drive to an alternative CRC. This would in theory have a greater impact on pedestrians with limited physical mobility, who are unable to drive.</p> <p>Caterham CRC could become busier should the nearby Warlingham CRC close. Caterham CRC is a single level site which requires residents to climb steps to access waste containers. Service users with limited physical mobility might find it difficult to use steps, and therefore assistance is provided by on site staff. However staff may become less available should the site become very busy, which could have a greater impact on serving customers with limited physical mobility, and make it more difficult for them to dispose of their waste i.e. wait longer to be served.</p> <p>These identified impacts do not extend to any other CRC. The other CRC sites with pedestrian access are</p>	Feedback submitted during the consultation/observations from the project team/contractor.

		unaffected by the proposals, and all other single level sites are proposed for closure.	
Race	None	None	Screening- There is no differential impact on this protected characteristic.
Religion and belief	None	None	Screening- There is no differential impact on this protected characteristic.
Sex	None	None	Screening- There is no differential impact on this protected characteristic.
Sexual orientation	None	None	Screening- There is no differential impact on this protected characteristic.
Marriage and civil partnerships	None	None	Screening- There is no differential impact on this protected characteristic.
Carers²	None	None	Screening- There is no differential impact on this protected characteristic.

² Carers are not a protected characteristic under the Public Sector Equality Duty, however we need to consider the potential impact on this group to ensure that there is no associative discrimination (i.e. discrimination against them because they are associated with people with protected characteristics). The definition of carers developed by Carers UK is that 'carers look after family, partners or friends in need of help because they are ill, frail or have a disability. The care they provide is unpaid. This includes adults looking after other adults, parent carers looking after disabled children and young carers under 18 years of age.'

7b. Impact of the proposals on staff with protected characteristics

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence
Age	None	None	Screening- There is no differential impact on this protected characteristic.
Disability	None	None	Screening- There is no differential impact on this protected characteristic.
Gender reassignment	None	None	Screening- There is no differential impact on this protected characteristic.
Pregnancy and maternity	None	None	Screening- There is no differential impact on this protected characteristic.
Race	None	None	Screening- There is no differential impact on this protected characteristic.
Religion and belief	None	None	Screening- There is no differential impact on this protected characteristic.
Sex	None	None	Screening- There is no differential impact on this protected characteristic.
Sexual orientation	None	None	Screening- There is no differential impact on this protected characteristic.
Marriage and civil partnerships	None	None	Screening- There is no differential impact on this protected characteristic.
Carers	None	None	Screening- There is no differential impact on this protected characteristic.

8. Amendments to the proposals

Change	Reason for change
<p>Following the closure of the consultation the service have recommended that the recycling centres at Farnham and Lyne (Chertsey) are retained, and the current prices for materials in the charging waste scheme remain the same.</p> <p>The service have recommended that all other proposals in section 5 of this EqIA are introduced in light of the requirement for the county council to make important savings.</p>	<p>None of these amendments to the proposal arise from the impacts identified on those with protected characteristics but relate to review of the proposals in light of consultation responses.</p>

9. Action plan

Potential impact (positive or negative)	Action needed to maximise positive impact or mitigate negative impact	By when	Owner
<p>Negative – Caterham CRC could become much busier should the nearby Warlingham CRC close. Caterham CRC is a single level site which requires residents to climb steps to access waste containers. Service users with limited physical mobility might find it difficult to use steps, and therefore assistance is provided by on site staff. However staff may become less available should the site become very busy, which could have a greater impact on serving customers with limited physical mobility, and make it more difficult for them to dispose of their waste i.e. wait longer to be served.</p>	<p>Suez to ensure site staff are given guidance to prioritise service users with limited mobility.</p>	<p>Policy already in operation at all single level sites, but will be reinforced for Caterham CRC</p>	<p>Richard Parkinson</p>

10. Potential negative impacts that cannot be mitigated

Potential negative impact	Protected characteristic(s) that could be affected
<p>Pedestrians (service users) are currently allowed to walk into Warlingham CRC to access this site. If this site were to close it would impact pedestrians who use this site and have no means of other transport to drive to an alternative CRC. This</p>	<p>Age, Disability, Pregnancy and Maternity</p>

<p>would in theory have a greater impact on pedestrians with limited physical mobility, who are unable to drive.</p> <p>Staff and Contractors indicate that most pedestrians who use the Warlingham CRC actually park their car outside the site and then walk in, so the impact that these pedestrians will have is having to drive further to reach an alternative site, which has no differential impact on protected characteristics. However the service does acknowledge that some pedestrians who live locally will walk into the site, and whilst it's not aware that there are many of these pedestrians with limited physical mobility, it does recognise the greater impact that it could have on them especially if they are unable to drive to an alternative CRC because of their condition. The service considers those affected will be able to use alternative methods of disposal available at the kerbside or commercially.</p>	
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11. Summary of key impacts and actions

<p>Information and engagement underpinning equalities analysis</p>	<ul style="list-style-type: none"> • Surrey-i, our local data and information portal, which can be searched by protected characteristics. • Feedback to the postcode, consultation and customer satisfaction surveys. • Feedback from the contractor and complaints submitted to the SCC contact centre. • Benchmark of other local authorities that have made changes to their Household Waste Recycling Centre (HWRC) services. • Traffic count data, driving time catchments and waste tonnage information.
<p>Key impacts (positive and/or negative) on people with protected characteristics</p>	<p>Pedestrians (service users) are currently allowed to walk into Warlingham CRC to access this site. If this site were to close it would impact pedestrians who use this site and have no means of other transport to drive to an alternative CRC. This would in theory have a greater impact on pedestrians with limited physical mobility, who are unable to drive.</p> <p>Caterham CRC could become busier should the nearby Warlingham CRC close. Caterham CRC is a single level site which requires residents to climb steps to access waste containers. Service users with limited physical mobility might find it difficult to use steps, and therefore assistance is provided by on site staff. However staff may become less available should the site become very busy, which could have a greater impact on serving customers with limited physical mobility, and make it more difficult for them to dispose of their waste i.e. wait longer to be served.</p>
<p>Changes you have made to the proposal as a result of the EqIA</p>	<p>None</p>

Key mitigating actions planned to address any outstanding negative impacts	<p>Suez to ensure site staff are given guidance to prioritise users with limited mobility.</p>
Potential negative impacts that cannot be mitigated	<p><u>Pedestrians with limited physical mobility that currently walk into Warlingham CRC</u></p> <p>Staff and contractors indicate that most pedestrians who use the Warlingham CRC actually park their car outside the site and then walk in, so the impact that these pedestrians will have is having to drive further to reach an alternative site, which has no differential impact on protected characteristics. However the service does acknowledge that some pedestrians who live locally will walk into the site, and whilst it's not aware that there are many of these pedestrians with limited physical mobility, it does recognise the greater impact that it could have on them especially if they are unable to drive to an alternative CRC because of their condition. The service considers those affected will be able to use alternative methods of disposal available at the kerbside or commercially.</p>

Waste service information

A range of service information has been compiled to support the main reporting including:

- Figure 1 - 3 historical and current data on waste tonnages received by CRC
- Figure 4 - 6 historical and current data on car visitors to CRCs
- Figure 7 - 11 historical and current data on incidents of fly-tipping and tonnages of fly-tipping collected by District and Borough council
- Map 1 - Current CRC Weekday Inter Peak (10 am to 4pm) Average Drive Times
- Map 2 - projected journey times to recycling centres based on recommendations to the Cabinet
- Map 3 - Major expected housing growth by 2030/31 (taken from the Surrey Infrastructure Study)

Please see below for more information

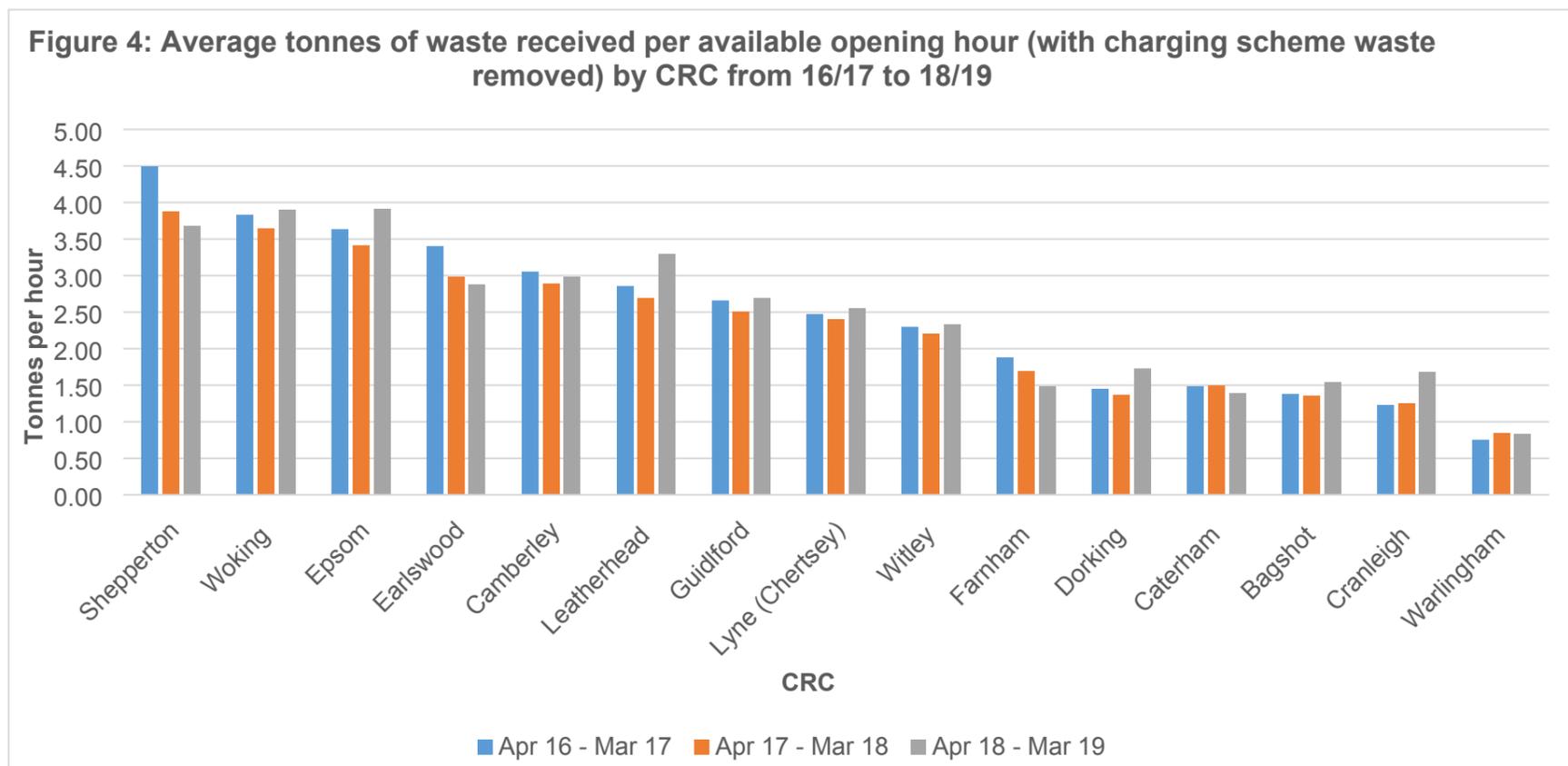
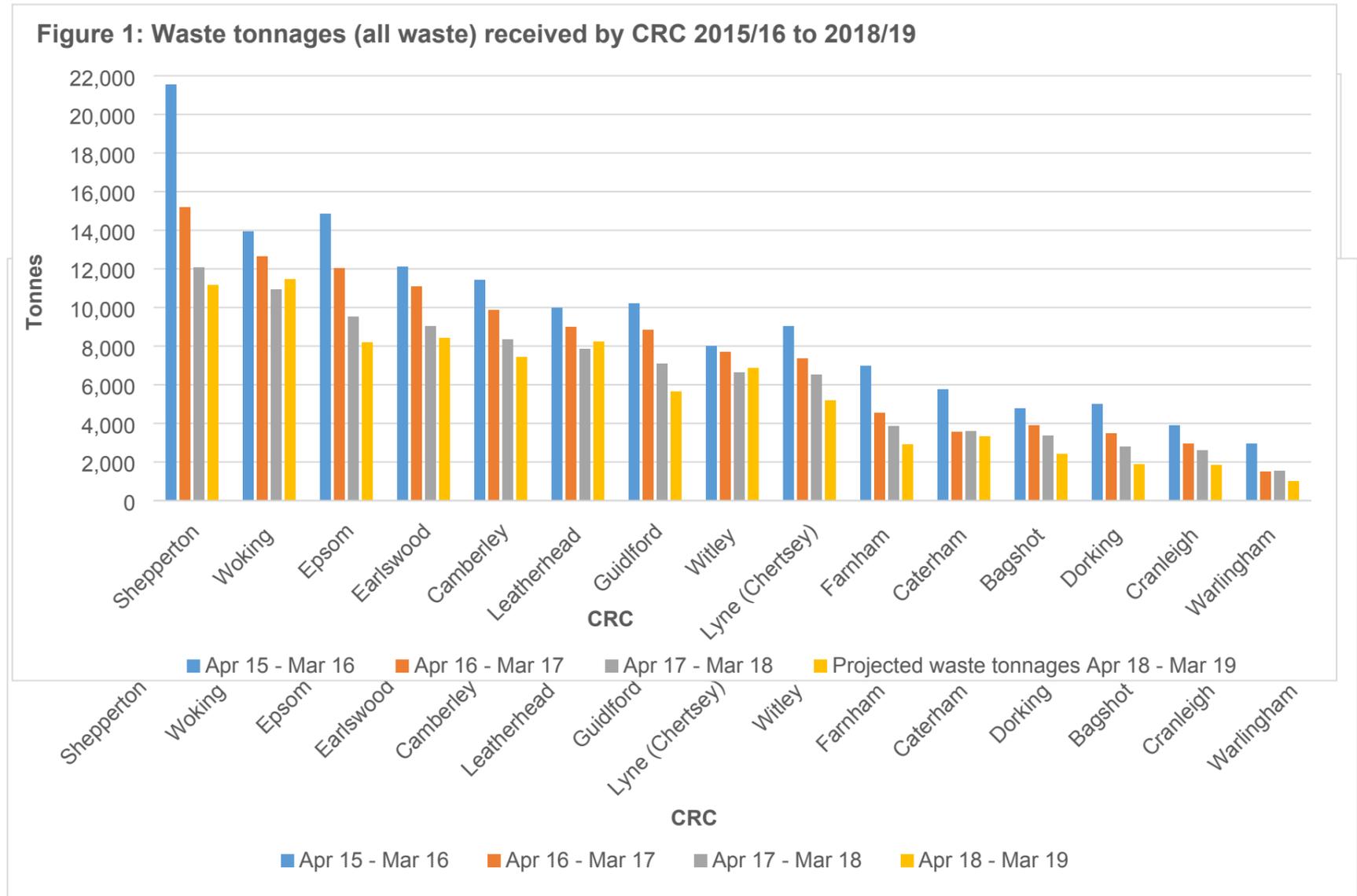


Figure 6: Average car visits per opening hour by CRC 2015/16 to 2018/19

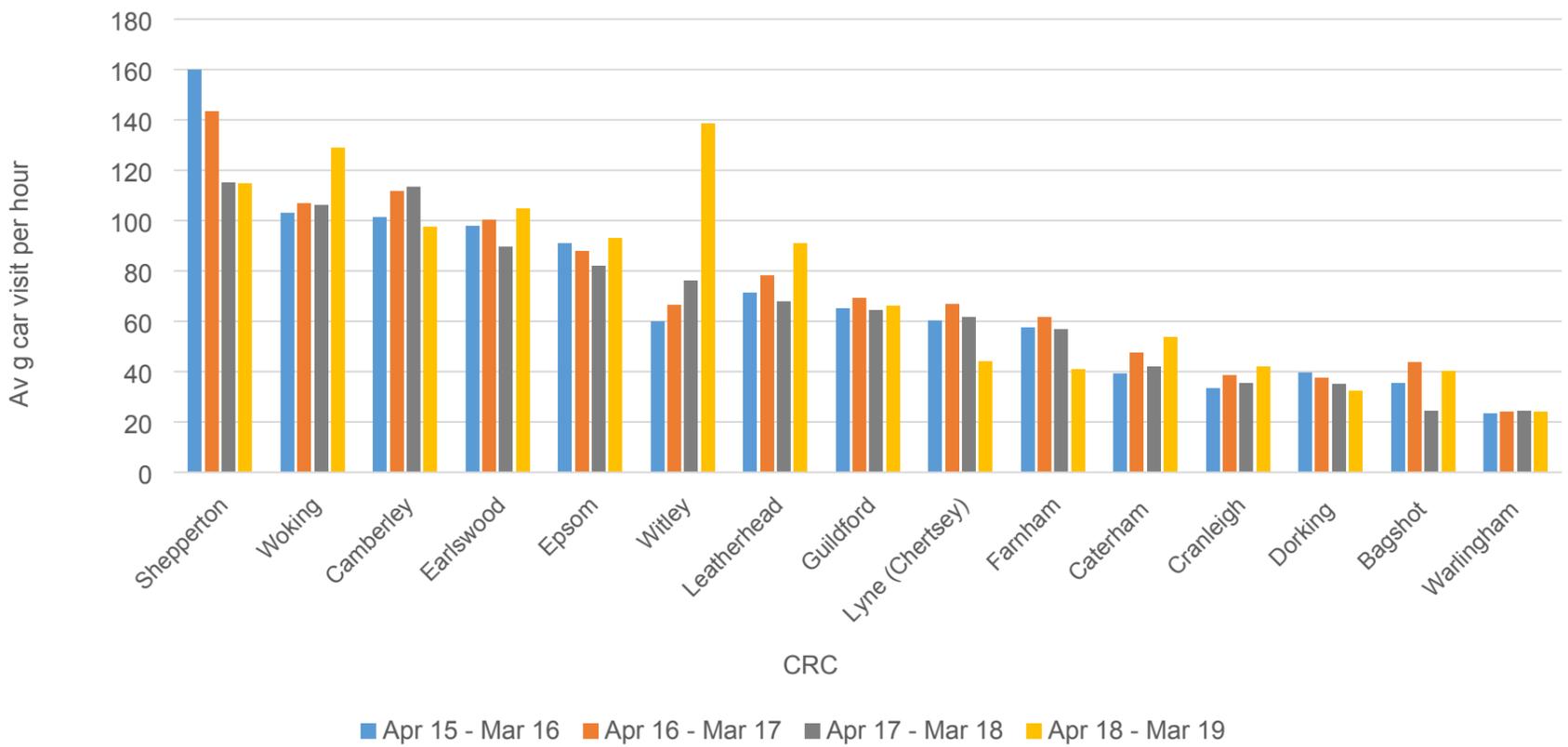


Figure 7: Number of fly-tipping incidents reported in each District and Borough 2014/15 to 2017/18

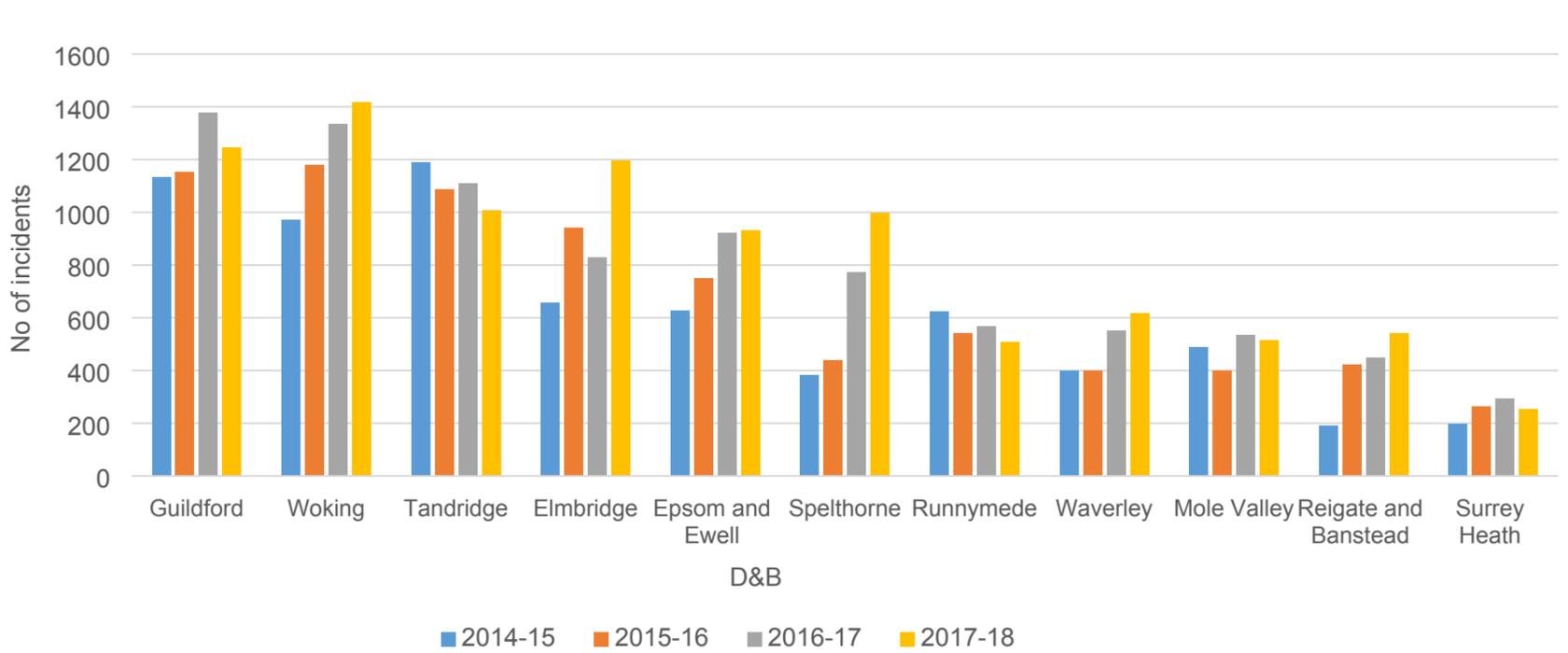


Figure 8: Number of tyre related fly-tipping incidents reported in each District and Borough 2014/15 to 2017/18

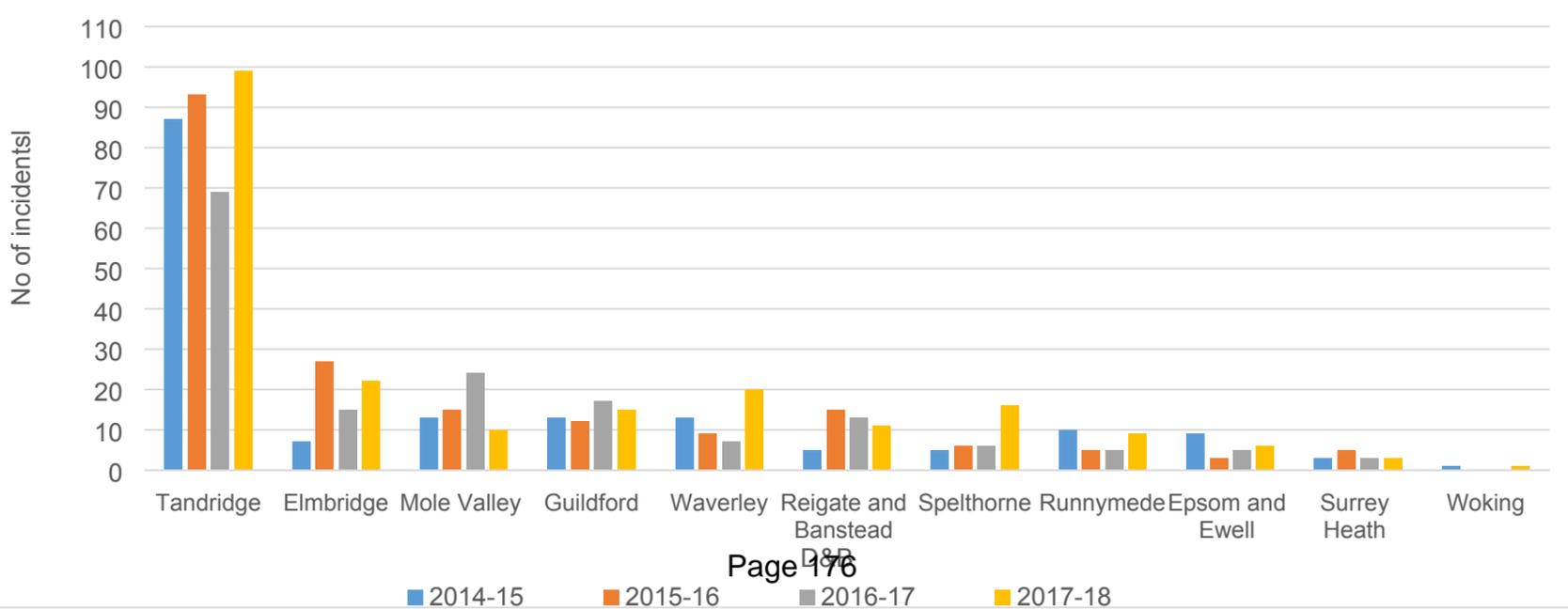


Figure 9: Number of construction related fly-tipping incidents reported in each District and Borough 2014/15 to 2017/18

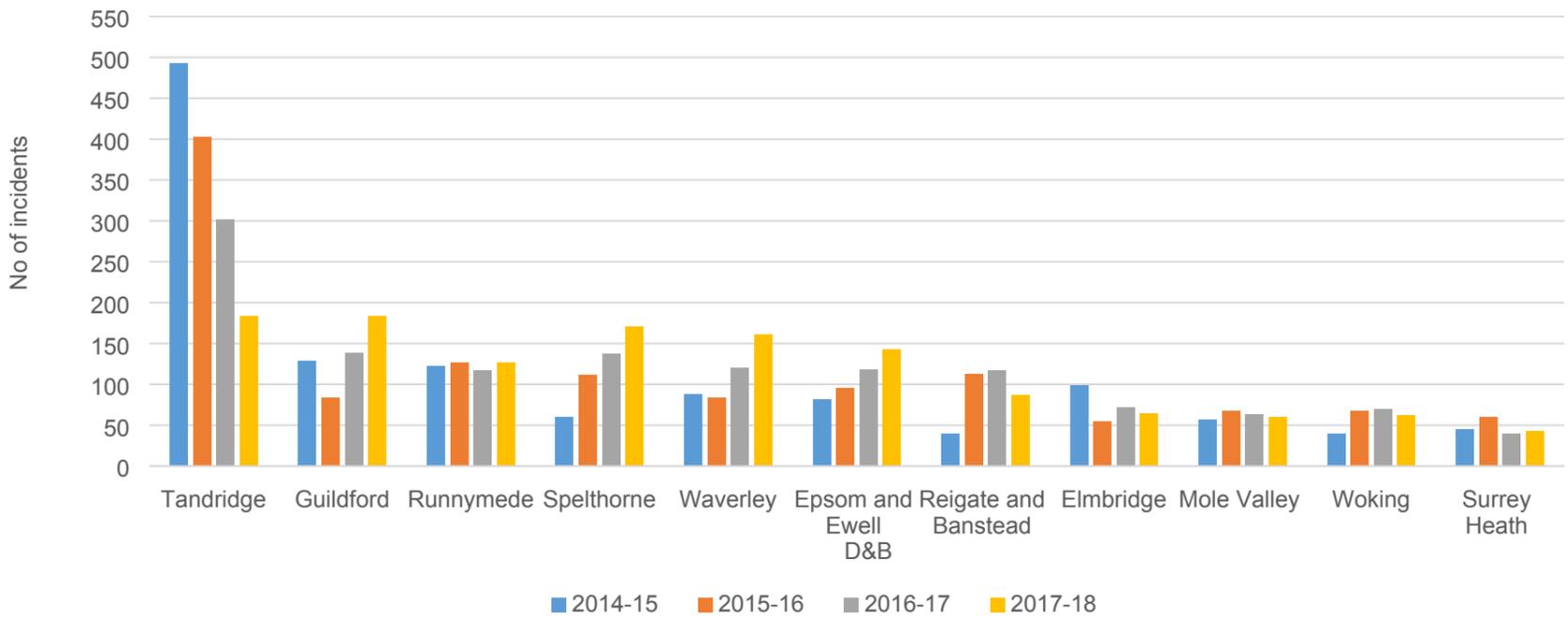


Figure 10: Fly-tipping tonnages collected by District and Borough Councils for disposal at Surrey's Waste Transfer Stations 2015/16 to 2017/18

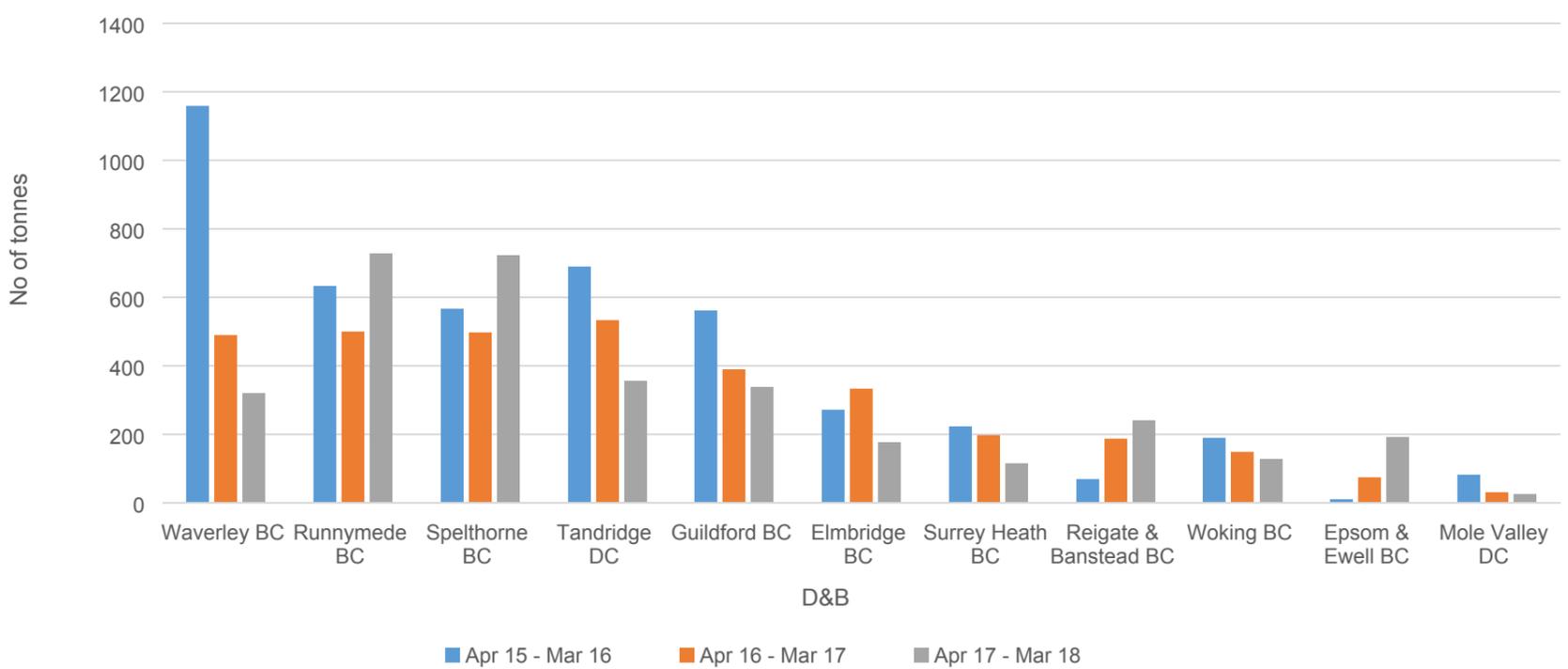
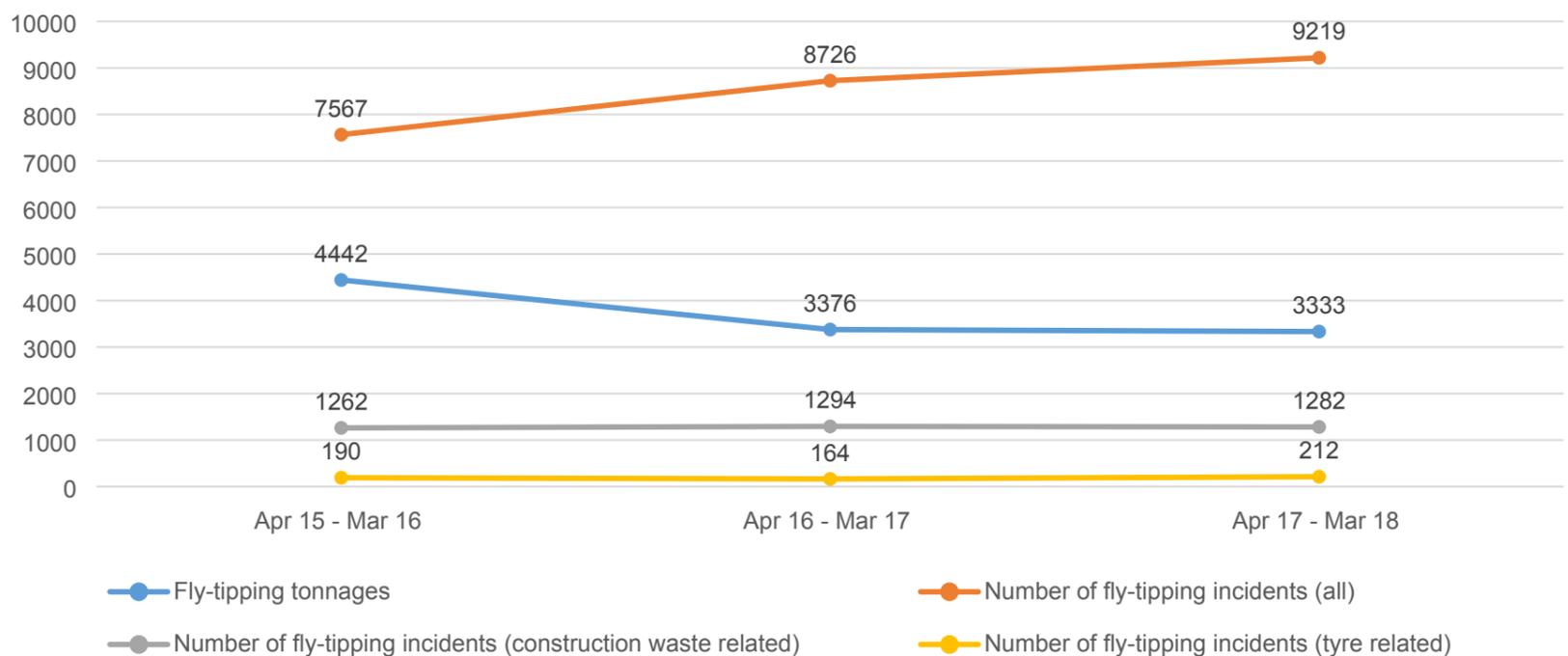
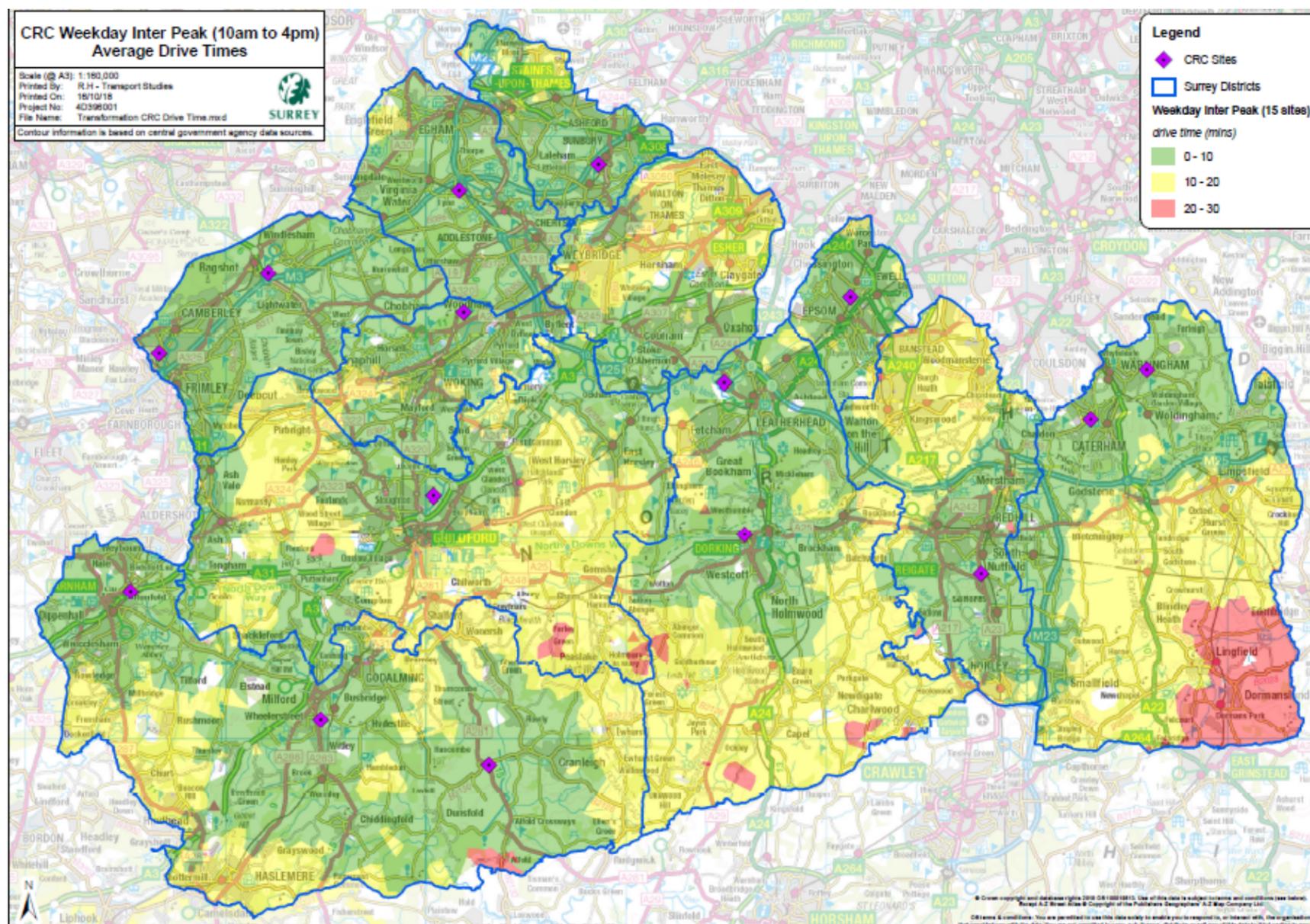


Figure 11: Annual fly-tipping tonnages compared against annual fly-tipping incidents 15/16 to 17/18



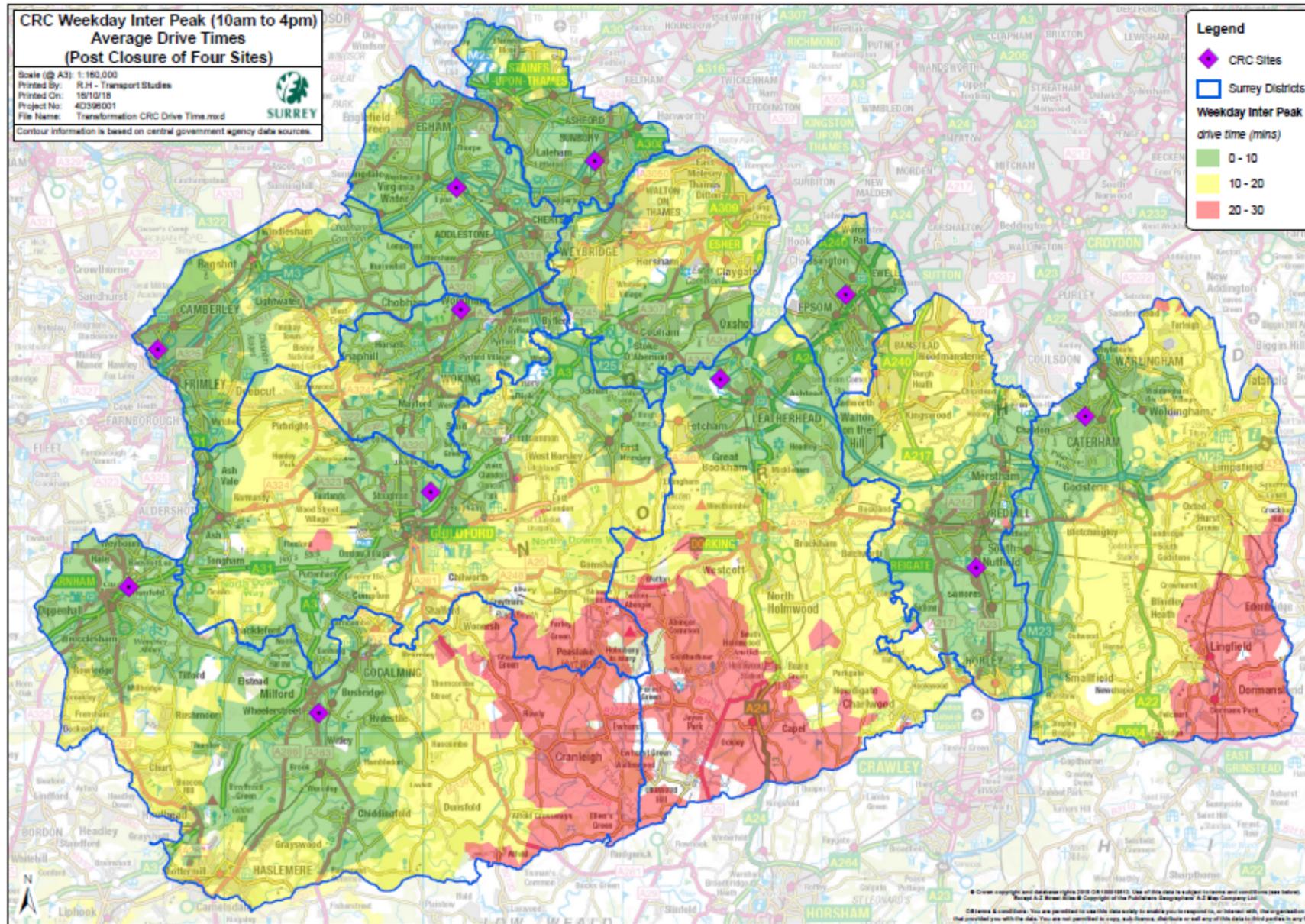
Map 1: Current CRC Weekday Inter Peak (10 am to 4pm) Average Drive Times



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Drive Times	Number of households	Percentage of total
0 to 10	343,995	70.6%
10 to 20	130,486	26.8%
20 to 30	2,983	0.6%
Plus 30	9,475	1.9%
Totals	486,939	100.0%

Map 2: Projected CRC Weekday Inter Peak (10 am to 4pm) Average Drive Times (4 sites in Bagshot, Cranleigh, Dorking and Warmingham closed)



Drive Times	Number of households	Percentage of total
0 to 10	316,470	65.0%
10 to 20	148,547	30.5%
20 to 30	11,992	2.5%
Plus 30	9,930	2.0%
Totals	486,939	100.0%

Map 3 – Major expected housing growth by 2030/31 (taken from the Surrey Infrastructure Study)

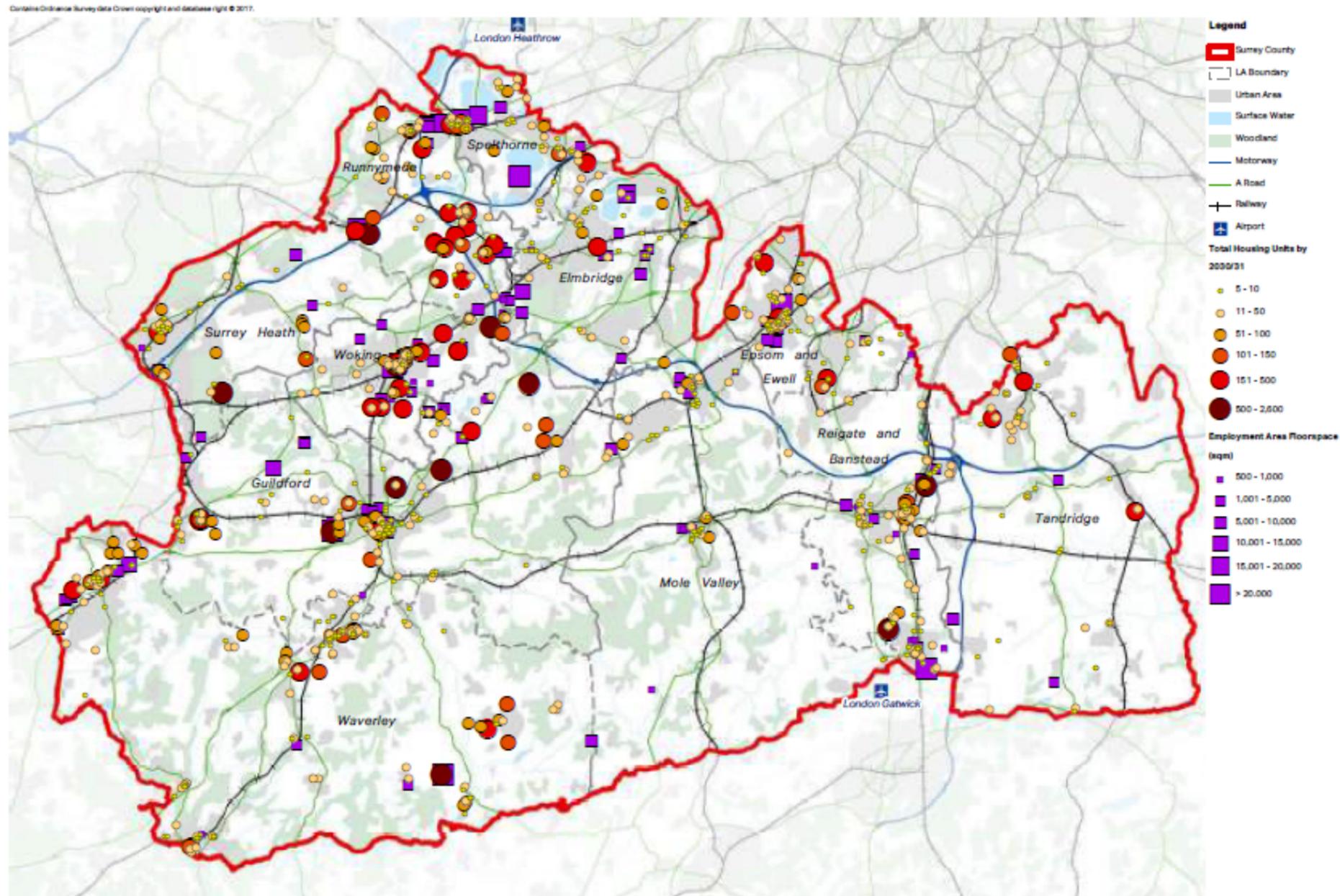


FIGURE A - STUDY AREA AND MAJOR HOUSING/EMPLOYMENT SITES

* This is based on the most up to date information at the time of publication and could be subject to change, subject to review of planning policy documents
 Source: Local Authority data

Annex 4c – CRC Environmental consideration summary

Environmental consideration	In what way is this factor relevant, or not relevant, to the service, policy or practice
Natural resources	Not relevant
Waste	<p>Most waste will divert to alternative Recycling Centre facilities, bulky waste or kerbside collections, and commercial outlets. It is possible that some residents may choose to dispose of their recyclables in their residual waste bin as an alternative to using a CRC, however there is no evidence that changes to the service to date have negatively impacted on recycling rates and residual waste volumes. The service will continue to take steps such as increasing reuse and trialling further black back sorting initiatives as part of the CRC transformation programme.</p>
Pollution and nuisances	<p>From our experience of recent changes to the service, and anecdotal evidence from other local authorities who have closed sites fly-tipping is not expected to increase. In recent years the service have introduced measures to enforce against illegitimate use of CRCs by traders and this is reflected in the lower amounts of waste and visitors that the service is now dealing with. However it's possible that some traders are still illegitimately using the CRCs that are proposed for closure, and therefore there is a risk that fly-tipping could increase.</p> <p>Bonfires and noise pollution are already regulated in order for them to prevent them from becoming a nuisance. We will closely monitor this with district and borough councils to understand if this is an issue.</p> <p>The service have reviewed the catchment areas for the CRCs located at Bagshot, Cranleigh, Dorking and Warlingham to determine the vehicle emissions impact on households having to travel further in a car to reach an alternative CRC should these sites close. Using average return journey road distances in the original and new catchment areas, postcode survey data, CRC traffic count data, and typical emissions from a passenger vehicle, the closure of these sites would in theory lead to an estimated increase in vehicle emissions of an additional 571 tonnes per annum (equivalent to the energy used in 70 homes a year).</p> <p>However, this is the worst case scenario with <u>all</u> current car trips from these sites in 2018/19 transferring over to alternative CRCs in 2019/20. Based on our previous experience of changes to the service, we believe the impact will likely lead to less emissions, as we believe not all current users of these CRCs will make the additional journey to an alternative CRC. The service will also seek to minimise impact further by communicating to residents that they should try not to make specific trips to a CRC, and should instead, where possible, do this as part of one of their everyday car journeys such as going to shopping centres, or to work.</p> <p>It's also important to note that the recent service changes that have been introduced in the last few years have seen a significant fall in car journeys to Surrey's CRCs, which in theory could have led to a decrease in vehicle emissions.</p>

Population and human health	<p>In recent years no road traffic accidents have been reported involving vehicles turning to/from recycling centres which are near to those earmarked for closure. The service are currently modelling traffic flow, and will consider any further assessments that are required, and what mitigations we may be able to offer with the local highway and/or the configuration of alternative sites before any sites close.</p> <p>Fly-tipping and vehicle emissions see above.</p>
Water resources	Fly-tipping see above.
Biodiversity	Not relevant.
Landscape and visual	Fly-tipping see above.
Cultural heritage/archaeology	Not relevant.
Transport and access	In theory, increased traffic to an alternative CRC could cause further congestion. However this will be mitigated by restoring seven day opening at these sites. Also the advance communications programme will advertise other modes of waste disposal that are available at the kerbside or commercially.
Land use	Not relevant.
Land stability and climate	Vehicle emissions see above.
Cumulative effects	None identified.

Concessionary Travel Consultation Report Tuesday 29 January 2019

Purpose of report:

The council has to make some very tough decisions to ensure we deliver better outcomes for residents, especially vulnerable children, and to help us achieve the Community Vision for Surrey in 2030, where no one is left behind. This means we have to change how we deliver services, how we work more effectively with our partners, coupled with continuing to make savings.

The English National Concessionary Travel Scheme (ENCTS) is a statutory duty for this council. Our annual cost of providing free bus travel for pass holders is over £7 million, facilitating over 6 million free trips per annum. There are 168,341 pass holders in the county.

In Surrey we extend the offer with two additional travel concessions over and above the statutory requirement; free travel for disabled people before 9:30am and after 11:00pm Monday to Friday and free companion passes allowing a pass holder to accompany an individual.

These are discretionary and not universally offered across England. As part of the county council's transformation activities, we have considered and consulted upon the future concessionary travel offer for residents. This was an important consultation, and the recommendations in this report are a reflection on what people told us about some of the most vulnerable residents in Surrey.

Recommendations:

1. To withdraw the non-statutory additional travel concession for disabled pass holders and offer the national statutory English National Concessionary Travel Scheme (ENCTS) in Surrey from Monday 1 April 2019. Disabled pass holders will be able to travel for free between 09.30 and 23.00 on weekdays, all day at weekends and on bank holidays.
2. To retain companion passes so from Monday 1 April 2019 entitled pass holders and a companion can travel for free between 9:30am and 11:00pm on weekdays, all day at weekends and bank holidays.
3. To note officers will continue discussions with bus operators on a commercial offer of a reduced fare or flat fare scheme in the county.

Consultation Proposals and Approach:

4. Surrey County Council is committed to providing the best services it can for residents within a sustainable budget. As part of the council's transformation programme, five public consultations ran from 30 October 2018 to 4 January 2019. This included a public consultation on proposals to bring the council's concessionary bus fare schemes in line with the national statutory offer.
5. Under these consulted proposals, disabled people and their companions would continue to travel for free after 9:30am and before 11:00pm Monday-Friday, and

Annex 5 – Concessionary Travel Consultation Report

at any time on Saturdays, Sundays and public holidays, as set out by the English National Concessionary Travel Scheme (ENCTS).

6. The changes proposed in the consultation would see the cessation of concessionary travel for disabled people and their companions outside of the ENCTS scheme. Free concessionary travel for disabled people and their companions before 9:30am and after 11:00pm would be withdrawn. This would bring the council's concessionary schemes in line with the national statutory offer.
7. In addition, the consultation sought views on the withdrawal of companion passes (+C passes), which currently entitles people who provide care and support for a disabled person to travel for free on Surrey buses. This is a further concession funded by Surrey County Council.
8. In addition to publicising the survey stakeholders could complete online, emails were sent to over 350 stakeholders at the start of the consultation, with a follow up sent on 21 November 2018 as a reminder that the consultation was open and encouraging response submissions.
9. A number of face to face meetings were also held with all four Disability Empowerment Networks, the Disability Empowerment Network Chairs and the Surrey Coalition of Disabled People.
10. A Member Reference Group (MRG), made up of members of Surrey County Council's Environment Select Committee, was set up to provide an additional level of scrutiny to the consultation. This group was chaired by the Chairman of the Select Committee.
11. A special meeting was arranged for representatives from the Disability Empowerment Networks and the Surrey Coalition of Disabled People to speak with the MRG to outline the concerns of the disabled community about the proposals. This was held on Monday 14 January 2019.

Summarised Consultation Response

12. Consultation responses were made up of:
 - 3,082 surveys, of which 690 were received as hard copy returns
 - 19 emails and 1 written response, and
 - 27 stakeholders responded on behalf of the people they represent. For example disability groups, borough and district councils.
13. Just over 60% of all survey respondents did not believe that the council should make savings from this area. Just under 30% of respondents believed this was an appropriate area to make savings. The remaining 10% told us they did not know or did not answer this question.
14. When asked if savings should be made from elsewhere in the County Council, just over 52% of survey respondents said 'Yes.' Just under 21% said 'No' with 24% stating they did not know. 2% of people did not answer this question.

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15. 964 people stated they had a disabled person's bus pass and 516 stated they had a companion pass. 1844 people responded to the consultation but were not entitled to either a disabled person's or a companion pass. 810 respondents to the survey said they had some form of caring responsibility.
16. The majority of stakeholder feedback was strong opposition to the proposals. They particularly highlighted the impacts on disabled working people and carers, reductions in accessibility to services such as education and medical appointments, and the potential for increased social isolation.
17. Some stakeholders stated that they saw the proposals being contradictory to various national strategies, such as the Government's Loneliness Strategy, Inclusive Transport Strategy, and the Care Act 2014. As well as national strategies, some stakeholders pointed to the proposals being contradictory to the Community Vision for Surrey in 2030 and the Surrey Learning Disability and Autism Strategy.
18. 1,886 people shared qualitative feedback through the survey. These comments were grouped into high level themes around - "Impact on People", "Impact on Place", "Pass use & / or the Surrey bus network", "Mitigation" and "Council".
19. The majority of all comments were on the impact on people, with 677 comments related to the proposals penalising vulnerable people. 325 comments were made around the need for the county council to look for savings elsewhere to protect the current concessions. And 168 comments stated people's agreement with the proposals, on the basis that free travel is available the rest of the day.
20. Detailed analysis [can be found on the council's website](#).

Proposals Implications and Mitigation Options

Implications

21. There are strong themes arising from the consultation feedback regarding the impact these proposals would have on more vulnerable residents in Surrey, particularly people with disabilities. It was notable that the majority of respondents were neither disabled nor companion pass holders, yet the most significant level of concern through the qualitative feedback was still for vulnerable service users who could feel more disadvantaged should the changes be agreed.
22. A significant number of respondents highlighted that implementing the proposals will directly impact on people's ability to access work, education and essential services such as medical or caring appointments. This could compromise some people's ability to remain independent, and have a knock-on effect on their wellbeing.
23. The majority of disabled pass holders, and those who also held companion passes, who responded when asked what alternative means of transport they would take should the concessions be removed, said they thought they would be unable to travel before 9:30am.
24. Respondents and stakeholders particularly highlighted a higher impact on people with sensory impairments, specifically people who are blind and deafblind, and people with learning disabilities.

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25. Stakeholders particularly highlighted that the proposals seem contradictory to the Government's Inclusive Transport Strategy 2018. This strategy focuses on "inclusive transport" that offers equal transport to disabled people by 2030. The purpose of which is to contribute to getting an additional 1 million disabled people into work by 2027.
26. In addition, a number of stakeholders suggested the proposals were at odds with the ambition in the Community Vision for Surrey in 2030 on improving transport, namely 'Journeys across the county are easier, more predictable and safer'.
27. Some people who responded said that implementing the proposals would put people into financial hardship. This could vary depending on people's access to alternative transport options and personal financial circumstances for disabled pass holders, and their families and/or carers. Others, the majority of whom do not have a disabled or companion pass, stated there could be little impact because people can change their travel plans to still travel for free.
28. Stakeholders and members of the public responding to the consultation mentioned the potential difficulties people may face should the changes be agreed. This specifically related to people trying to use their passes if they are no longer valid for free travel.
29. Impacts are covered in more detail in the Equality Impact Assessment, Annex 5a, covering the concessionary travel funding proposals.

Mitigations

30. At the end of this report is a mitigation options appraisal (Table 1). This is an assessment of the ability to implement suggestions from stakeholders and residents as feedback to the consultation.
31. Some mitigation options suggested cannot be delivered based on the restrictions around how the scheme must be administered under primary legislation.
32. The bus operators were asked whether, as a commercial proposition, they would consider offering a flat or reduced fare scheme to disabled and companion pass holder outside of the statutory free travel requirements.
33. Discussions on this potential mitigation are still ongoing with bus operators in Surrey. As a commercial decision needs to be made by each individual bus operator, it cannot be assumed that there will be a standard flat or reduced fare scheme offered across the county, a specific scheme for each or a group of operators, or any flat or reduced fare scheme at all.
34. As these discussions are on-going with bus operators, it cannot be assumed that there will be any mitigation in place to offset the impacts identified.
35. There may be a very small number of disabled children / young people using their free concessionary bus pass to travel to school or college who may be entitled to free home to school transport. We will not know how many children this may be until people start approaching the county council for assistance with free transport.

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36. If any child / young person can no longer use their concessionary bus pass and following an application and assessment are found to be entitled to free home to school transport, in these instances the council purchasing a bus season ticket to enable them to travel to school will be the most cost effective option.
37. The removal of free travel before 09.30 could therefore result in the cost of transport for those entitled children / young people increasing by the council purchasing bus season tickets.
38. Some residents in receipt of Disability Living Allowance or Personal Independence Payments may already be receiving a travel component as part of those benefits. Although this could be viewed as 'double funding' in terms of travel benefits, it should be noted that the feedback from the consultation was that those benefits don't come anywhere near being able to pay for a carers travel.
39. In order to mitigate the potential for people experiencing difficulties or potential conflict on buses from 1 April 2019, the service intends to write to all disabled and companion pass holders to inform them of the changes.

Changes to Consultation Proposals

40. Based on feedback to the consultation from the public and stakeholders, there was a clear sense of the impact being most heavily felt by companion pass holders. In particular, the impact on carers, but also on family, friends or others who help disabled pass holders with travel. These individuals may be unregistered carers, and so are not entitled to receive any Carer's Allowance from the Government.
41. Based on the feedback it has been agreed that the use of companion passes should be reviewed over the next 12 months to get more information on the use of passes and the cost to the county council. After which a report will be taken to the Cabinet Member for Environment & Waste covering the ENCTS operation in Surrey.
42. However, whilst free companion travel will remain, it will be linked to the move to the national statutory scheme to free travel between 9:30am and 11:00pm. Therefore the mitigation options, as outlined in this report, for entitled school children and a reduced or flat fare still need to be explored.

Risk management and implications:

43. The consultation and engagement on these proposals was completed as part of the county council's transformation programme. Responses to the consultation and the face-to-face meetings with key stakeholders highlighted a good deal of objection to the proposals and the potential impact on people's ability to access work, education and essential services such as medical or caring appointments.
44. These implications are recognised and work will continue on potential mitigation including discussions with bus operators on whether they could offer a reduced or flat fare to disabled and companion pass holders outside the statutory free travel requirements.

Annex 5 – Concessionary Travel Consultation Report

Financial implications:

45. The current saving proposed in the council's Final Financial Strategy (**Annex 6**) is £400,000 for 2019/20. This can be broken down as £250,000 for the removal of non-statutory disabled concessions and £100,000 relating to increased automation. £50,000, originally to be realised from savings on companion passes, will now be saved from elsewhere in the concessionary travel budget.
46. There are 603 under 18s with a disabled person's pass and 339 under 18s with a companion pass. Some of these residents may require the purchasing of a season ticket to use on the bus to access school or college if, following application and assessment, they are entitled to free home to school transport.
47. The average cost of providing a season ticket for entitled children is around £800 per pupil. It is very unlikely that many of these young pass holders will apply for and be entitled to free home to school transport.

Supporting Information

48. The annual cost of providing free travel under ENCTS is over £7 million. There are approximately 5 million trips made Monday to Friday and just over 1 million at weekends by all concessionary pass holders. The ticket machines on buses operated by various bus companies in Surrey does not distinguish between pass types. This means that +C pass holders are not recorded as a separate pass from other older or disabled pass trips. However, looking specifically at pass use on weekday trips pre 9:30am and post 11:00pm, these totalled 178,000 in 2017/18 with 98% of these pre 9:30am trips. These 178,000 will have been made by disabled pass holders and disabled +C pass holders combined.
49. The table below shows the number of concessionary passes issued to Surrey residents as of July 2018.

Pass Type	Number Issued
Older person	157,535
Disabled person	8,065
+C older person	184
+C disabled person	2,557
Total	168,341

50. The ENCTS is enshrined in primary legislation. The eligibility criteria for getting a free bus pass are set out in guidance from the Department for Transport (DfT). For older people, this is linked to the pensionable age. This is rising incrementally to 66 years old by 2020. The eligibility criteria for disabled and companion passes can be found as Annex 4 to the 5 December 2018 Environment Select Committee Report, taken from the Free Bus Pass pages on the county council website.
51. People's ability to access the ENCTS is based on whether they apply and meet the eligibility criteria. If an applicant meets the relevant criteria for the pass they are applying for they will be issued one. This is unrelated to whether, for example, they may be able to afford to pay for bus travel, are in receipt of

Annex 5 – Concessionary Travel Consultation Report

transport related allowances on grounds of disability (such as Personal Independence Payments) or whether they ever intend to use the pass.

52. At the end of this report is a table showing the concessionary travel offer made by other local authorities in the region (Table 2).
53. Some respondents mentioned free travel offered in other areas, specifically the comparatively generous London concessionary travel offer. London Freedom Pass holders can travel free on bus, tube, tram, Docklands Light Railway, London Overground and Transport for London rail services. A 60+ London Oyster photo card allows holders to travel free on public transport in London from 60 years of age until they qualify for a Freedom Pass. There are also London schemes for apprentices, job seekers, Forces Veterans, young people, and others.
54. However, London's needs are quite different to those of Surrey. The budget for Transport for London (TfL) is much greater than Surrey County Council's, noting that TfL's bus budget in 2018/19 will be over £600 million, with our own bus budget at circa £8 million. Moreover, the additional two concessions that we are considering are not statutory and not universally offered.

Report contact: Paul Millin, Strategic Transport Group Manager / Keith McKain, Change Consultant, Highways Transport & Environment

Contact details: 03456 009 009

Background papers to this report:

Concessionary Bus Travel Consultation Response Analysis Report

Annexes

Annex 5a – Concessionary Bus Travel Review Equality Impact Assessment

Annex 6 – 2019/20 Budget Financial Strategy 2019-24

Table 1 - Mitigation options

The options presented in this table are based on suggestions and ideas arising from the consultation to mitigate the proposed removal of the additional concessions consulted on. It includes the council’s response to these options, ability to mitigate impacts and the likelihood of these mitigations being implemented.

Option	Outcome	Start-up requirements	Ability to mitigate the removal of additional levels of concession	Likelihood of delivery	Implication/s should there be no mitigation
Pass holders pay for their pass in order to retain the additional concessions	-	We are unable to implement this option because current legislation restricts us from taking any payment from people eligible for a free concessionary bus pass.			
Passes should be Means Tested so only those who need them get free travel	-	We are unable to implement this option because current legislation does not allow us to Means Test applicants for passes. There would need to be a change to the law and funding made available to administer a Means Tested scheme.			
Look at different time restrictions on free travel	Retain additional concession	It was suggested that free travel after 23.00 be withdrawn to keep free travel before 09.30. Because of the low numbers of people travelling after 23.00, this would not deliver a sufficient saving to support funding the journeys before 09.30.			
Keep one additional concession over the other	Retain additional concession	Other authorities in the region (Hants, East Sussex, Kent) offer free travel for disabled and companion pass holders covering the statutory times of the scheme i.e. 09.30 to 23.00 (Monday – Friday). However, this option could be challenged by keeping one additional concession over and against another group of pass holders. This option could be explored further, but may not be as effective a mitigation option as others listed.			
Restrict eligibility criteria to ensure the most vulnerable retain free travel	Retain additional concession for some people	The county council uses the DfT guidance when assessing the eligibility criteria for issuing passes. In the past, residents have complained to us who have been refused a bus pass, using that guidance, for being too restrictive and disadvantaging people who need free transport. To further restrict the criteria could leave the council open to challenge by not following the DfT guidance.			

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Option	Outcome	Start-up requirements	Ability to mitigate the removal of additional levels of concession	Likelihood of delivery	Implication/s should there be no mitigation
Partners or other organisations pay a contribution towards maintaining the additional concessions	Retain additional concessions	A further assessment would be needed to understand the mechanism for making this work i.e. who & how do people pay that meets legal requirements under the ENCTS	High Only if sufficient sources of funding be available	Low Based on previous discussions there has been no interest in partners, stakeholders or community groups contributing funding towards bus services. It is therefore assumed this would be the same for the additional concessions being consulted on.	Would likely result in the moving to the statutory level of free travel between 09.30 and 23.00
Pass holders contribute an annual sum in order to retain the additional concessions	Retain additional concessions	Amount from each person wishing to contribute needs to meet the potential annual requirement for reimbursing the bus operators. Need a payment mechanism in place	High Only if sufficient funding be paid by pass holders	Low This is based on the likelihood of the amount people would be willing to pay would not meet the cost of travel reimbursement. Additionally, administration of this option would need to be funded, with no current additional funding available.	Would likely result in the moving to the statutory level of free travel between 09.30 and 23.00

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Option	Outcome	Start-up requirements	Ability to mitigate the removal of additional levels of concession	Likelihood of delivery	Implication/s should there be no mitigation
<p>The county council work with the bus operators to implement a flat fare or part fare scheme that covers the additional concessions for disabled and / or companion pass holders</p>	<p>Pass holders would pay a reduced fare</p>	<p>Ideal scenario would be that all the bus operators agree to the scheme being implemented across the county. In that instance all the bus operators to agree what the concessionary flat fare amount or part fare scale should be.</p> <p>There may also be an option where specific bus operators may offer a concessionary flat fare or part fare, but this would not be countywide</p>	<p>Moderate to High Subject to agreements needed from the operators. However, there may be some people who would still find a part fare scheme expensive.</p>	<p>Moderate This type of scheme would provide some income for the bus operators. The alternative would be a loss of revenue from people not travelling with no reimbursement from the county council.</p> <p>This needs further exploration with the bus operators running either commercial services, supported services or both.</p>	<p>Would likely result in the moving to the statutory level of free travel between 09.30 and 23.00</p>

Table 2 - Other Regional Local Authority Offer

Local Authority	Disabled Persons	Disabled C+	Older Persons	Older Persons C+
STATUTORY SCHEME	Mon – Fri 09.30 until 23.00 All day Saturday, Sunday & Public Holidays	No	Mon – Fri 09.30 until 23.00 All day Saturday, Sunday & Public Holidays	No
Brighton-Hove	Enhanced Hours Mon – Fri 09.00 until 03.59	No	Enhanced Hours Mon – Fri 09.00 until 03.59	No
Bucks CC	Enhanced Hours Mon – Fri 09.00 until 23.59 Visually impaired: Free travel at anytime	Yes, with enhanced hours Mon – Fri 09.00 until 23.59 Visually impaired: Free travel at anytime	Enhanced Hours Mon – Fri 09.00 until 23.59	Yes, with enhanced hours Mon – Fri 09.00 until 23.59
Hants CC	Free travel at any time	Yes, with free travel at any time	Statutory Offer	No
Herts CC	Statutory Offer	Yes	Statutory Offer	No
Kent CC	Statutory Offer	Yes	Statutory Offer	No
East Sussex	Statutory Offer	Yes	Statutory Offer	No
West Sussex	Free travel at any time	Yes, with free travel at any time	Statutory Offer	No
London	Free travel at any time	No	Free travel at any time	No
Surrey CC	Free travel at any time	Yes, with free travel at any time	Statutory Offer	Yes

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Equality Impact Assessment (EIA)



1. Topic of assessment

EIA title:	Surrey County Council (SCC) Review of English National Concessionary Travel Scheme Enhancements
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EIA author:	Paul Millin, Strategic Transport Group Manager, Highways, Transport and Environment
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2. Approval

	Name	Date approved
Approved by	Jason Russell (Executive Director, Highways, Transport and Environment)	17 January 2019
Approved by	Mike Goodman (Cabinet Member for Environment and Waste)	17 January 2019

3. Quality control

Version number	2.1	EIA completed	17 January 2019
Date saved	15.01.2019	EIA published	21 January 2019

4. EIA team

Name	Job title (if applicable)	Organisation	Role
Keith McKain	Change Consultant	SCC	Project Manager
Adam Whittaker	Policy & Strategic Partnerships Manager	SCC	Corporate equalities oversight
Directorate Equalities Group	N/A	SCC	Directorate equalities oversight
Sarah Baker / Deborah Chantler / Janet Polley	Legal Services Manager / Senior Principal Solicitors	SCC	Legal advisors

5. Explaining the matter being assessed

<p>What policy, function or service is being introduced or reviewed?</p>	<p>Central government provides councils with some funding so that qualifying older and disabled people can travel for free on buses after 09.30 and before 23.00 during the week and all day at weekends and on public holidays. This is known as the English National Concessionary Travel Scheme (the ENTCS).</p> <p>In Surrey the County Council provides extra funding for residents so that people with a disabled person's bus pass can travel free at any time. We also provide companion bus passes so that any qualifying older or disabled bus pass holders who need assistance to be able to travel can take someone with them who can travel for free as well. The availability of the enhanced benefits is under review.</p>
<p>What proposals are you assessing?</p>	<p>The county council is proposing to reduce this extra funding to bring us into line with other councils who offer the statutory scheme.</p> <p>The effect of this would be that disabled pass holders travelling before 09.30 and after 23.00 on weekdays would then need to pay. Bus travel would still be free between 09.30 and 23.00 on weekdays and all day at weekends and on public holidays.</p> <p>The county council is also proposing to retain companion passes so from Monday 1 April 2019 entitled pass holders and a companion can travel for free between 9:30am and 11:00pm on weekdays, all day at weekends and bank holidays.</p> <p>The council originally consulted with stakeholders and the public in relation to the removal of:</p> <ul style="list-style-type: none"> • free concessionary travel for disabled pass holders before 09.30 and after 23.00 Monday to Friday. Pass holders would still be able to travel for free after 09.30 and before 23.00 Monday to Friday, which is paid for by the English National Concessionary Travel Scheme (ENCTS). Free travel at any time on Saturdays, Sundays and Public Holidays would be unaffected. • companion passes. Pass holders would continue to travel for free, however, their companions would no longer receive free travel.
<p>Who is affected by the proposals outlined above?</p>	<ul style="list-style-type: none"> • All disabled pass holders their carers or families • All disabled or older companion pass holders their carers or families • Businesses – from the staff using a disabled pass to travel • Service operators – who get a proportionate reimbursement for concessionary travel • Partner and external organisations – who may represent older or disabled people or who have people traveling to them using a disabled or companion pass

6. Sources of information.

Engagement carried out
<p>A set of engagement activities were undertaken as part of the consultation. This included:</p> <ul style="list-style-type: none"> - A full public consultation - Meeting with the Disability Empowerment Networks & Chairs meeting as well as the Surrey Coalition of Disabled People with material sent to other disability and carer representative groups - Meeting with the Joint and Local Committee Chairman - Consultation material sent to bus user groups and operators - Consultation material sent to boroughs, districts, parish and town councils - SCC colleagues in social care provided material to their networks
Data used
<p>Data that has been used for previous consultations</p> <ul style="list-style-type: none"> • Feedback to the consultation questionnaire and views submitted by e-mail or post • Outcomes of stakeholder meetings during the public consultation • Written correspondence from stakeholders • ESP Systemex Concessionary Fares Card Management System and data from Consultants MCL

7. Impact of the new/amended policy, service or function

7a. Impact of the proposals on residents and service users with protected characteristics

Protected characteristic ¹	Potential positive impacts	Potential negative impacts	Evidence
Age	None	<p>The proposals would affect all older people who qualify for a companion bus pass.</p> <p>The assessment for other companion pass holders is covered under Disability, because this is the basis on which they applied for their passes.</p> <p>The initial assessment and feedback to the consultation highlighted the proposals could:</p> <ul style="list-style-type: none"> - make it more difficult for those residents who need assistance to travel to access key services. This could then have an adverse effect on other service areas within the council e.g. Adults Social Care and Public Health. - Impact people's personal finances or for their companions, should they be required to pay for transport. This was mainly around people being unpaid / unrecognised carers, so not in receipt of any Carer's Allowance - Missing medical appointments or clinics, having to pay for travel or use another form of free travel at a cost to the NHS or SCC. 	<p>The National Travel survey indicates that bus usage is highest amongst 16-24 year olds and those aged 65 and over.</p> <p>In Surrey we have 157,535 older persons concessionary pass holders. Another 184 people have a +C older persons companion pass.</p> <p>Some comments from older people who did not qualify for a disabled or companion pass stated that they viewed the proposals as 'fairer' to them with a move to a national statutory level. However, whilst this may be one view, this does not mitigate any impact on those people, their families, and carers who would be directly affected.</p> <p>Nearly 50% of consultation respondents were over 65, with nearly 45% of respondents saying they are retired.</p> <p>367 respondents stated they use their pass to travel, or help a child or dependent travel, to school or other education institution. This is just under 12% of responses.</p> <p>Stakeholder feedback highlighted the growing number of registered carers in the county and that the allowance they receive from Government (just over £63 per week) would not be sufficient to meet additional travel cost. Particularly when, as identified in</p>

¹ More information on the definitions of these groups can be found [here](#).

		<ul style="list-style-type: none"> - Limit people’s ability to live independently and risk around social isolation. For example, access to adult learning or community groups 	<p>the 2018 State of Caring Report, a proportion of carers already face financial hardship.</p> <p>.</p>
<p>Disability</p>	<p>None</p>	<p>The proposals would affect all disabled pass holders and particularly those disabled companion pass holders.</p> <p>The initial assessment and feedback to the consultation highlighted the proposals could:</p> <ul style="list-style-type: none"> - have an adverse effect on other service areas within the council e.g. Adults Social Care and Public Health. Missing medical appointments or clinics, having to pay for travel or use another form of free travel at a cost to the NHS or SCC - impact people’s personal finances should they or their companions be required to pay for transport. This was mainly around people being unpaid / unrecognised carers, so not in receipt of any Carer’s Allowance - limit access to education for disabled children and the transition to adulthood - impact people’s ability to live independently and risk around social isolation - impact people’s ability to access employment - restrict options for 	<p>There are 8,065 disabled concessionary persons pass holders, with another 2,557 people having a +C Disabled Person Companion Pass.</p> <p>There were 3082 responses to the consultation.</p> <p>The consultation analysis paper breaks down responses by people who stated they had a disabled person’s or companion pass in more detail.</p>

Gender reassignment	None	None	There is no differential impact on this protected characteristic.
Pregnancy and maternity	None	None	There is no differential impact on this protected characteristic.
Race	None	None	There is no differential impact on this protected characteristic.
Religion and belief	None	None	There is no differential impact on this protected characteristic.
Sex	None	None	There is no differential impact on this protected characteristic.
Sexual orientation	None	None	There is no differential impact on this protected characteristic.
Marriage and civil partnerships	None	None	There is no differential impact on this protected characteristic.
Carers		See Age and Disability	

7b. Impact of the proposals on staff with protected characteristics

SCC staff will be impacted in the same way as the public. Any impact on protected characteristics will be the same as those described above.

8. Amendments to the proposals

Change	Reason for change
Review companion pass use over the next 12 months and retain their use for that period. Free travel would be in line with the ENCTS statutory offer – free travel between 09.30 and 23.00 Monday to Friday, all day at weekends and on Bank Holidays	Based on feedback to the consultation from the public and stakeholders, there was a clear sense of the impact being most heavily felt by companion pass holders. Particularly on carers, but also on family, friends or others who help companion pass holders with travel. These individuals may be unregistered carers and so are not entitled to receive any Carer's Allowance from the Government.

9. Action plan

Potential impact (positive or negative)	Action needed to maximise positive impact or mitigate negative impact	By when	Owner
Negative impacts raised through consultation include: - Social isolation - Impact on finances - Impact on access to work, education, medical facilities	Discussion with, and confirmation from, all bus companies operating services in the county on the potential for a commercially offered reduced or flat fare scheme for Surrey disabled and companion pass holders.	April 2019	Strategic Transport Group Manager

10. Potential negative impacts that cannot be mitigated

Potential negative impact	Protected characteristic(s) that could be affected
Will impact some peoples' ability to access to work, health care, education, etc. May increase rural and social isolation. May create a demand pressure on community transport and voluntary transport	Older and disabled people who have a disabled person's or companion pass, their families and their carers

<p>All of the potential negative impacts have the potential to put pressure on those people's personal finances or those of their carer/s.</p> <p>May push cost and / or other pressure onto other departments to provide alternative home to school transport, health care provider, charity or third sector partner who work with the County Council to deliver services for older and disabled people. This may impact on their ability to deliver the same offer to the people they serve.</p> <p>Whilst companion passes will be retained during the 12 month review of their use, free travel will not be available before 09.30. The result will be that those people travelling as a companion would still be required to pay before 9.30am. How much will depend on the decision by bus operators as a result of discussions on a reduced or flat fare scheme in the county.</p>	
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11. Summary of key impacts and actions

<p>Information and engagement underpinning equalities analysis</p>	<p>As with previous consultations - Analysis is based on:</p> <ul style="list-style-type: none"> • Responses received during the public consultation • Feedback given at our stakeholder meetings during the public consultation period and any written stakeholder feedback • Nationally available data • ESP Systex Concessionary Fares Card Management System data and MCL consultancy data
<p>Key impacts (positive and/or negative) on people with protected characteristics</p>	<p>Will impact some peoples' ability to access to work, health care, education, etc.</p> <p>May increase rural and social isolation.</p> <p>May create a demand pressure on community transport and voluntary transport.</p> <p>All of the potential negative impacts have the potential to put pressure on those people's personal finances or those of their carer/s.</p> <p>May push cost and / or other pressure onto other departments to provide alternative home to school transport, health care provider, charity or third sector partner who work with the County Council to deliver services for older and disabled people. This may impact on their ability to deliver the same offer to the people they serve.</p>

	<p>Whilst companion passes will be retained during the 12 month review of their use, free travel will not be available before 09.30. The result will be that those people travelling as a companion would still be required to pay. How much will depend on the decision by bus operators as a result of discussions on a reduced or flat fare scheme in the county.</p>
<p>Changes you have made to the proposal as a result of the EIA</p>	<p>Used to influence this assessment, as a result of consultation the following change is – A review of companion pass use over the next 12 months and retain their use for that period. Free travel would be in line with the ENCTS statutory offer – free travel between 09.30 and 23.00 Monday to Friday, all day at weekends and on Bank Holidays</p>
<p>Key mitigating actions planned to address any outstanding negative impacts</p>	<p>Mitigation options are set out in Table 1 of the consultation summary report.</p> <p>Key mitigation action being progressed is – Discussion with the bus operators around considering / agreeing a flat fare or reduced fare scheme across the routes they operate, covering travel for both disabled and companion pass holders.</p> <p>The likelihood of this mitigation option being successfully implemented across the county or for specific operators depends on the financial position of each operator and their willingness to take the commercial decision to adopt a new fare offer for Surrey disabled and companion pass holders.</p> <p>Also, the re-provision of free transport to entitled school children currently using their disabled concessionary pass to travel to school or college before 09.30. This will be a purchased season ticket. However, this does not mitigate the need for a companion to pay before 09.30, so would still impact on that person's finances.</p>
<p>Potential negative impacts that cannot be mitigated</p>	<p>Will impact some peoples' ability to access to work, health care, education, etc.</p> <p>May increase rural and social isolation.</p> <p>May create a demand pressure on community transport and voluntary transport</p> <p>All of the potential negative impacts have the potential to put pressure on those people's personal finances or those of their carer/s.</p> <p>May push cost and / or other pressure onto other departments to provide alternative home to school transport, health care provider, charity or third sector partner who work with the County Council to deliver services for older and disabled</p>

people. This may impact on their ability to deliver the same offer to the people they serve.

Whilst companion passes will be retained during the 12 month review of their use, free travel will not be available before 09.30. The result will be that those people travelling as a companion would still be required to pay. How much will depend on the decision by bus operators as a result of discussions on a reduced or flat fare scheme in the county.

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2019/20 BUDGET & FINANCIAL STRATEGY 2019-24

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Foreword

In October 2018, the Council endorsed the Community Vision for Surrey in 2030 which was developed and agreed by a broad range of partners across the county, following extensive and systematic engagement and consultation over the summer.

A council that is financially stable and resilient, with a plan for a sustainable financial future, is a fundamental prerequisite for the ambitious work that will be required to fulfil its part of the Vision.

This Financial Strategy describes how the council is planning to meet these requirements in 2019/20, and the work still to do in order to achieve this in the medium term through to 2023/24. It sets out the assumptions behind its estimated resources, including the Council Tax levels for the 2019/20 financial year; estimated receipts from Business Rates Retention and government grants. The budgets for each directorate are shown, along with the reductions required for a balanced budget and consideration of their impact on residents.

For the past eight years, the level of resources available to the Council has fallen as a result of successive governments' policies on national deficit reduction and the consequent impact on public spending, and therefore local government funding. At the same time, demands on services have risen due to demography and other societal factors.

By acting quickly and decisively, the council was initially able to meet this enormous financial challenge successfully. Budgets were balanced, and reserves were increased in recognition of growing financial uncertainty and volatility. However, with this period of ongoing reductions extending beyond initial expectations, and delays to the promised reform of the local government finance system, for the past four years the strain of this had begun to tell on the council's finances.

In each of the past four years, the council's budget has relied on the use of reserves and other one off measures in order to achieve a balanced position.

During 2018, it was recognised that this trend could no longer continue, and that decisive action needed to be taken. A £40m package of in year budget reductions was agreed at Cabinet in September 2018 with the express intent of offsetting emerging pressures in the High Needs Block of the Dedicated Schools Grant relating to services for children with Special Educational Needs or Disabilities (SEND), and to avoid the planned £21m drawdown of reserves originally agreed in the 2018/19 budget.

This programme, which we remain on track to deliver, was intended to draw a very clear line, and mark a change in direction for the council's finances. The reliance on reserves to balance the budget was replaced by an expectation that we would set sustainable budgets aligned with the level of available resources. This was in recognition of the need to strengthen, rather than weaken, the council's underlying financial position.

This change of approach was reflected in the development of proposals for the 2019/20 budget. The focus of the council's financial planning was shortened to the current and next financial years. A renewed emphasis was placed on the responsibility of services to manage delivery within available resources through the introduction of clear 'budget envelopes'.

A Preliminary Financial Strategy was agreed by Council in November 2018, which set out a clear direction of travel as part of a wider suite of key strategic documents, including an Organisational Strategy to help us realise the Vision for Surrey in 2030.

These steps, and the building blocks put in place to accompany them, move the council towards the objective of a financially sustainable future. However it is fundamentally important to recognise these as part of a much wider transformation of the

council that is underway and will continue for much of the medium term period covered by this Financial Strategy.

The proposals included within the budget for 2019/20 constitute the most significant package of measures the council has considered. They represent significant transformation of both the way the council provides services and operates and 2019/20 will be a pivotal year in the achievement of this change.

The proposed budget reductions are based on a rigorous transformation programme. Many of the proposals will have a significant impact on the way services are delivered; this will affect residents, service users and the staff delivering those services. These are being informed and shaped by ongoing engagement and consultation with residents, staff, local businesses and the community and faith sector. They are being developed to ensure that the resources of the council continue to be invested in local services and communities, to deliver the best possible services to the residents of Surrey.

From 2020/21, the government intends to implement two changes to local government funding – the introduction of the 75% Business Rates Retention Scheme and the Fair Funding Review. However, the council is not expecting a significant change to its funding. With the demand on services continuing to increase, the challenge to maintain a balanced and sustainable budget remains. For example, the council forecasts a budget gap of £57m in 2020/21 rising to £134m by 2023/24, so the council will need to continue to focus on transforming and improving, so the money it spends achieves maximum benefit for residents.

Surrey County Council's contribution to the Vision for Surrey in 2030

Surrey as a place - and the context within which the council, other public and voluntary, community and faith (VCF) sector partners and businesses operate - has significantly changed over the last decade and will continue to do so. Evidence shows that while many residents and businesses thrive in Surrey, not everyone has the same opportunities to flourish. Surrey is an affluent county and this image often masks the problems that some residents face, such as domestic abuse, homelessness and mental health issues. A report to Council in May 2018 [Developing a Vision for Surrey in 2030](#) set out some of the main challenges, including population changes, rising demand for services and support, government policy changes, funding reductions and the impact of continued financial constraints.

In October 2018, the Council subsequently endorsed a new [Community Vision for Surrey in 2030](#), informed by extensive stakeholder engagement. The Community Vision for Surrey in 2030 recognises the need for, and value of, a shared set of outcomes to focus on - to inspire public services, the third sector, businesses, residents, staff and members - as they collectively strive to improve the lives of everyone who lives in the county. The Community Vision for Surrey describes the kind of place people want Surrey to be, and includes ten outcome-focused ambition statements.

To support the Vision for 2030 and respond to the new context, the council developed a suite of interdependent, [strategic documents](#) which were approved by Full Council in October 2018. These strategies will support the council to achieve improved outcomes for residents and develop a more sustainable, effective organisation and services in future years.

An **Organisation Strategy** which sets out how the council will work with residents and partners and direct resources to where they will have the most impact. It is the council's plan for how, over the next four years, it will work towards achieving the outcomes in the Community Vision for Surrey in 2030, and focus on making a real difference to residents' lives.

A **Preliminary Financial Strategy** that sets out the overall framework within which the council will manage its financial resources and supports the delivery of the council's priorities and the Community Vision for Surrey in 2030. This financial strategy builds on that preliminary work, setting out the revenue budget and the capital programme.

A **Transformation Programme**, shaped around six thematic areas, which will reform the function, form and focus of the organisation to help the council to deliver its priorities.

The '**Our People 2021**' strategy is the plan for the council's workforce (current and future) and sets out how it will develop its capacity and capability to contribute to the Community Vision for Surrey, achieve priority strategic outcomes for residents, ensure the effectiveness and efficiency of the council, drive wholesale transformational change and create a high performance culture.

By 2030 the council wants Surrey to be a uniquely special place where everyone has a great start to life, people live healthy and fulfilling lives, are enabled to achieve their full potential and contribute to their community, and no one is left behind.

The council would like the county's economy to be strong, vibrant and successful and Surrey to be a great place to live, work and learn. A place that capitalises on its location and natural assets, and where communities feel supported and people are able to support each other.

To achieve these ambitions the council will:

- Focus on ensuring no one is left behind - some residents experience a poorer quality of life than their neighbours, and this isn't good enough. This means focusing support on the most vulnerable people in communities, and those who do not have the means or resources to help themselves.
- Take a fresh approach to working in partnership - The Community Vision for Surrey in 2030 is a shared one – the council has a key role to play but cannot deliver it alone. This is a significant moment to re-affirm a collective commitment to build on existing partnerships and extend and enhance them for the benefit of Surrey residents.
- Support people to help themselves and each other - individuals and communities lead better, more fulfilling lives the more they help themselves and each other and remain independent for as long as possible. With partners, the council will explore new ways of working to develop a shared sense of responsibility for delivering the vision and achieving the best outcomes for residents.
- Involve and engage residents earlier and more often in designing and delivering services, and responding to challenges - Residents have told the council that they want public sector organisations in Surrey to be better at listening. The council would like to design services so that the right people, including residents, come together to first understand the issues and then work together to decide what can be done collectively to improve outcomes.

How we will transform as a Council

To successfully deliver the council's contribution to the Community Vision for Surrey in 2030 with the resources available, the council will also need to transform the organisation and its culture. The size and scale of the challenges and opportunities facing the council means an accelerated, systematic and coordinated approach is needed. The council is purposefully redesigning how things are done so there is the capacity and capability to succeed now and in the future.

Building on the Preliminary Financial Strategy (PFS)

The council is taking a new approach to setting the statutory budget and council tax for 2019/20. In November 2018, the council published the draft budget strategy, and the proposals that underpinned it, much earlier than in previous years. The approval of the PFS was an important milestone and set out how the council plans to achieve financial sustainability and a blueprint to inform the statutory budget.

Starting the process earlier enabled the council to better plan for the future, carrying out extensive engagement and consultation with residents and stakeholders over recent months, which is ongoing. Amendments are being made to these proposals, as a result of this consultation, the impact of the provisional Local Government Settlements and any other changes considered necessary as the result of a robust review of the proposals over recent months. This has enabled the council to ensure everything is in place to begin to make savings from 1 April 2019.

Financial Strategy Response

To be able to contribute to the Community Vision for Surrey in 2030, the role of the council has to fundamentally change. There is

unlikely to be a significant change in the wider financial outlook for local government in the medium term, so it is clear the council will be unable to do all the things it has done previously. The council will need to prioritise those services that matter most to residents, and will have the biggest impact on improving people's quality of life. The focus will be on carrying out a smaller number of activities, but in a more effective way.

The council is required in law to ensure that its expenditure in any year does not exceed its resources. This financial strategy supports the council's organisational objectives and sets out the steps for a balanced and sustainable budget. Following years of cuts to government funding and rising pressures and costs, without action, the council will face a significant budget shortfall in 2019/20 and beyond. The council's reserves and balances are at a safe minimum level given the risks it faces and therefore it is no longer prudent to continue to use one-off sources of funding, such as reserves, to fund on-going expenditure.

This financial strategy sets out a balanced budget for 2019/20, without the general use of reserves. It sets a net revenue budget of **£885.9m** and a capital programme of **£129m** to deliver the council's priorities in 2019/20.

The level of transformation required to achieve the council's organisational objectives, and set a balanced and sustainable budget is significant. For 2019/20, this requires £82m of on-going savings, which is a significant total, and which carries an inherent level of risk that is moderate to high. The council will need to closely track and monitor the actions to achieve this level of savings. While challenging, this transformation is achievable but does require the council to make some tough decisions.

The council's financial strategy drives the five year Medium Term Financial Plan. It is supplemented by a number of other documents including:

- financial regulations
- the capital strategy
- the treasury management strategy
- capital receipts flexibility policy
- transformation programme

This financial strategy aims to ensure three primary objectives:

- financial sustainability,
- financial management and
- great services and outcomes for our residents

To ensure the council meets these objectives and supports the journey towards the Vision for Surrey in 2030, the council has some broad strategic principles.

A balanced revenue budget with minimum use of reserves and balances. This is to ensure that reserves are not further diminished and the council remains financially resilient to any shocks. The council will only use one-off sources of funding where there is a strong business case, such as investing to increase efficiency and the transformation of services.

Level of reserves and balances – The council will regularly assess its level of reserves and balances to ensure that it is appropriate for the levels of risk faced.

Budget envelopes – Each service area will have a budget envelope within which to provide services to residents. It is the relevant manager's responsibility to ensure that delivery of objectives is achieved within the available resource.

Cost and demand containment – the council will look to manage cost and demand volume pressures within services' budget envelopes. Service budgets will only be increased for exceptional increases in inflation and service need and this must remain affordable. The council will make the management of value for money a mainstream, business as usual activity.

Robust savings plans - Each of the savings proposals will have a robust plan, which will be consulted upon, regularly tracked and progress monitored using key indicators.

Council tax - Council Tax increases will only be considered where costs and demand pressures cannot be delivered within the budget envelope, or when it is clear that agreed outcomes cannot be met without an increase.

Partnership working – the council is committed to working with all partners, such as other councils, other public bodies, the voluntary, community and faith sector organisations and businesses to create the best value for every pound that is spent.

Budget accountability - managers will be responsible and accountable for their budgets, ensuring they are not hampered by rules and regulations, but remain transparent in how council taxpayers' money is being used.

Commentary of the Executive Director of Finance (s151 officer)

(Section 25 Report)

Introduction

In setting the Council's annual budget, section 25 of the Local Government Act 2003 requires the Council's Chief Financial Officer to make a statement on:

- a) The robustness of the estimates made for the purposes of the calculations, and
- b) The adequacy of the proposed financial reserves

The relevant officer for Surrey County Council is Leigh Whitehouse, the Executive Director of Finance, who is the Council's statutory Section 151 Officer.

In 2019 the Chartered Institute of Public Finance and Accountancy (CIPFA) is expected to publish a new Financial Management Code which will require the relevant officer completing the section 25 statement to refer to the information set out in CIPFA's proposed 'Resilience Index'.

CIPFA has indicated that it would be 'good practice' to adopt this approach in advance of the new Code, and this has been taken into account in the drafting of this statement.

Opinion

The Council's Executive Director of Finance advises that budget proposals recommended to Cabinet:

- a) Are based on sufficiently robust estimates, and
- b) An adequate level of reserves

As such, the proposals represent a balanced budget for the financial year 2019/20.

Notwithstanding this, the overall financial standing of the Council remains in a position of relative weakness. The budget recommended for 2019/20 reflects positive changes that have occurred over the past twelve months, however this progress is recent and has not yet been in place for sufficient time to be able to be fully confident in it being sustained. In contrast, many of the issues that give grounds for concern are long standing and well established.

There remains some distance left to travel before the level of vigilance required in relation to the Council's financial position can be reduced, and it remains susceptible to re-emerging or new risks in the meantime. Alongside this, the external financial outlook does not offer significant grounds for optimism, and some policies and positions that are beneficial in the short term need to be addressed in the medium to long term.

Background

Last Year's Section 25 Statement

Last year the then section 151 officer set out to Council, in some detail, her concerns about the Council's financial outlook. She drew Members' attention to a number of factors which contributed to a high level of risk in the medium term. In particular, she cited the "unprecedented level of one off funding" which was being relied upon to balance the budget for 2018/19, and the risks this represented to the ability to set a balanced budget in 2019/20.

Attention was also drawn to the fact that planned use of reserves would reduce these below the previously recommended level, and that the cumulative risk from successive years of significant savings

represented a material risk to delivery of further savings in the budget year.

CIPFA Report on Financial Resilience

In Summer 2018, CIPFA were commissioned by the then Leader of the Council and the Chief Executive to undertake a review of the Council's finances and finance function. Their report, which was considered by Cabinet on 25 September 2018, highlighted the following in relation to the Council's finances:

- Surrey County Council is in a difficult financial position. Despite repeated cost reductions, the expected increase in service pressures means that, as things stand, the Council will not have sufficient reserves to meet its expected budget gap in 2019-20 unless it acts now.
- Despite some additional central government funding, Surrey County Council will need to reform fundamentally how it provides services to its communities.

The report also set out a series of recommendations in relation to the operation and performance of the Council's finance function.

At its meeting in September, Cabinet accepted CIPFA's report, and endorsed an action plan developed in response.

External Audit Value for Money Conclusion 2017/18

The 12 December 2018 meeting of the Council's Audit and Governance Committee received a report from Grant Thornton, the Council's External Auditors, setting out supplementary evidence relating to the issuing of an 'Adverse conclusion' in relation to the Council's arrangements for securing Value for Money in its use of resources for the 2017/18 financial year. Grant Thornton cited two bases for their adverse conclusion:

- The continued rating of the Council's Children's Services as 'Inadequate' by OFSTED
- A failure to demonstrate sustainable deployment of resources, as evidenced by a continued use of reserves to balance the budget in successive years

Grant Thornton repeated CIPFA's observation about the inadequacy of the Council's reserves to meet future budget shortfalls.

CIPFA's Financial Resilience Index

In December 2018, CIPFA provided the Council's section 151 Officer with analysis relating to Surrey County Council from its newly developed 'Resilience Index'. This information is expected to be published later in 2019, but as set out above, CIPFA have conveyed an expectation that reference to the index in section 25 statements will be part of their upcoming mandatory Financial Management Code, and that it would be seen as good practice to draw upon it in producing this year's statement.

The Index utilises available information to produce what CIPFA believe to be a valuable insight into a Council's financial resilience, and to highlight those councils where financial standing is most at risk. The index is based on information from 2017/18 and three prior years.

The information provided for Surrey County Council highlights the Inadequate OFSTED rating and the Adverse Value for Money Conclusion that have been outlined above.

The indicators provided show a range for the Council from very high risk to very low risk. There are a series of indicators relating to reserves: overall level, rate of depletion, level of unallocated reserves, change in reserves and so on. In general Surrey is shown as 'High Risk' on these measures when compared with all

comparator groups. This reflects the points made above in relation to the use of reserves to balance the budget in recent years.

The Council is shown as medium risk in relation to the proportion of expenditure that is committed to social care costs and debt when compared to other County Councils or a 'Nearest Neighbours' group. These indicators are included in the index to reflect that these types of costs are harder to control in the short term in particular, and generally are less discretionary than some other areas of expenditure. There is an inference in this analysis, which values flexibility, that Surrey County Council has more scope to vary downwards service levels on other discretionary services, which is not necessarily an easy option, even when it is required by financial necessity.

The Council is shown as relatively very low risk in relation to the small extent to which it relies on external government funding, and the high proportion of the budget which is provided from local taxpayers. This is in comparison to all comparator groups.

In very broad terms, the Resilience Index sets out a picture of an authority with relatively low levels of current financial resilience, but with relatively strong fundamentals and opportunities to strengthen financial standing. This can be interpreted as our current position being weaker than it should be, but there being strong grounds for believing that we should be able to use the significant resources we possess to deliver better and more sustainably in future.

Developments during the 2018/19 Financial Year

Early in 2018/19, the Council's finances were placed under significant strain as a result of an increasing level of overspend in the High Needs Block of the Dedicated Schools Grant. These costs are part of a ringfenced grant provided by the Department for Education to fund local schools budgets.

Constraints placed on the use of the Dedicated Schools Grant, and rising costs following changes of government policy relating to children with special educational needs, have contributed to an unfunded overspend on the High Needs Block, which had been in deficit for two years at the start of 2018/19. As the level of overspend was expected to increase significantly during 2018/19, and there was no identified way of funding this from the Department for Education or the Dedicated Schools Grant, the Council rightly sought to recognise this growing potential liability. Without any accompanying actions, this would have led to an overspend on the Council's General Fund resulting in the need to divert either general or earmarked reserves to offset this growing liability on the Dedicated Schools Grant.

Cabinet agreed to recommendations from the Council's Corporate Leadership Team to implement an initial programme of in year budget reductions totalling £15m, which was subsequently increased to £40m, and agreed in full on 25 September 2018.

Delivery of these budget reductions would initially avoid the need to make an unplanned drawdown from reserves to offset the High Needs Block overspend, and if delivered in full would also allow the planned drawdown of £21m reserves to support the 2018/19 budget to be cancelled.

Concurrent with this activity, the Council undertook a review of its medium term financial plan, and initiated the Transformation Programme which was reported to Council in November 2018. Together these activities reframed the financial targets for 2019/20, and provided an identified route to delivering the majority of the savings required to balance the budget. The results of this are set out elsewhere in this paper.

A fundamental aspect of this work was a recognition that the level of growth being added to the council's service directorate budgets

was unaffordable and unsustainable, it was also far in excess of the levels being budgeted for in comparable County Councils.

Responding to findings from CIPFA's review, fundamental principles of budget and financial management accountability have been restated and strengthened during the year.

The in-year budget reductions, and the development of budget proposals for 2019/20 were based around a framework of 'budget envelopes'. These emphasised the fundamental importance of budget owners and managers' responsibility for delivering within available resources, and for identifying solutions to financial challenges in addition to identifying the challenge itself.

All of the Council's budget managers are now required to sign a Budget Accountability Statement confirming their acceptance of their budget management responsibilities, and the requirement to deliver service objectives within the available financial resources.

These are important changes which would appear to have already started to have an impact, however shifting this to a truly embedded way of doing things will take much more time.

A significant amount of work remains to improve performance and activity data, and management information in general. This was identified as an issue by CIPFA, and whilst some progress has been made, further work is required to ensure that underlying systems are able to provide the necessary assurance about delivery of services, transformation and savings.

Positively, there is a recognition within the Council that a fundamental change in organisational culture is required to ensure that effectiveness, delivery and achievement are all raised to the necessary level. The Council's future financial outlook is heavily dependent on achieving this shift in culture.

The Council's Budget 2019/20

The information set out above sets the context in which the budget for 2019/20 is being set, and in which judgements about the robustness of the estimates therein and the adequacy of reserves must be placed.

The Council's latest budget monitoring report for the current year projects an outturn underspend against the agreed budget of £14.3m. Although the ambition remains to improve this further by year end, if this was to be the final outturn position it would mean a draw down of £7m would be required from reserves in 2018/19, rather than the £21m planned in the budget. An additional £15.8m will be added to an earmarked reserve in order to offset the estimated 'negative reserve' on the Dedicated Schools Grant caused by the expected overspending on the High Needs Block. The result of the above is that the new financial year will begin with a higher level of reserves than was anticipated in last year's budget.

In addition, the proposed budget for 2019/20 does not include any changes to the General Fund Balance, nor any general reliance on the use of earmarked reserves.

Despite this, in relative terms the Council's reserves and balances remain low. They are however at a level which is adequate based on the identified risks to the Council, and are consistent with the budget strategy for 2019/20.

In the medium term there will need to be consideration given to rebuilding the level of reserves following several years in which they have been depleted. The end of this trend, and a higher level of balances than was anticipated in last year's budget represent an

important change of direction in relation to the Council's reserves strategy.

It is important to note that this addresses concerns raised in last year's section 25 statement, and subsequently by CIPFA and Grant Thornton, about the reliance on one off resources, including reserves, in order to balance the Council's budget. The budget proposed for 2019/20 is affordable and sustainable within the available resources.

The budget proposed for 2019/20 contains total savings plans of £82m. This is higher than the original target for the current year of £66m (agreed at budget setting last year), but less than the total figure being achieved in the current year due to the additional £40m budget reduction target.

The majority of the savings in terms of value are driven by work within the Council's Transformation Programme. This has a dedicated programme structure and support team, including appropriate resourced projected management.

Performance in 2018/19 gives greater confidence in the ability to deliver significant savings targets than has been the case in previous years. It also demonstrates, via the additional in year reductions, the ability of the Council to react to changing circumstances and to protect its financial position when required.

A small base budget contingency of £10m has been included within the 2019/20 budget, which will be used to mitigate any shortfall in savings delivery as and when required. However, whilst important, this is a significantly smaller contingency than was envisaged in the Preliminary Financial Strategy published in November.

Whilst these are grounds for optimism, the level of risk contained in the budget proposals should not be underestimated. After eight

years of deficit reduction and significant savings, most proposals inevitably carry a degree of risk, and the 2019/20 budget will be challenging to deliver.

The proposals have been rated as Red/Amber/Green depending on the level of risk associated with them. Proposals totalling £16m have been rated as red. The achievement of red rated savings is considered as high risk due to the high level of uncertainty that remains in delivery plans, where delivery not directly controllable, or where consultation processes are yet to be concluded. The level of savings rated red is in excess of the contingency of £10m created to provide against 'optimism bias' in savings proposals.

Delivering our objectives within the available resources will require more effective management of placements and packages across adults and children's social care. These rely on a series of actions and initiatives that should, all things being equal, contain these costs within the available budgets. However, as indicated by the inclusion of these items in CIPFA's resilience index, these costs are not directly controllable, as they are subject to a number of external influences.

Significant projects within the Transformation Programme are focused on improving professional practice in order to improve service outcomes. These changes will also contribute to managing demand in a more sustainable way.

The actions taken to deliver these savings will be monitored and tracked, supported by the need for improved activity data that will give early indications of whether the proposals are on track. However the extent to which they are delivered will only become substantively clear once a majority of the budget year has passed.

A further tranche of savings proposals rely on decisions to be taken following public consultations, and where the Council has to weigh up various factors, and to make trade offs between competing

priorities. Until the decision is made these savings carry a high level of risk of achievement, although once the decision is made the risk profile may change significantly.

A small proportion of the savings (less than 5%) included in the plan relate to areas where there will be an upcoming consultation, which will include consideration of the level and timing of any budget reduction to be made. Indicative budget reductions are included for these areas, which give tolerance for both the timing and the level of the saving to be identified. Were the consultation on these areas to result in proposals that could not be accommodated within the resources made available through the budget, then there is sufficient flexibility within the budget estimates, and ability to alter plans accordingly, for this not to be a prohibitive budget risk in the short term.

The transformation programme includes a number of proposals and initiatives that cut across the whole Council. In many cases, these projects enable savings included within these budget proposals to be achieved. It is however expected that in some cases these projects will realise additional savings, which will be reflected in later updates to these plans.

The Council plans to fund this Transformation Programme using the Flexible Use of Capital Receipts Strategy (see Annex 3). The alternative use of these capital receipts would be to apply against the Council's borrowing requirement and therefore reduce its Capital Funding Requirement (CFR). There is a robust process in place for agreeing the use of transformation funding, including the appropriate formal approvals.

Consideration will need to be given to any ongoing commitment arising from this investment, and to ensure that there is a sustainable funding plan in place.

Reserves

The council is required to maintain an adequate level of reserves and general balances to deal with future forecast and unexpected pressures. The Council continues to face significant challenges due to increasing need for its services and having limited ability to manage the level of local funding to keep pace with these growing demands. Therefore the retention of the council's general balances and reserves will be essential in order to mitigate the risk of future uncertainties, non-delivery of the transformation programme or other planned budget reductions.

From 2010, the council planned to build up reserves to provide a cushion against reducing Government funding. Since 2014, however, significant use of the reserves has been made to help support the revenue budget. This approach is no longer considered appropriate and this financial strategy does not rely on the general use of reserves to provide a one-off funding solution to ongoing budget pressures.

While the Council's reserves and balances remain low, they are however at a level which is adequate based on the identified risks to the Council. In the medium term there will need to be consideration given to rebuilding the level of reserves following several years in which they have been depleted.

Capital Programme

The Council's proposed Capital Programme is based on prudent estimates of costs and appropriate financing decisions. The Capital Strategy has been produced in line with CIPFA's guidance.

Two major areas of the programme: the Asset and Place Strategy, and the Investment Strategy, are subject to an ongoing review, with any outcomes being included in an updated Capital Programme early in the new financial year.

Changes have been made to the Council's Minimum Revenue Provision policy, which will result in shorter write down periods for some investment and asset types, making the policy more prudent.

The Council's balance sheet includes long term borrowing of £398m. Due to low interest rates and the risks associated with holding large cash balances, the Council has been following a policy of temporarily funding capital expenditure from internal sources or from short term borrowing. The underlying need to borrow, or the CFR, is forecast to be £1,062m at 31 March 2019. This strategy is based on current economic conditions and is under regular review to ensure the risk of upward movements in interest rates do not expose the Council to increasing long term costs.

At the moment the risk exposure to increases in interest rates is too high, and therefore some long term borrowing is likely to be undertaken before the end of this financial year. Any borrowing will be discussed in advance with the Council's Treasury Advisers.

Key Considerations:

The following points provide assurance about the robustness of the estimates:

- *The budget proposed for 2019/20 is affordable and sustainable within the available resources, without any general use of reserves.*
- *Reserves are higher than anticipated, with trajectory reversed, but they remain low.*
- *The Transformation Programme will act as a vehicle to deliver the majority of the required savings*

- *A small contingency (£10m) has been created to offset any shortfall in savings delivery. Any benefit arising from positive changes to the Council Tax base assumptions will be added to this contingency.*
- *This year has demonstrated the ability of the Council to respond to adverse financial conditions in year, and to make short term offsetting savings.*

The following risks remain within the budget estimates:

- *The Council has a high level of 'Internal Borrowing', which brings short term revenue savings, but creates a risk of increasing long term costs and exposure to upward changes in interest rates*
- *The Council is properly utilising 'Freedoms and Flexibilities' to fund transformation costs from capital receipts. The opportunity cost of this is a higher capital financing requirement than would otherwise be the case. A sustainable solution to funding any ongoing transformation requirements is also required.*
- *The contingency included within the budget is important, but is lower than would ideally be the case*
- *A number of short term and one off measures have been used to deliver revenue savings over several years. This reduces flexibility or the range of options available should remedial action need to be taken, but also in some cases will create high costs in the long term.*

Economic outlook and public spending

The council's financial and service planning takes place within the context of the national economic and public expenditure plans, which are in turn influenced by global economic movements.

The Office for Budget Responsibility's (OBR) forecast is for relatively stable but unspectacular economic growth (around 1.5% every year) with a gradual further decline in the budget deficit. Over the medium term, forecast Gross Domestic Product (GDP) growth reflects several factors, including growth in Government spending; relatively subdued household spending; uncertainty affecting investment growth, and positive contributions from net trade.

The Government uses Consumer Price Index (CPI) inflation to calculate many allowances, benefits and spending thresholds. CPI has been falling from 3.0%, reached in the fourth quarter of 2017, and averaged 2.4% mid-way through 2018. Following increases in oil prices. OBR expects CPI to rise towards the end of 2018, fall in 2019, then remain slightly above the Bank of England's 2% target.

Stronger tax revenues and lower spending on welfare and debt interest than expected meant the actual budget deficit at March 2018 was lower than previously forecast and OBR forecast lower public sector net borrowing for 2018/19, giving a stronger starting position for the forecast period to 2023/24.

The Chancellor's Autumn Budget included plans to spend this fiscal gain. The most significant decision is to increase NHS spending by over £20bn by 2023/24. This includes over £2bn increase in funding for mental health services. Other revenue spending plans include £650m to local authorities in 2019/20 for social care.

Spending by local authorities is mostly funded from government grants; locally raised funding such as Council Tax and business rates and one off funding from reserves. Movements in reserves essentially reflect the extent to which local authorities' spending exceeds their sustainable funding in any one year (or vice versa).

Analysis of local authorities' under- and over-spends by service area since 2011 shows that throughout the period, children's social care has overspent and by increasing amounts. Adult social care also showed an increasing trend until 2017/18 when it coincided with additional funding being made available and the trend reversed. In aggregate, budgets for highways, environment, public health and fire & rescue services have underspent consistently.

Taken in aggregate, councils underspent each year from 2010/11 to 2014/15 and added £4.4bn to reserves. In 2016/17 and 2017/18, this reversed and councils drew £0.9bn from reserves. Although the overall picture seems healthy, considering the spending patterns at service level, it masks substantial variations among councils, with pressures most significant for social care authorities.

Analysis of local authorities' capital expenditure by funding source shows Government grants funded about half and prudential borrowing financed about a quarter of all capital spending from 2010/11 to 2015/16, over the next two years, grants fell and spending financed by prudential borrowing increased significantly. OBR has assumed most of the additional spending is on standard capital projects, rather than commercial ventures to generate revenue and forecasts a return to the funding pattern seen at the start of the decade, but with a bigger contribution from asset sales.

Provisional Local Government Settlement

The Secretary of State for Housing, Communities & Local Government, announced the [Provisional Local Government Finance Settlement](#) on 13 December 2018. The [consultation](#) ran until 10 January 2018 and MHCLG aims to publish the Final Settlement by 31 January 2019.

Highlights for Surrey County Council

- £17.3m funding gain from elimination of negative RSG
- Surrey is not to be a 2019/20 business rates pilot, a loss of £20m from the previous year
- £10.8m social care funding (from the £650m announced in the Budget)
- £1.7m share of £180m national business rates levy surplus

Negative RSG

Negative RSG totals £152.9m across 158 authorities, including £17.3m for this council and £27.0m for all Surrey councils. Having considered responses to its technical consultation, MHCLG has decided to eliminate negative RSG directly using foregone business rates. This confirms the council's funding position in line with the Provisional Financial Strategy.

Business rates pilots

MHCLG had confirmed it would continue the pilot programs in devolution deal areas. All remaining authorities were invited to apply for the 2019/20 75% pilot scheme. MHCLG received 35 applications. The Surrey application was not successful, which was

anticipated in the PFS, which included a reduction of £20m in funding as a result.

The 15 successful applicants were: Berkshire, Buckinghamshire, East Sussex, Hertfordshire, Lancashire, Leicestershire, Norfolk, Northamptonshire, North and West Yorkshire, North of Tyne, Solent Authorities, Somerset, Staffordshire and Stoke, West Sussex and Worcestershire. London will continue to pilot business rates retention, but at the lower rate of 75% in 2019/20.

Council Tax

MHCLG confirmed local authorities can raise Council Tax by up to 3% for 2019/20 without triggering a referendum, as assumed in the PFS. Police and Crime Commissioners can increase their band D precept by up to £24 (up from £12).

Social care funding

The Provisional Settlement proposes allocating £650m social care funding in 2019/20 using the existing Adult Social Care Relative Needs Formula. The total comprises £240m for winter pressures and £410m to support social care (that councils can use for either adults' or children's services). The council's allocations are £4.0m and £6.8m respectively. This is additional funding to that not anticipated in the PFS.

Business rates retention and levy account surplus

Higher business rates growth in 2018/19 resulted in £180m surplus on the business rates levy account. MHCLG proposes to distribute this in 2019/20 based on councils' relative need as indicated by the

2013/14 Settlement Funding Assessment (SFA). The council’s allocation is £1.7m, which was not anticipated in the PFS.

New Homes Bonus

House building continued to rise in 2018/19 and MHCLG has increased New Homes Bonus (NHB) funding to £920m to keep the threshold at 0.4%. NHB will receive £900m from RSG and £20m from MHCLG budgets. The Council expects the payment period for NHB to remain at four years.

As part of funding reform, MHCLG intends to explore how to incentivise housing growth. Suggestions include Housing Delivery Test results and incentivising plans that meet or exceed local housing need. MHCLG will consult on proposals before implementing.

Settlement Funding Assessment

Settlement Funding Assessment (SFA) represents the level of general funding the Government provides to local authorities. SFA comprises Revenue Support Grant (RSG) plus business rates baseline funding (retained baseline business rates income adjusted for the business rates tariff or top up). For pilot authorities RSG is absorbed into business rates baseline funding.

Table A outlines the components of the SFA for 2019/20

Table A Total SFA components 2019/20 for England

Dec 2018 Provisional Settlement	2019/20 £m
RSG	653.1
Business Rate Retention	16,895.6
Tariff/Top-up	-1,590.5
Settlement Funding Assessment	15,958.2

Core Spending Power

Core Spending Power (CSP) represents MHCLG’s assessment of local authorities’ core funding. CSP comprises: SFA, Council Tax and a range of grants. For 2019/20, MHCLG assumes each council raises Council Tax at the maximum 3% permitted and each council’s Council Tax base increases at its average rate for the four years up to 2016/17. The grants included in CSP are: compensation for a lower than inflation rise in the business rates multiplier, improved Better Care Fund, New Homes Bonus, Rural Services Delivery Grant, Social Care Support Grant and Winter Pressures Grant.

This year, CSP increases by 2.8% in cash terms for English local authorities. For SCC the CSP increases by 3.1%.

Capital receipts flexibilities

As part of the government's 4 year offer councils are allowed to use capital receipts to fund revenue expenditure where it supports transformation and releases savings. Last year MHCLG announced the flexibility will be extended for a further three years to March 2022.

Consultations and future work

Work towards system reform from April 2020 continues and MHCLG has published two further consultations on: business rates retention reform and review of relative needs and resources. These seek further representations ahead of introducing 75% business rates retention from 2020/21, and on ensuring MHCLG has a sound basis for a fair and optimum distribution of Spending Review resources. The consultations close on 21 February 2019.

The [business rates retention reform](#) consultation seeks views on proposals for sharing risk and reward, managing volatility in income and setting up the reformed business rates retention system. The [review of relative needs and resources](#), also known as Fair Funding, seeks views on the approach to measuring the relative needs and resources of local authorities, which will determine new baseline funding allocations for local authorities in England from 2020/21. We are currently developing our response to these consultations to propose that funding is fair, predictable and relates to the cost of providing services.

MHCLG will launch a continuous improvement tool in spring 2019 following continued work with local authorities to promote efficiency.

MHCLG and HM Treasury are considering what further interventions may be required in relation to the few authorities who undertake significant borrowing for commercial purposes.

Surrey County Council core funding

Core funding 2019/20

Impact of the Provisional Settlement

The Provisional Settlement proposals increase the council's core funding for 2019/20 compared to that set out in the 2018/19 Final Settlement. The main reasons for this are:

- elimination of negative RSG,
- new social care grant funding and
- distribution of the business rates levy account surplus.

The elimination of negative RSG adds £17.3m, net changes to government grants add £11.0m and the business rates levy account distribution adds £1.7m funding compared to that in the 2018/19 Final Settlement. The Provisional Financial Strategy (PFS) assumed elimination of negative RSG, but not the other funding changes.

Business rates

As the council will no longer be part of a business rates pilot in 2019/20, it will revert back to the previous Business Rates Retention Scheme. This gives the council a revised business rates top up and much reduced scope to benefit from business rates income growth. This is reflected in the £20m reduction in total business rates and was anticipated in the 2018-21 MTFP and PFS.

Council Tax

The Provisional Settlement confirmed the permitted maximum increase in Council Tax as up to 3%, and for this council no headroom to raise the Adult Social Care precept further. A rise of just over 2.99% brings the overall Band D rate to £1,453.50. Table B shows the band rates for 2019/20, including Adult Social Care precept. The table below shows the proposed Council Tax Precept for each valuation band.

Table B Proposed Council Tax band rates 2019/20

Valuation band	Standard Council Tax precept	Adult Social Care precept	Overall Council Tax precept
A	£900.74	£68.26	£969.00
B	£1,050.86	£79.64	£1,130.50
C	£1,200.99	£91.01	£1,292.00
D	£1,351.11	£102.39	£1,453.50
E	£1,651.37	£125.14	£1,776.51
F	£1,951.61	£147.90	£2,099.51
G	£2,251.86	£170.65	£2,422.51
H	£2,702.23	£204.78	£2,907.01

Surrey's districts and boroughs, as council tax billing authorities, estimate the growth in the base and the balance on the collection fund. Estimates provided for 2019/20, show a 0.64% growth in the Council Tax base and £3.6m Collection Fund surplus. Both of these figures are lower than both their equivalents for 2018/19 (0.86% and £6.8m) and the estimates included in the PFS (1.0% and £7m). Accordingly, the estimate for Council Tax yield for both standard Council Tax and £51.3m Adult Social Care precept in 2019/20 is £731.3m.

Core grants 2019/20

For 2019/20 the council estimates receiving £34.6m in core grants. This includes the one off business rates levy account surplus grant. These are detailed below in Table C.

Total core funding 2019/20

The council's total core funding for 2019/20 amounts to £885.9m. Council Tax remains by far the biggest element of the council's core funding, providing five pounds out of every six. Table C compares core funding for 2018/19 and 2019/20.

Table C Surrey County Council core funding 2019/20

	2018/19	2019/20
	£m	£m
Council Tax	-658.0	-680.1
Council tax - Adult Social Care support	-50.9	-51.3
Total Council Tax	-709.0	-731.3
Business rates	-375.9	-57.9
Business Rates (+) Tariff / (-) Top-up	234.3	-62.0
Total Business Rates	-141.6	-119.9
Core grants	-33.3	-34.6
Total core funding	-883.9	-885.9

Note: some figures may not cast due to rounding.

Indicative Government Grants

The Council anticipates receiving the following Government grants in 2019/20. In many cases, the grants and the amounts are not yet confirmed.

Table D Surrey County Council indicative grants 2019/20

Directorate and grant	2018/19 £000	2019/20 £000
Children, Families, Learning & Culture (CFLC)		
Adult Community Learning	-2,406	-2,406
Asylum Migration Fund	-59	-59
Asylum Seekers	-5,400	-4,600
Care Leavers at Risk of Rough Sleeping	0	-48
Care Leavers Extended Duties	0	-43
Dedicated School Grant	-487,717	-477,379
Education and Skills Funding Agency	-8,039	-6,705
Extended Rights to Travel	-129	-152
Monitoring & Brokering	0	-400
Music Grant, Surrey Arts	-1,388	-1,386
PE & Sport	-4,026	-3,492
Pupil Premium	-14,946	-13,432
Registration deaths	-17	-17
Remand Grant	-62	-94
Social innovation grant	-264	-64
Teachers' Pay Grant		-2,599
Troubled Families	-959	-360
Universal Infant school Meals	-9,853	-8,447
Youth Justice Board	-630	-630
Total CFLC grants	-535,895	-522,313
Health, Wellbeing & Adult Social Care (HWA)		

Directorate and grant	2018/19 £000	2019/20 £000
Adult Social Care support grant	-2,497	-4,000
Improved Better Care Fund	-7,895	-7,078
Mental Health Deprivation of Liberty	-80	-80
Public Health	-36,540	-35,575
Total HWA grants	-47,012	-46,733
Highways, Transport & Environment (HTE)		
Bikeability	-256	-256
Bus service operator grant	-1,125	-1,125
Countryside - other grants	-77	-77
Fire Revenue	-394	-394
Flood water management	-98	-98
Surrey Area of Outstanding Natural Beauty	-144	-144
Sustainable Travel Grant	-63	-63
Total HTE grants	-2,157	-2,157
Economy, Growth & Commercial (EGC)		
Health Watch	-464	-478
Police & Crime Panel	-66	-66
Total EGC grants	-530	-544
Finance & corporate expenditure		
Social care funding	0	-6,800
Total Finance & corporate grants	0	-6,800
Total service grants	-585,594	-578,547
Central Income & Expenditure (CIE)		

Directorate and grant	2018/19 £000	2019/20 £000
Business rate cap grant	-1,667	-1,667
Business rate retention Scheme	-1,393	-1,393
Business rate levy account surplus		-1,737
Community Voices - Prison funding	-421	-421
Dedicated School Grant - Corporate Allocation	-8,744	-8,832
Independent Living Fund	-1,791	-1,791
New Homes Bonus	-2,430	-1,970
Private Financing Initiative	-16,702	-16,702
Staying put	-166	-166
Total CIE	-34,679	-34,680
Total grants	-618,908	-613,227

2019/20 Revenue Budget - Council Overview

The series of tables below show the net expenditure to be incurred in the delivery of council services by directorate. In 2019/20 this amounts to £885.9 m and equals the estimated core funding without the need for the general use reserves.

2019/20 Subjective Budget

2018/19 Base Budget £'000	Directorate	Lead	Employee cost £'000	Non-Employee cost £'000	Gross Exp £'000	Income £'000	Governme nt Grants £'000	19/20 Net cost £'000
223,157	Children, Learning, Families and Culture	Dave Hill	141,484	377,596	519,080	-52,644	-224,862	241,574
0	Delegated Schools	Dave Hill	0	297,451	297,451	0	-297,451	0
370,900	Health, Wellbeing & Adult Social Care	Simon White	65,233	456,368	521,600	-110,051	-46,733	364,816
169,804	Highways, Transport & Environment	Jason Russell	60,033	124,931	184,964	-18,725	-2,157	164,082
26,565	Economy, Growth & Commercial	Vacant	5,990	32,513	38,503	-11,012	-544	26,947
53,394	Customer, Digital & Transformation	Michael Coughlin	9,513	45,999	55,512	-1,631	0	53,881
2,449	Finance	Leigh Whitehouse	0	4,190	4,190	-1,701	0	2,489
34,080	Corporate expenditure	Leigh Whitehouse	0	38,891	38,891	0	-6,800	32,091
880,349	Total - Our Council		282,253	1,377,939	1,660,191	-195,764	-578,547	885,880
	Central funding:							
-708,985	Council tax					-731,300		-731,300
-141,588	Business Rates					-119,900		-119,900
-15,000	Capital Receipts							0
-33,314	Central Government grants						-34,680	-34,680
-18,538	Total - Our Council		282,253	1,377,939	1,660,191	-1,046,964	-613,227	0

19/20 Directorate Budgets

These tables show the 2019/20 budget for each directorate, summarising the service budgets and the movement in each directorate budget from 2018/19.

Children, Learning, Families and Culture

2019/20 Subjective Budget

2018/19 Budget Envelope £'000	Key service	Key Performance Indicator driver	Employee cost £'000	Non- Employee cost £'000	Gross Exp £'000	Income £'000	Government Grants £'000	19/20 Net cost £'000
42,940	Family Resilience		30,928	11,088	42,016	-831	-1,404	39,781
68,360	Education, Lifelong Learning & Culture	SEN Placements Home to School Transport journeys	65,449	291,889	357,338	-46,655	-212,874	97,809
11,400	Commissioning		10,080	637	10,717	-60	-1,142	9,515
5,900	Quality Assurance		5,607	704	6,311	-527	-426	5,358
94,557	Corporate Parenting	Children in Need Placements Children in need Achievement rates	33,520	73,061	106,581	-4,571	-9,016	92,994
	Directorate wide savings		-4,100	217	-3,883			-3,883
223,157	Total - Children, Learning, Families and Culture		141,484	377,596	519,080	-52,644	-224,862	241,574
	Delegated Schools			297,451	297,451		-297,451	0
223,157	Total - Children, Learning, Families and Culture		141,484	675,047	816,531	-52,644	-522,313	241,574

From 2018/19 Budget to 2019/20 Budget

2018/19 Budget Envelope £'000	Directorate & Service	Lead	2018/19 One-offs and other Adjustments £'000	2019/20 Base Budget £'000	Inflation £'000	Growth & other changes £'000	Budget reduction £'000	19/20 Net cost £'000
42,940	Family Resilience		-2,160	40,780			-1,000	39,780
68,360	Education, Lifelong Learning & Culture		1,060	69,420	511	30,100	-2,222	97,809
11,400	Commissioning		-185	11,215			-1,700	9,515
5,900	Quality Assurance		-542	5,358				5,358
94,557	Corporate Parenting		7,687	102,244	200	1,000	-10,450	92,994
	Directorate wide			0	2,200	217	-6,300	-3,883
223,157	Total - Children, Learning, Families and Culture		5,860	229,017	2,911	31,317	-21,672	241,573
0	Delegated Schools			0		0		0
223,157	Total - Children, Learning, Families and Culture		5,860	229,017	2,911	31,317	-21,672	241,574

Health, Wellbeing & Adults Social Care

2019/20 Subjective Budget

2018/19 Budget Envelope £'000	Key service	Employee cost £'000	Non-Employee cost £'000	Gross Exp £'000	Income £'000	Government Grants £'000	19/20 Net cost £'000
370,900	Adults Social Care:	62,768	423,139	485,906	-109,932	-11,158	364,816
0	Public Health	2,465	33,229	35,694	-119	-35,575	0
370,900	Total - Health, Wellbeing & Adult Social Care	65,233	456,368	521,600	-110,051	-46,733	364,816

From 2018/19 Budget to 2019/20 Budget

2018/19 Budget Envelope £'000	Directorate & Service	2018/19 One-offs and other Adjustments £'000	2019/20 Base Budget £'000	Inflation £'000	Growth & other changes £'000	Budget reduction £'000	19/20 Net cost £'000
370,900	Adult Social Care	-116	370,784	8,022	6,060	-20,049	364,816
0	Public Health	0	0	0	974	-974	0
370,900	Total - Health, Wellbeing & Adult Social Care	-116	370,784	8,022	7,034	-21,023	364,816

Highways, Transport & Environment

2019/20 Subjective Budget

2018/19 Budget Envelope	Key service	Employee cost	Non- Employee cost	Gross Exp	Income	Government Grants	19/20 Net cost	Note Ref
£'000		£'000	£'000	£'000	£'000	£'000	£'000	
67,072	Highways & Transport	18,012	55,452	73,464	-11,977	-794	60,693	
68,716	Environment	7,446	66,435	73,881	-3,283	-969	69,629	
31,252	Surrey Fire & Rescue Service	30,407	3,130	33,537	-915	-394	32,228	1
1,737	Trading Standards	3,330	338	3,668	-1,924		1,744	2
517	Communities Support function	359	29	388	0		388	
510	Emergency Management	479	47	526	-26		500	
	Directorate-wide savings		-500	-500	-600		-1,100	3
169,804	Total - Highways, Transport & Environment	60,033	124,931	184,964	-18,725	-2,157	164,082	

Notes:

1. Fire employee costs include the net cost of pensions after allowing for employee contributions and government pension top-up grant, which was previously shown separately within the MTFP.
2. Trading Standards is run in partnership with Buckinghamshire County Council (BCC). SCC and BCC jointly fund the service in the proportion 66% and 34% respectively. BCC's contribution is shown within income in the table above.
3. Savings to be identified across services include HT&E directorate-wide reviews of contracts and income (£1.1m).

From 2018/19 Budget to 2019/20 Budget

2018/19 Budget Envelope	Directorate & Service	2018/19 One-offs and other Adjustments	2019/20 Base Budget	Inflation	Growth & other changes	Budget reduction	19/20 Net cost
£'000		£'000	£'000	£'000	£'000	£'000	£'000
67,072	Highways & Transport	275	67,347	1,979		-8,633	60,693
68,716	Environment	467	69,183	2,587		-2,141	69,629
31,252	Surrey Fire & Rescue Service	270	31,522	598	200	-92	32,228
1,737	Trading Standards	62	1,799	51	26	-132	1,744
517	Communities Support function	-61	456	9		-77	388
510	Emergency Management	-12	498	13		-11	500
	Directorate-wide savings		0			-1,100	-1,100
169,804	Total - Highways, Transport & Environment	1,001	170,805	5,237	226	-12,186	164,082

Economy, Growth & Commercial

2018/19 Budget Envelope £'000	Key service	Employee cost £'000	Non- Employee cost £'000	Gross Exp £'000	Income £'000	Government Grants £'000	19/20 Net cost £'000
18,540	Property	443	28,789	29,232	-10,411		18,821
0	Procurement			0			0
-100	Business Operations	159	-227	-68			-68
3,600	Legal Services	3,265	785	4,050	-424		3,626
3,560	Democratic Services	1,537	2,750	4,287	-151	-544	3,592
965	Economic growth	586	416	1,002	-26		976
26,565	Total - Economy, Growth & Commercial	5,990	32,513	38,503	-11,012	-544	26,947

From 2018/19 Budget to 2019/20 Budget

2018/19 Budget Envelope	Directorate & Service	2019/20 Base Budget	Inflation	Growth & other changes	Budget reduction	19/20 Net cost
£'000		£'000	£'000	£'000	£'000	£'000
18,540	Property	21,608	767		-3,554	18,821
0	Procurement	0				0
-100	Business Operations	-80	12			-68
3,600	Legal Services	3,900	65		-339	3,626
3,560	Democratic Services	3,860	76		-344	3,592
965	Economic growth	965	11			976
26,565	Total - Economy, Growth & Commercial	30,253	931	0	-4,237	26,947

Customer, Digital & Transformation

2019/20 Subjective Budget

2018/19 Budget Envelope	Key service	Employee cost	Non- Employee cost	Gross Exp	Income	Government Grants	19/20 Net cost
£'000		£'000	£'000	£'000	£'000	£'000	£'000
700	Strategic Leadership	1,268	28	1,296			1,296
1,600	Communications	1,099	322	1,421			1,421
1,000	Strategy & Performance	913	295	1,208	-264		944
3,000	Customer Services	3,171	190	3,361	-228		3,133
0	Cross County Transformational Savings	-500	-500	-1,000			-1,000
1,600	Coroner	1,047	1,238	2,285	-513		1,772
3,000	Human Resources & Organisational Development	1,704	1,404	3,108	-20		3,088
10,940	Information Technology & Digital	811	10,802	11,613	-606		11,007
31,554	Joint Operating Budget ORBIS		32,220	32,220			32,220
53,394		9,513	45,999	55,512	-1,631	0	53,881

From 2018/19 Budget to 2019/20 Budget

2018/19 Budget Envelope £'000	Directorate & Service	2018/19 One-offs and other Adjustments £'000	2019/20 Base Budget £'000	Inflation £'000	Growth & other changes £'000	Budget reduction £'000	19/20 Net cost £'000
700	Strategic Leadership	93	793	13	490		1,296
1,600	Communications	211	1,811	32		-422	1,421
1,000	Strategy & Performance	191	1,191	23		-270	944
3,000	Customer Services	279	3,279	54		-200	3,133
0	Cross County/Transformational Savings		0			-1,000	-1,000
1,600	Coroner	122	1,722	50	118	-118	1,772
3,000	Human Resources & Organisational Development	1,337	4,337	98		-1,347	3,088
10,940	Information Technology & Digital	1,469	12,409	313		-1,715	11,007
31,554	Joint Operating Budget ORBIS	4,071	35,625	1,411		-4,816	32,220
53,394	Total - Customer, Digital & Transformation	7,773	61,167	1,994	608	-9,888	53,881

Finance & Central Income & Expenditure

2018/19 Budget Envelope	Key service	Employee cost	Non-Employee cost	Gross Exp	Income	Government Grants	19/20 Net cost
£'000		£'000	£'000	£'000	£'000	£'000	£'000
36,529	Corporate expenditure	0	43,081	43,081	-1,701	-6,800	34,580
36,529	Total - Finance & Corporate expenditure	0	43,081	43,081	-1,701	-6,800	34,580

From 2018/19 Budget to 2019/20 Budget

2018/19 Budget Envelope	Directorate & Service	2018/19 One-offs and other Adjustments	2019/20 Base Budget	Inflation	Growth & other changes	Budget reduction	19/20 Net cost
£'000		£'000	£'000	£'000	£'000	£'000	£'000
36,529	Corporate expenditure	15,351	51,880	66	-4,536	-12,830	34,580
36,529	Total - Finance & Corporate expenditure	15,351	51,880	66	-4,536	-12,830	34,580

2019/20 Proposed Budget Reductions

2019/20 will be a very challenging, but pivotal, year in the council’s move towards a financially sustainable service provision. The following table lists the budget reductions assumed in the revenue budget for 2019/20. Due to the nature of the policy changes being proposed by some of the transformation business cases, the council has begun the process of conducting wide ranging and thorough consultations and engagement with residents and other stakeholders. A number of these budget reductions are subject to further consultations taking place.

Service	Budget Reduction	Description of reduction	RAG	19/20 Budget reductions £000	Category
Corporate Parenting	Looked After Children - Reduction in placements	Recommission better and more cost effective placements. Reduce more expensive residential and independent fostering placements.	A	-4,950	Transformational
Corporate Parenting	Looked After Children - Reduction in placements	Increase local foster care.	R	-5,500	Transformational
Corporate Parenting	Reconfiguration of CFL Directorate	Reduce staffing budgets restructure Children's services completely and build in a staff vacancy factor	A	-6,300	Transformational
Corporate Parenting	Reconfiguration of CFL Directorate	Review contract spend to recommission or decommission as appropriate	R	-1,700	Transformational
Corporate Parenting	Recommissioning of Children's Centres	Review and reconfigure the children centre provision	A	-1,000	Transformational
Education, Lifelong Learning & Culture	SEND Sustainability - SEN transport savings	Independent travel training and increased take up of travel allowances.	R	-700	Transformational
Education, Lifelong learning & Culture	Saving from Democratic Services envelope		A	-22	Transformational
Education, Lifelong learning & Culture	Review of Cultural Services	Review libraries, heritage, arts and registration services	A	-1,500	Transformational
Total Children, Families, Learning & Communities				-21,672	



Annex 6 – 2019/20 Budget and Financial Strategy 2019-24

Service	Budget Reduction	Description of reduction	RAG	19/20 Budget reductions £000	Category
Adult Social Care	Older People /Physical Disabilities savings	Deliver savings through Adult Social Care's transformation programmes including Practice Improvement, Accommodation with Care & Support, Market Management, All Age Learning Disabilities and Health & Social Care Integration	G	-1,100	Transformational
Adult Social Care	Older People /Physical Disabilities savings		A	-5,924	Transformational
Adult Social Care	Older People /Physical Disabilities savings		R	-658	Transformational
Adult Social Care	Learning Disabilities 25+ savings		G	-2,500	Transformational
Adult Social Care	Learning Disabilities 25+ savings		A	-1,500	Transformational
Adult Social Care	Learning Disabilities 25+ savings		R	-4,470	Transformational
Adult Social Care	Transition 18-24 savings		A	-1,262	Transformational
Adult Social Care	Mental Health savings		R	-412	Transformational
Adult Social Care	Resolution of significant outstanding Continuing Health Care (CHC) disputes / assessments	Resolve cases where the Council believes individuals have a primary health need, meaning the NHS should fund their care costs under the CHC framework rather than ASC	A	-750	Efficiency
Adult Social Care	Surrey Choices efficiency programme	Efficiencies delivered by Surrey Choices to reduce the cost of services commissioned by ASC	A	-300	Efficiency
Adult Social Care	Completion of Housing related support decommissioning	The remaining full year effect saving from the decision to decommission Housing Related Support services	G	-151	Policy
Adult Social Care	Completion of Closure of Surrey Information Hubs	The remaining full year effect saving from the decision to close Surrey Information Hubs	G	-121	Policy
Adult Social Care	Wider contracts & grants savings	Reduce ASC's contribution to a range of universal services	G	-500	Policy
Adult Social Care	Increased assessed fees & charges income	Growth in assessed fees & charges income based on current year trends	G	-400	Income (increases and new initiatives)
Total - Adult Social Care				-20,049	

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Service	Budget Reduction	Description of reduction	RAG	19/20 Budget reductions £000	Category
Public Health	Change in Mental Health Budget to match contracted expenditure	Match 2019/20 budget to projected expenditure on: time to change and suicide prevention activity.	G	-15	Efficiency
Public Health	Reduce Healthy Child Programme (0-19) contract management fee	Reduce contract management fee for healthy child programme (0-19) as part of the wider community services contract. The Council is an associate commissioner, Guildford & Waverley is the lead commissioner.	G	-18	Efficiency
Public Health	Move to increased targeting of healthy weight service	The healthy weight contract expires in September 2019. Commission a new contract to maximise the remaining funding.	A	-37	Efficiency
Public Health	Children's Dental Health Epidemiology Survey	Allocate the remaining budget for activity to support oral health as other intelligence can target such work. There is no direct service provision impact.	A	-40	Policy
Public Health	Reduction to the pay budget	Reduce the pay budget by removing vacant posts so there is no direct impact on existing individuals and work is redistributed across the team.	G	-50	Efficiency
Public Health	Maintain Health Checks programme at current activity levels	Health checks are paid for based on activity by pharmacies and GPs. Realign the budget to match the expected 2018/19 expenditure more closely to maintain activity at a similar level in 2019/20.	A	-50	Efficiency

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Service	Budget Reduction	Description of reduction	RAG	19/20 Budget reductions £000	Category
Public Health	Reductions in non-pay budgets	Reduce a number of non-pay budgets including training, printing, and the recharge paid to SCC from the ring fenced PH budget. This means no likely impact on service provision is expected.	G	-51	Efficiency
Public Health	Smoking cessation - recommissioning and maintain current public health agreement activity levels	Commission a more targeted smoking cessation service for 2019/20 at a smaller contract value. Also realign the smoking cessation budget for payments to GPs and pharmacies to match the expected 2018/19 expenditure, providing a similar level of activity in 2019/20.	G	-89	Efficiency
Public Health	Planned change in Healthy Child Programme (0-19) contract value	The recommissioned healthy child 0-19 programme built a planned reduction into the contract, meaning no additional impacts anticipated beyond those already identified in the original EIA	G	-284	Transformational
Public Health	Planned change in substance misuse budget	Reduce the contingency budget built into year one (from April 2018) of the integrated substance misuse service. Now the service is established, this has no significant negative impact on services beyond those identified in the existing EIA. Review the EIA in February 2019 to see if introduction of the new model needs further updates or mitigating action.	A	-340	Transformational
Total – Public Health				-974	
Total Health, Wellbeing & Adult Social Care					-21,023

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Service	Budget Reduction	Description of reduction	RAG	19/20 Budget reductions £000	Category
Highways & Transport	HT&E savings to be identified		A	-1,537	Transformational
Highways & Transport	Changes to concessionary fares, including reduced volumes	Review concessionary fares scheme, and impact of recent trend of reduced journey numbers.	A	-883	Transformational
Highways & Transport	Local Committee Highway Fund and Local Committee Revenue Schemes	Remove Local Committee Highway Fund and Local Committee Revenue Schemes and replace with a capital budget. Hold the Member Local Highway Fund and Member Community Fund at 2018/19 levels.	G	-1,866	Transformational
Highways & Transport	Application of transport grants	One-off application of Bus Service Operator Grant where there has historically been a surplus.	A	-1,900	One-offs and Financing
Highways & Transport	Street lighting conversion to LED	Expected net saving from LED conversion after revenue impact of investment.	A	-260	Efficiency
Highways & Transport	Street lighting contractual savings	Estimated one-off saving from street lighting PFI contract review.	A	-1,382	One-offs and Financing
Environment	Changes at community recycling centres	A range of measures including site closures and extension of existing charges for non-household waste.	A	-1,005	Transformational
Environment	Countryside review	Identify cost reduction and income generation measures.	A	-200	Efficiency
Environment	Ongoing waste disposal & recycling initiatives	Ongoing impact of existing measures e.g. waste minimisation campaigns.	A	-225	Efficiency
Environment	Directorate-wide initiatives	Delete HT&E directorate initiatives budget. New initiatives need to be self-financing, or funded from existing budgets.	G	-323	Efficiency
Trading Standards	Additional income generation	Additional income including from providing trading standards advice under Primary Authority Agreements.	A	-33	Income (increases and new initiatives)
Directorate-wide	Staffing review		A	-1,000	Transformational

Annex 6 – 2019/20 Budget and Financial Strategy 2019-24

Service	Budget Reduction	Description of reduction	RAG	19/20 Budget reductions £000	Category
Directorate-wide	Income review	Review existing fees and charges, investigate new opportunities.	A	-600	Transformational
Directorate-wide	Contract reviews		A	-500	Transformational
Directorate-wide	Marginal gains		A	-472	Efficiency
Total Highways, Transport & Environment				-12,186	
Legal	Case management efficiency review		A	-339	Efficiency
Democratic Services	Staffing review		G	-76	Efficiency
Democratic Services	Modern council	Efficiencies through modern ways of working	G	-22	Efficiency
Democratic Services	Members' allowances	Savings from pension changes and fewer special responsibility allowances	A	-246	Efficiency
Property	Building repairs and maintenance		G	-1,960	Efficiency
Property	External fees for building project feasibilities		G	-627	Efficiency
Property	Budget for utilities at low usage		G	-600	Efficiency
Property	Building running costs		G	-150	Efficiency
Property	Building rates		G	-117	Efficiency
Property	Printing contract		G	-100	Efficiency
Total Economy, Growth & Commercial				-4,237	

Annex 6 – 2019/20 Budget and Financial Strategy 2019-24

Service	Budget Reduction	Description of reduction	RAG	19/20 Budget reductions £000	Category
Coroner	Case management efficiency review		A	-118	Efficiency
Communications	Service efficiencies		G	-222	Efficiency
Communications	Further staffing restructure		A	-200	Efficiency
Strategy & Performance	Service efficiencies		G	-270	Efficiency
Customer Service	Service efficiencies	Ongoing savings achieved in 2018/19	G	-200	Efficiency
Orbis Contribution	Business plan savings	Partnership working efficiencies.	A	-1,743	Efficiency
Orbis Investment	Remove one-off funding	Fund investment needed to deliver savings from transformation fund.	A	-1,316	One-offs and Financing
Orbis	Efficiencies to be identified		R	-1,757	Transformational
HR&OD	Training & Leadership development		G	-800	Policy
HR&OD	Remove directorates in-year training allocation		A	-480	Policy
HR&OD	Manage non-pay inflation	To be identified	A	-67	Efficiency
IT&D	Modern Worker (fund from transformation)	Fund investment needed to deliver savings from transformation fund.	A	-1,000	One-offs and Financing
IT&D	Additional Data Centre income		G	-130	Efficiency
IT&D	Staffing		G	-185	Efficiency
IT&D	Network & applications		G	-105	Efficiency
IT&D	Manage inflation	To be identified	A	-295	Efficiency
Cross County Savings	Channel Shift	Change communication channel with public from phone to website	R	-250	Transformational
Cross County Savings	One Front Door	More efficient public interactions channelled through the contact centre.	R	-250	Transformational
Cross County Savings	Spans of Control	To be identified	R	-500	Transformational
Total Customer, Digital & Technology					-9,888

Annex 6 – 2019/20 Budget and Financial Strategy 2019-24

Service	Budget Reduction	Description of reduction	RAG	19/20 Budget reductions £000	Category
Finance	Contribution to insurance reserve	Reduce contribution to Insurance Self Fund based on Actuarial Review	G	-223	Policy
Total Finance				-223	
Corporate expenditure	Revised borrowing strategy	Continue short term borrowing strategy	A	-826	Efficiency
Corporate expenditure	Deferred contributions to reserves	Defer planned contribution to replenish reserves	G	-3,199	One-offs and Financing
Corporate expenditure	Minimum Revenue Provision (MRP)	Apply capital receipts to the Capital Financing Requirement to reduce the MRP required.	G	-2,700	Policy
Corporate expenditure	Investment Income – existing	Increase income from the investment strategy	G	-4,182	Income
Corporate expenditure	Investment Income-projected	Increase income from the investment strategy	A	-1,700	Income
Total Corporate Income & Expenditure				-12,607	
Total				-81,836	

Total Schools Budget

The council is required by law formally to approve the Total Schools Budget, which comprises: Dedicated Schools Grant funding, post 16 grant funding and any legally relevant council tax related funding. This budget is used to fund schools' delegated and devolved expenditure and other maintained schools expenditure, plus expenditure on a range of school support services specified in legislation. The Total Schools Budget excludes funding allocated to individual academy schools.

The Total Schools Budget is a significant element of the proposed total budget for Children, Families, Learning & Communities Directorate. Table E outlines the proposed Total Schools Budget for 2019/20 of £492.9m, comprising:

- £486.2m Dedicated Schools Grant (DSG);
- £6.7m Education and Skills Funding Agency (ESFA) sixth form grants;

Table E Analysis of Total Schools Budget for 2019/20

	Schools' delegated and devolved budgets £m	Centrally managed services £m	Total £m
DSG 2019/20	334.4	151.8	486.2
Total DSG	334.4	151.8	486.2
ESFA sixth form grant	6.7		6.7
Total Schools Budget	341.1	151.8	492.9

Centrally managed services include the costs of:

- placements for pupils with special educational needs in non-maintained special schools and independent schools;
- two and three year olds taking up the free entitlement to early education and childcare in private nurseries;
- part of the cost of alternative education (including part of the cost of pupil referral units);
- additional support to pupils with special educational needs; and
- a range of other support services including school admissions.

Schools are funded through a formula based on pupil numbers and ages with weightings for special educational needs and deprivation. Cabinet considered and agreed a detailed report on the 2019/20 funding formula on 30 October 2018. In 2019/20 the formula limits any school level losses to 0% maximum loss per pupil (the Government's Minimum Funding Guarantee). To pay for the guarantee, the formula limits the per pupil increase (via a "ceiling"). The level of this ceiling is dependent on the outcome of the appeal to the Secretary of State to transfer £3.1m of school funding to high needs.

Schools will also receive pupil premium funding, based on the number of:

- pupils on free school meals at some time in the past six years;
- looked after children;
- children adopted from care;
- pupils from service families (or who qualified as service children within the last six years, or in receipt of a war pension).

Funding Scenarios 2020-24

The funding position beyond 2019/20 is not clear. 2020/21 is the first year of a new Comprehensive Spending Review and the new 75% Business Rates Retention system based on the current Fair Funding Review. Details of these will not be known until well into 2019, making accurate financial forecasting challenging. So, the council has modelled core, optimistic and pessimistic funding scenarios from 2020/21. The main elements in the modelling are: Council Tax, growth in local business rates income and the impact of the new business rates retention system.

Council Tax

Council tax funded over 80% of the council's net revenue expenditure in 2018/19 – one of the highest proportions nationally. While this makes the council more resilient to fluctuations in government funding, it also increases reliance on the local taxpayer.

In 2018/19 Tax base growth was 0.86% and had averaged 1.51% in the preceding three years. The forecast growth for 2019/20 by Surrey's districts and boroughs has fallen further to 0.64%. From 2020/21, the core scenario assumes 0.75% annual tax base growth, with the optimistic and pessimistic scenarios at 1.00% and 0.50% respectively.

MHCLG limited Council Tax increases without a referendum at 3% for 2018/19 and 2019/20, in line with CPI. All the scenarios assume annual standard Council Tax rises of 1.99% from 2020/21, which is in line with the Office for Budget Responsibility's forecast for CPI.

Only the optimistic scenario assumes an additional precept to fund social care, with a 2% limit each year from 2020/21.

The collection fund surplus, which is the difference between actual and estimated council tax collected in any year, peaked in 2014/15 at £11m. It has since fallen and the forecasts districts and boroughs indicate a surplus of £3.6m in 2019/20. From 2020/21, the core scenario assumes a £3.0m annual surplus, with the optimistic and pessimistic scenarios at £5.0m and 1.0m respectively.

Business rates income

Surrey benefits from a large business rates tax base and the local economy makes a contribution to the UK in terms of gross value added (GVA) that is second only to London. However, this scale and stability has meant actual tax base growth has averaged less than 0.1% in the seven years preceding the business rates revaluation in 2017.

In making estimates of future funding from retained business rates, all scenarios assume the business rates multiplier rises each year in line with CPI. In addition, the core scenario assumes zero real tax base growth. The optimistic and pessimistic scenarios respectively see a 1% increase to the tax base and a 1% decrease to the tax base.

Business rates retention system

The new 75% business rates retention system starts in 2020/21. In it, councils will use the extra 25% business rates income to cover responsibilities previously supported by RSG and Public Health Grant (PHG). In addition, the formula derived from the Fair Funding

Review will revise authorities' Baseline Funding Levels (BFL), which indicate relative need to spend from business rates funding, adjusted for ability to raise resources locally through Council Tax.

While the council can influence the above factors by responding to consultations and lobbying, much is outside its control. Key factors affecting this council include the following.

- How the Fair Funding formula determines spending need, including for Public Health, which will set councils' BFL.
- The split of retained business rates in two tier areas.
- Decisions around setting and resetting the Business Rates Baseline (BRB), which is the Government's estimate of a council's share of collectable business rates in its area.
- The difference between a council's BFL and its BRB determines its tariff or top up, which affects its exposure to funding volatility.

For 2020/21 the core scenario assumes the new funding formula will take account of the council's high Council Tax base and reduce BFL by -£26m. Because MHCLG is considering transitional arrangements this reduction is applied over five years. The pessimistic scenario sees the reduction applied over three years and the optimistic scenario sees no reduction.

Proposals for a new public health relative needs formula within the new funding formula is welcome news, as the council receives the lowest allocation per head of all county councils. The core scenario assumes funding at 2019/20 levels, £36m. The optimistic scenario, follows the Advisory Committee on Resource Allocation model, at £49m and the pessimistic scenario assumes PHG decreases at the same rates as recent years, so the council's allocation would be £35m.

MHCLG will reset all councils' BFL in 2020/21, the first reset since 2013. MHCLG has indicated it prefers a 'full reset' meaning BRB would be set at the forecast level rather than a 'partial reset' which sets the revised BRB lower than forecast. A partial reset would benefit the council as it would retain more of its current income above BRB. The core scenario assumes a full reset; the optimistic scenario a partial reset; and the pessimistic scenario assumes BRB is set higher than the council's forecast baseline level.

All scenarios assume a 70:30 tier split. This gives the council a 30% share of 75% local retention (i.e. 22.5%) compared to the current 20% share of 50% local retention (i.e. 10%).

Overall funding scenarios 2020-24

Figure A shows the differences in core funding from the three scenarios. Table F shows the core funding scenario estimate totals for the period 2019/20 to 2023/24.

The main change in the council's activities supported by its core funding in 2020/21 relates to Public Health. From 2020/21, Public Health Grant will form part of local authorities' 75% local share of retained business rates, and the function will no longer be funded directly by a specific grant. Therefore, the council forecasts its net budget will increase by £35.6m, which is equivalent to its spending on Public Health. The council's scenario planning estimates its core funding will increase by between £35m and £49m as outlined above for Public Health in 2020/21.

The other main changes relate to:

- inclusion of a further social care precept in the optimistic scenario, which adds £15m to Council Tax income in 2020/21

compared to the core scenario and an additional £15m in each year thereafter; and

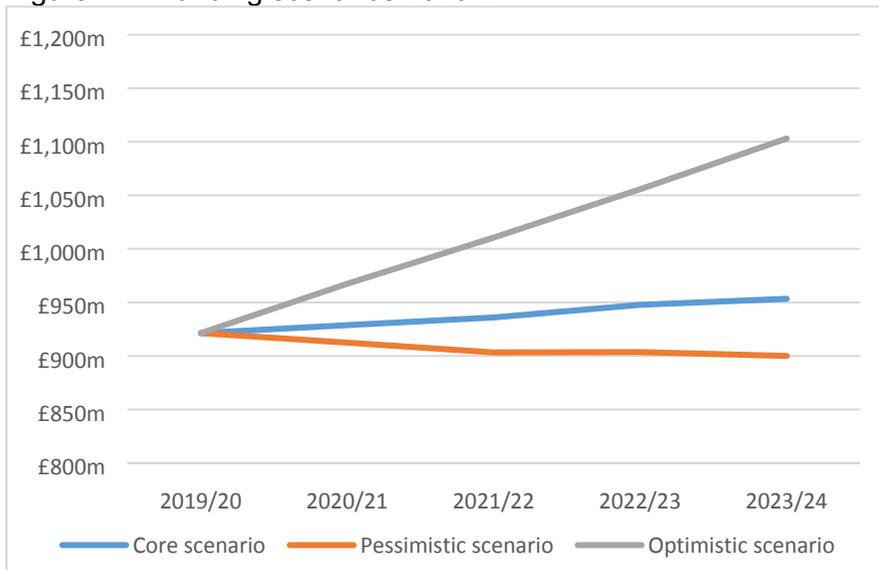
- the impact of the reset of the business rates baseline in 2020/21 and the transitional period for damping the change from the 2019/20 baseline.

By 2023/24, the pessimistic scenario funding total is £29m lower than the core scenario and the optimistic scenario funding total is £117m higher than the core scenario.

Table F Core funding estimates 2019/20 to 2023/24

	2019/20	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m	£m
Core funding estimate	-885.9	-928.8	-936.0	-947.8	-953.4

Figure A Funding scenarios 2020-24



2020/21 – 23/24 Budget Envelopes

In light of the uncertainty of future funding, this strategy has set out a number of scenarios to illustrate potential funding for 2020-24. Directorate budget envelopes have been set for the same period based upon the core funding scenario.

Our Financial Strategy aims to set a balanced revenue budget without the general use of reserves and balances. We have achieved this for the 2019/20 financial year as shown in the preceding sections. In future years we must also contain the expenditure on our services within the core funding scenario. The realisation of a different level of funding will entail revising these budget envelopes

The budget envelopes shown in Table G below use the 2019/20 balanced budget as a starting point and then projects forward the budget envelope for each Executive Directorate.

Table G – Budget Envelopes 2019/20 to 2023/24

	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m
Children, Families, Learning & Culture	240.7	242.1	245.1	246.6
Health, Welfare & Adults	399.0	401.2	406.2	408.6
Highways, Transport & Environment	163.8	164.7	166.8	167.8
Economy Growth & Commercial	26.9	27.0	27.3	27.5
Customer, Digital & Transformation	53.7	54.0	54.7	55.0
Finance	2.5	2.5	2.5	2.5
Corporate expenditure	31.0	31.2	31.6	31.8
Contingency	11.3	13.3	13.5	13.5
Total	928.8	936.0	947.8	953.4

A key principle of budget envelopes is that keeping within them will ensure that the budget is balanced and sustainable. This requires any increases in expenditure, whether due to increase volume demand, price increases or the full delivery of savings, to be contained within the total budget for each directorate.

The council has developed the Service Transformation Programme to improve how we deliver services to our residents and at lower cost. The impact of this programme will continue to be realised from 2020/21 and future years. However, in estimating future expenditure and activity levels the council is aware of the risks that may lead to cost increases. Whilst a small contingency against these risks has been included, the council will continue to closely monitor the progress of transformation plans and the need and usage of services. To match the level of savings required in future years, the contingency would need to increase to reflect the associated risk

The council continues to face significant risks in future years that will put pressures to increase expenditure above these budget envelopes. The most significant areas include;

- Pay and non-pay inflation
- Looked after children
- Special Education Needs and Disabilities
- Adults Learning Disabilities
- Older people
- Waste Disposal

Including these forecast pressures into future budgets will increase the annual net expenditure above the budget envelopes set out above. This creates a budget gap – the difference between the Budget Envelope and forecast expenditure and funding is shown in Table H below.

Table H – Directorate Budgets Gaps 2020/21 to 2023/24

	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m
Children, Families, Learning & Culture	23.6	33.7	39.9	42.7
Health, Welfare & Adults	18.0	32.6	44.6	59.5
Highways, Transport & Environment	7.5	12.4	16.1	20.9
Economy Growth & Commercial	0.3	0.3	0.1	0.2
Customer, Digital & Transformation	0.5	0.5	0.1	0.0
Finance	0.0	0.0	0.0	0.0
Corporate expenditure	7.5	8.6	9.7	10.5
Contingency	0.0	0.0	0.0	0.0
Total	57.3	88.1	110.6	133.8

In preparing the budgets for future years, and having regard to the estimated nature of the funding scenario, we will develop plans to ensure the budget continues to be balanced and sustainable from 2020/21 onwards.

Capital programme

The council has produced a Capital & Investment Strategy for 2019-24. This provides an overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of our services. The council's capital investment plans deliver a range of schemes to enhance, maintain and deliver new assets to support the delivery of the council's strategic aims and priorities. It includes investment in agile workforce, highways improvements, property maintenance and also in some cases provides a return on investment.

The strategy covers a number of distinct areas of capital spend and brings these together in one place:

- The **capital programme**, which covers the council's capital expenditure plans on operational assets to continue to provide services to residents. Planned expenditure in this area is detailed below.
- The council's **investment strategy** which set out to deliver annual net income of £10m to support council services and reduce reliance on central government support. This strategy is current subject to a review before any further expenditure is committed to.
- **Transformation & Strategic Investment**, which is required to deliver the council's new vision and transformation of its services. This area of spend is also subject to review and detailed business cases will be drawn up for approval in line with the appropriate governance arrangements before expenditure is committed.

In addition, during 2018/19, the council has introduced new governance arrangement to oversee all capital investment decisions. Further details of the governance, monitoring and financing arrangements can be found in the council's Capital & Investment Strategy.

The council's capital expenditure plans are financed from the following sources:

- Government grants
- Third part contributions
- Revenue reserves
- Capital Receipts
- Borrowing.

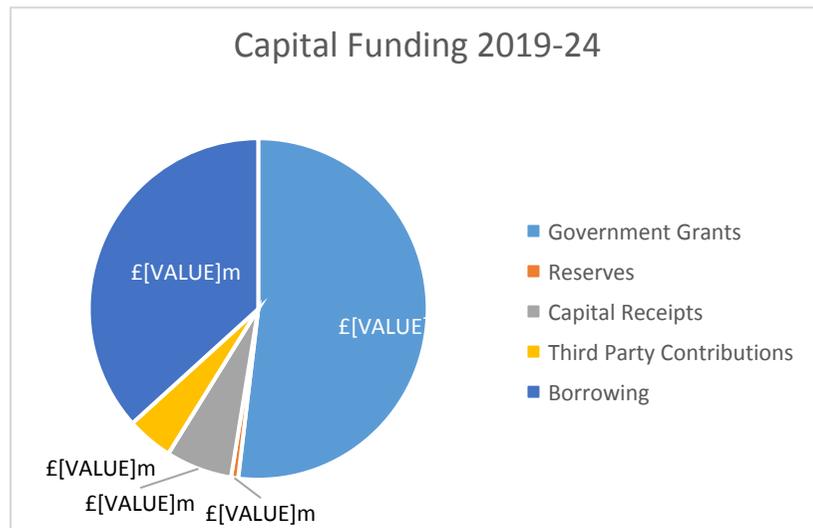
The Prudential Code for Capital Finance plays a key role in capital finance decisions in local authorities. Local authorities are free to determine their own programmes and the Prudential Code was developed by CIPFA as a professional code to support the making of these decisions and ensure that borrowing decisions take proper account of stewardship, value for money, affordability, prudence and sustainability. The Prudential Code requires Local Authorities to have in place a capital strategy which sets out the long term context in which capital expenditure and investment decisions are made.

Where the council uses borrowing to pay for capital investment, it incurs borrowing costs, which increase pressure on the revenue budget. The council therefore has set some criteria to determine the circumstances when it will borrow. The council will use borrowing to fund capital expenditure only where:

- It fulfils a statutory requirement
- It generates a capital receipt
- It generates a revenue saving, or avoids a revenue cost

The council’s proposed capital programme for 2019-24 is summarised below:

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	TOTAL £000
Property (incl Schools)	70.9	46.4	25.5	21.7	21.7	186.2
Highways & Transport	48.5	32.6	32.3	26.8	25.6	165.8
IT & Digital	3.9	8.1	12.1	3.2	3.3	30.6
Fire & Rescue	1.0	1.6	1.6	1.6	1.6	7.4
Other	4.9	4.7	4.7	4.7	4.7	23.8
Total Capital Programme	129.2	93.4	76.2	58.0	57.0	413.8



The council’s capital investments fall within “the Prudential Code for Capital Finance in Local Authorities.” Under this Code, local authorities have discretion over the funding of capital expenditure and the freedom to determine the level of borrowing they wish to undertake to deliver the Capital Programme. There are a range of potential funding sources which can be generated locally, either by the council itself or in partnership with others.

The implications of financing capital expenditure from borrowing is that the expenditure is not funded immediately but charged to the revenue budget over a number of years. This annual charge to revenue is known as the Minimum Revenue Provision (MRP) and the council has a statutory duty to set aside each year and amount it considers to be prudent, in line with guidance. The Council approves the MRP Policy each year.

Reserves & balances policy statement

The council is required to maintain an adequate level of reserves and general balances to deal with future forecast and unexpected pressures. A local authority is not permitted to allow its spending to exceed its available resources so that overall it would be in deficit. Sections 32 and 43 of the Local Government Finance Act 1992 require authorities to have regard to the level of balances and reserves needed for meeting estimated future expenditure when calculating the budget requirement.

Balances and reserves can be held for three main purposes:

- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing - this forms part of general balances;
- a contingency to cushion the impact of unexpected events or emergencies, which also forms part of general balances;
- a means of building up funds, often referred to as earmarked reserves, to meet known or predicted liabilities.

Given the reduction in funding that the council has experienced over recent years, retention of the council's general balances and reserves will be essential to order to mitigate the risk of future uncertainties and non-delivery of the transformation programme or other planned budget reductions, that are designed to bring the council's spending in line with available resources.

The application of general balances and reserves can, by definition only be used once and should therefore only be applied for one-off or non-recurring spending, investment or to smooth the effect of government funding reductions that have a disproportionate impact in any one year. If reserves are depleted disproportionately in a financial year, the council should plan to replenish these in future years to be confident of being in a position to manage future risks safely.

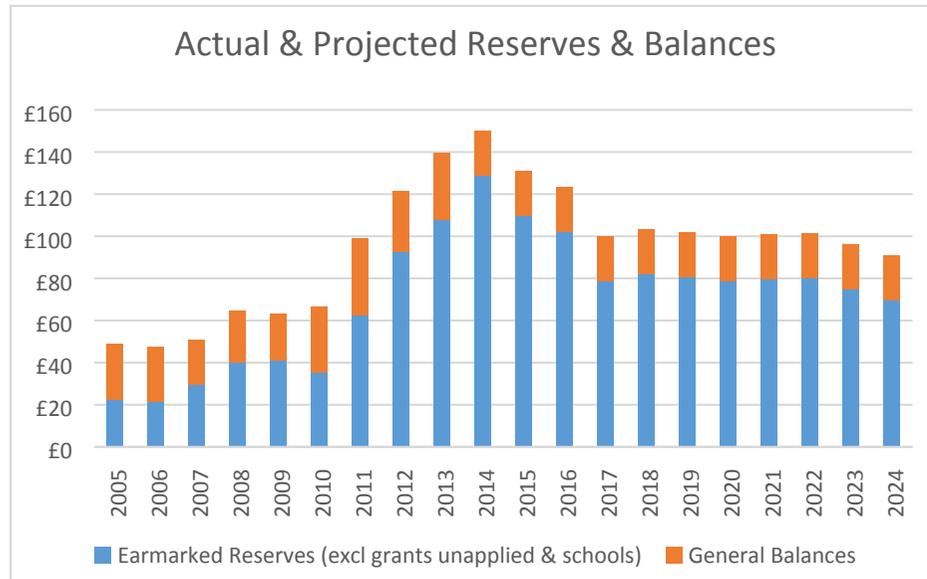
General Fund Balance:

The council has traditionally maintained a small general balance in order to provide a contingency against unforeseen overspendings or a major unexpected event. Although there is no generally recognised official guidance on the level of general balances to be maintained, the key factor is that the level should be justifiable in the context of local circumstances, and council taxpayers' money should not be tied up unnecessarily. The council's external auditor comments on the level of balances and reserves as part of the annual audit of the council's financial position.

In recent years it has been considered prudent to maintain a minimum level of available general balances of between 2.0% to 2.5% of the core funding, i.e. between £17m to £22m. This is normally sufficient to cover unforeseen circumstances and the risk of higher than expected inflation. The council brought forward £21.3 m general balances at 1 April 2018. The council has applied none of this to support the 2018/19 budget. Going into 2019/20 the Executive Director of Finance recommends the level of general balances remains the same. This reflects the on-going high level of uncertainty and risk the council faces.

Earmarked Reserves:

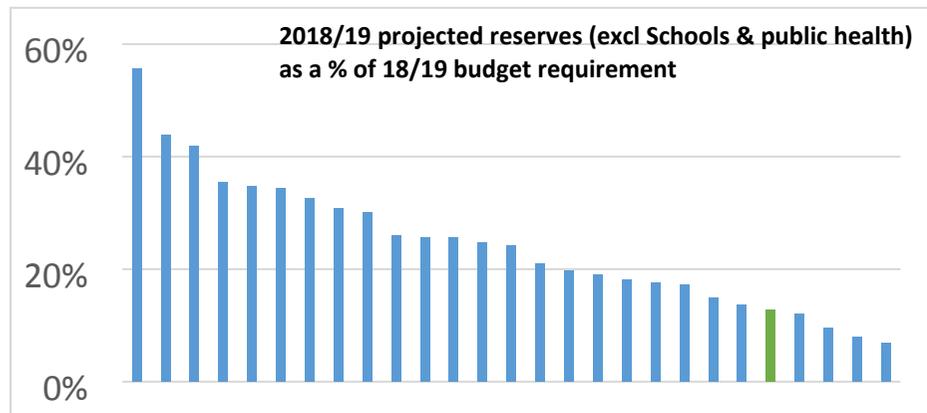
While general balances are unallocated, earmarked reserves are held for specific purposes and to mitigate against potential future known or predicted liabilities. The level of earmarked reserves will vary according to specific prevailing financial circumstances, in particular linked to risk and uncertainty and are therefore reviewed regularly with adjustments reported to and supported through Cabinet decisions.



From 2010, the council planned to build up reserves to provide a cushion against reducing Government funding. Since 2014, we have used £88m of reserves to help support the revenue budget.

We now believe that our reserves are at the minimum level to be able to sustain financial resilience and therefore the further depletion of these reserves to support future budgets is no longer considered appropriate. This financial strategy does not rely on the general use of reserves to provide a one-off funding solution to ongoing budget pressures.

Despite this, in relative terms, the Council’s reserves and balances remain low. Compared to other county councils we have a relatively low level of reserves and balances. This is demonstrated in the graph (below), with Surrey County Council being the green column.



Reserves are however at a level which is adequate based on the identified risks to the Council. Due to the increased risk and uncertainty in current budgets, it would not be considered appropriate to reduce reserves to pre-2011 levels.

In the medium term there will need to be consideration given to rebuilding the level of reserves following several years in which they have been depleted. The end of the trend of falling reserves, and a higher level of reserves than was anticipated in last year’s budget represent an important change of direction in relation to the Council’s reserves strategy.

Surrey County Council Budget 2019/20 - Equality Impact Assessment

Summary

1. This report summarises potential impacts on residents and Surrey County Council staff arising from service changes that will contribute to the improvement of services for residents as well as supporting the council to realise a sustainable budget for the 2019/20 year. It also includes mitigating actions to maximise positive impacts and minimise adverse impacts. This report should be read with a number of appendices, including individual Equality Impact Assessments (EIAs), the Part A) Transformation Proposals – Delivering Better Services for Residents Cabinet report of 29 January 2019, and the Part B) Revenue and Capital Budget 2019/20 and Key Financial Strategies to 2024/25 Cabinet report of 29 January 2019.
2. The transformation proposals have been grouped into the following themes:
 - a. Promotion of choice and control for residents
 - b. Changing the way we work, internally and for residents
 - c. Prioritising spend to make us financially viable
 - d. Maximising our income streams without disadvantaging residents.
3. These reflect the strategic actions the council is taking to transform into a modern organisation that provides effective, good quality services, with a focus on meeting the needs of the most vulnerable people of Surrey. These actions form part of the activity the council has committed to in the [Organisation Strategy 2019-2023](#), which articulates how we will contribute to the [Community Vision for Surrey in 2030](#). Achieving our ambitions relies on the best allocation of our resources, which may entail taking difficult decisions about how our services look in the future. The council's transformation programme seeks to reform the function, form and focus of the organisation so there will be significant impacts on services and our relationships with residents, partners and staff that need to be understood.
4. Some of the work programmes associated with the 2019/20 budget aim to transform our workforce and working practices so we are able to meet the simultaneous challenges of reduced funding from central government and increasing demand for our services. Others aim to increase customer satisfaction and achieve economies of scale by changing the way residents access the information and services they need.
5. We are also working to anticipate and prepare for future increased demand on services by improving the use of data to drive evidence-based decision making, commissioning and transformation. All of these will lead to improved performance and more informed decisions about how we allocate resources and provide services.
6. Given the scale and complexity of change required, the council's savings proposals for 2019/20 have been analysed as a whole. This exercise has highlighted the potential for some resident groups to be impacted by multiple savings proposals. The following groups have been identified:
 - a. Families, young children and expectant mothers
 - b. Older adults
 - c. People with physical, mental or learning disabilities
 - d. Carers

Our Duties

7. When approving financial plans, Members must comply with the Public Sector Equality Duty in section 149 of the Equality Act 2010 which requires them to have due regard to the need to:
 - a. eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
 - b. advance equality of opportunity between persons who share a relevant protected characteristic¹ and persons who do not share it²; and
 - c. foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
8. Members are also required to comply with Section 11 of the Children Act 2004, which places a duty on the Council to ensure their functions, and any services that they contract out to others, are discharged having regard to the need to safeguard and promote the welfare of children.
9. Cabinet must read each individual EIA (listed in Paragraph 19) in full and take their findings into consideration when determining these proposals. Having 'due regard' requires that Members understand the consequences of the decision for those with the relevant protected characteristics and consider these alongside other relevant factors when making decisions. In addition, consideration of equality is an ongoing process and should take into account evidence from consultation and engagement activity and other data sources where appropriate.
10. 'Due regard' also means that consideration given to equality matters should be appropriate in the context of the decision being taken. This means Members should weigh up equality implications against any other relevant factors in the decision-making process. In this case the most significant other matters are:
 - a. the statutory requirement to set a balanced budget;
 - b. the ambitions the council has for Surrey as a place, which are set out in the [Community Vision for Surrey in 2030](#) and the [Organisational Strategy 2019-2023](#)
 - c. the priorities within the council's [Confident in Surrey's Future: Equality, Fairness and Respect Strategy 2015 – 2020](#)
 - d. the [demographic pressures](#) facing the council's services that include a rising population with projected increases in the number of older residents and children and young people. Increases in these age groups are placing, and will continue to place, additional demands and pressures on adult and children's social care services and local schools.

¹ The protected characteristics set out in the Equality Act 2010 are as follows: Age, Disability, Gender Reassignment, Pregnancy/maternity, Race, Religion or Belief, Sex, Sexual Orientation. Marriage and civil partnership are also protected characteristics for the purposes of the duty to eliminate discrimination.

² In addition to this, Surrey County Council considers impacts on Carers when undertaking Equality Impact Assessments as they are protected under the Act by association with someone with a protected characteristic listed in paragraph 14.

Council Tax

11. The council believes that raising Council Tax by 2.99% is likely to have minimal impact for most households as it does not constitute a large proportion of outgoings. If the council was to seek to agree a lower Council Tax increase, the effect of this would be a need to further reduce services, as we seek to set a balanced budget without the drawdown of reserves. This could lead to a greater impact on the most vulnerable people in Surrey with the council having fewer resources to support them.
12. Overall, the increase is modest, at 81p per week for a Band D household, and there are a number of Council Tax relief/support schemes in place through district and borough authorities to mitigate the effects of rises for those on low incomes or with specific circumstantial factors. Information about these schemes are available from individual district and borough websites.

Surrey County Council Savings Proposals 2019/20 - Strategic Actions

13. An assessment of service proposals has been undertaken. When taken together, service proposals can be categorised as the following strategic actions;
 - a. **Promotion of choice and control for residents.** This relates to increasing introduction of self-service for residents in several areas, including more flexibility in ways they can contact the council. Alongside this, the council is continuing to increase the numbers of people who exercise control over budgets for their own care, such as through Direct Payments in Adult Social Care, as well as supporting families to remain together where possible as part of changes in Children's Services.
 - b. **Changing the way we work, internally and for residents.** This relates largely to changes to working practice in the Health, Wellbeing and Adult Social Care and Children, Families and Learning Directorates which include using digital technology and supporting our workforce to be more productive to enable transformation projects and deliver productivity gains, developing new technologies, becoming a more agile organisation and thinking creatively about resource allocation within services.
 - c. **Prioritising spend to make us financially viable.** This will help us make sure we are delivering the right service, to the right people, every time. It involves focussing on reablement and rehabilitation, assessing for long term needs when a person is at their best and reviewing care packages in a culture of optimism within Adult Social Care. Where the council is moving toward delivering services in a manner similar to other local authorities of comparable size these are being undertaken to ensure the most effective allocation of resources.
 - d. **Maximising our income streams without disadvantaging residents.** This encompasses areas in which the council is considering commercial opportunities, as well as introducing charges for some services we offer, including as part of changes in Highways, Transport and Environment and continued service development in Adult Social Care.

Annex 7 – SCC Budget 2019/20 Equality Impact Assessment

14. These actions demonstrate how the council is intending to become a modern organisation, which is responsive to the needs of residents and is financially sustainable, including increased access to services through digital technology, more effective allocation of its resources to support the most vulnerable residents in Surrey and transforming back-office processes to enable the council to invest more in front-line service delivery.
15. We are also introducing these changes out of necessity. Since 2010, the council has faced the twin financial pressures of falling government grants and rising need for its services. Although we have made significant efficiency savings in this time, and raised Council Tax, we have had to draw down £88 million from reserves since 2014 to ensure a balanced budget each year. Reserves are now at a level where it is not sustainable to continue this approach. We do not expect a significant change in the wider financial outlook for local government in the medium term, and therefore has embarked upon a programme of transformation to ensure its services and finances are sustainable.
16. Prioritising spend in the current context of funding constraints and increased demands means we will need to target some of our services more at the people who need them most and this is reflected in proposals for service transformation. These proposals are examined in individual EIAs (**Annexes 1a – 7b**).

Surrey County Council Savings Proposals 2019/20 – Equality Impact Assessments

17. The Equality Act does not require an EIA to be carried out, however we think an EIA is the best way to demonstrate that the equality impacts have been identified and considered. We have reviewed the whole package of savings proposed for 2019/20 to determine whether an EIA is needed or not. For those transformational services changes where residents are most likely to see tangible changes, individual EIAs have been completed and reviewed as part of the council's commitment to understanding the impact of its decisions, especially on those with protected characteristics. These are available to read in **Annexes 1a, 2a, 3a, 4a, 5a, 7a and 7b**. Our assessment of the likely impacts of these started when proposals were being formed. Proposals will only be implemented after due regard has been given to the need to achieve the three aims set out in Section 149 of the Act (paragraph 7 of this report).
18. It is open to the council to formulate its budget proposals (having regard to the likely impact on protected characteristics), and then at the time of developing any policies, the council will consider in greater detail the specific impact of the proposed policies that might be implemented within the budgetary framework. Where it is the case that decisions on how to achieve savings within the agreed budget will be taken in-year, subsequent decisions will be taken by the relevant Cabinet Member and Executive Directors, and shall be made based on a clear understanding of what the potential impacts might be.
19. There are seven individual Equality Impact Assessments for Cabinet and Council to consider when giving due regard to the proposals outlined in the budget:
 - 1) Recommissioning of Children's Centres in Surrey (**Annex 1a**)
 - 2) Special Educational Needs and Disability Strategy (SEND) (**Annex 2a**)

Annex 7 – SCC Budget 2019/20 Equality Impact Assessment

- 3) Transforming Libraries and Cultural Services in Surrey (**Annex 3a**)
 - 4) Proposed changes to Surrey’s Community Recycling Centres (CRCs) (**Annex 4a**)
 - 5) Surrey County Council (SCC) Review of English National Concessionary Travel Scheme Enhancements (**Annex 5a**)
 - 6) Adult Social Care Transformational Savings EIA (**Annex 7a**)
 - 7) Customer Experience EIA (**Annex 7b**)
20. These individual assessments represent the proposals which, if approved, will or are likely to change how residents currently access or receive services and therefore require consideration of what potential equality implications may be, and how these could be mitigated.
21. As some of the other savings proposals within the budget are still in a formative stage, services are not yet in a position to assess the full impacts of these. Where impacts are identified at a later date, the relevant Cabinet Member and Executive Director will be required to consider new information and give them due regard as proposals are implemented.
22. Members should also recognise that within the EIAs attached to this budget, some impacts that are described are necessarily high level as a result of the stage which some of the transformation projects are at. As any unanticipated effects become apparent further down the line, Cabinet will be informed of these as appropriate.
23. Some savings within the 2019/20 budget will not have any direct effect on residents or service delivery. These savings will be found through mechanisms such as budget adjustments and removal of vacant posts.
24. The following section assesses the council’s savings for 2019/20 in a cross-cutting way and considers the cumulative impact of some of these changes. Members may consider this cumulative analysis alongside the individual EIAs but must still read, consider conscientiously and give due regard to each individual EIA document when making decisions on the proposals outlined in the budget.

Surrey County Council Savings Proposals 2019/20 – Cumulative Impact

25. Analysis of the EIAs shows that the groups with the potential to be cumulatively affected by the changes proposed for 2019/20 are as follows. Impacts on each stakeholder group are identified along with proposed mitigations.
26. **Protected characteristic: Age and Pregnancy and Maternity - Families, young children and expectant mothers.** This is due to the partial shift away from place-based service delivery of a high number of Children’s Centres toward a targeted approach for the most vulnerable children and the use of main centres in locations where children are most likely to be adversely affected by deprivation. This change reflects best practice elsewhere, as well as our own strategic principles; redesigning the way families can access these services will allow us to assist those most in need.
27. Any potential changes to the delivery of cultural services, subject to analysis of recent consultation and any future consultation that may also be required, could also disproportionately impact on this group as young children and their parents make up a higher percentage of the user groups of these services. We know from recent engagement that residents are positive about the idea of co-location of services and

shared spaces, as well as being supportive of using new technologies to more effectively deliver services.

Mitigations:

- a. Comprehensive consultation has taken place in recent months in order to understand how the council can work with residents to ensure minimum disruption following service changes, and engagement with partner organisations is underway to discuss how potential alternative delivery mechanisms, if any, could be utilised.
- b. These steps will address some of the potential impact that families, young children and expectant mothers may especially feel. Further detail of mitigation can be found within the Recommissioning of Children's Centres EIA (**Annex 1a**) and the Review of Cultural Services EIA (**Annex 3a**)

28. **Protected characteristic: Age - Older adults.** Changes within Adult Social Care have the potential to cumulatively impact on elderly residents, including any decisions the council takes to target services toward the most vulnerable and therefore the need to think flexibly about how care is provided to other service users. Any potential increased reliance on family, friends and community networks may bring with it quality assurance and/or safeguarding concerns.

29. Changes to the local market arising from service alterations within Adult Social Care, such as exit by providers from the local area, could impact on older residents who purchase care directly from these organisations. The council will undertake a co-design approach in order to minimise some of these impacts, but the move toward self-service for residents and an increased reliance on digital platforms for contacting the council may make it further difficult for these groups to raise concerns or queries.

Mitigations:

- a. Staff will be trained and supported to have effective conversations with residents at the point at which they access services, including growing the knowledge base of the organisation in order to lead to effective signposting to community-based resources.
- b. The council work with the voluntary, community and faith sector providers so that any reduction in grants and contracts are evaluated across the system, targeted and undertaken in adherence to the principle of the Surrey Compact.
- c. Those persons eligible for a statutory service will continue to receive it in accordance with their assessed needs
- d. This will address some of the potential impact that older adults may especially feel. More information and further mitigation can be found within the Adult Social Care Transformational Savings EIA (**Annex 7a**).

30. **Protected characteristic: Disability - those with physical, mental or learning disabilities.** Though these groups are foremost likely to be affected by the planned strategic shift from residential to community provision and associated savings of that project, all other proposals that alter the way residents access council services, such as an amalgamated single front door approach, present the risk that individuals in this group will be negatively affected as they may find it more difficult to self-serve or use digital platforms than other residents. People belonging to this group are also likely to be affected by changes to the companion pass scheme, and the future development of the SEND strategy.

Mitigations:

- a. A targeted and coordinated approach which includes the introduction of more specific support plans with clearer outcomes for service users, as well as clear communication and support to care companies who can work with the council to shape their offer around direct payments and find creative solutions to deliver best value for money. As part of changes to the way residents can contact the council, mediation or translation services for those with communication difficulties will continue to be used so that all residents are able to make their views heard.
- b. Though the council originally consulted on the removal of the Companion Pass, following consultation feedback it has been decided to retain the application of this pass between 9:30am and 11:00pm on weekdays, all day at weekends and bank holidays, so that any qualifying disabled bus pass holders who need assistance to be able to travel can take someone with them who can travel for free as well during the times specified.
- c. These steps will address some of the potential impact that people with learning, mental or physical disabilities may especially feel.

31. **SCC additional characteristic: Carers.** As Adult Social Care shifts toward more creative and informal ways of thinking about care, whilst continuing to fulfil statutory responsibilities to deliver plans based on levels of assessed need, there may be some degree of initial anxiety for those with caring responsibilities as they adapt to any new arrangements. There may also be a feeling that these individuals are obliged to provide care they are unable to cope with or do not currently provide. Other service changes that may specifically impact carers include changes to the Companion Pass travel system and increases to different fees and charges that are already in place.

Mitigations:

- a. The use of new digital platforms and the alignment of multiple points of access into one front door for residents will be a positive impact of service changes for those who require clear and concise information in an accessible format, or who may have regular contact with the organisation. This will address some of the potential impact that carers may especially feel as a result of service proposals.
- b. Any concerns with these new ways of working or communicating will be captured by services and adjustments made accordingly. Finally, flexible ways of working may make arrangements easier for those staff members with caring responsibilities. Further information can be found in the Customer Experience EIA (Annex 7b)

Surrey County Council Savings Proposals 2019/20 – Other Impacts

32. The council is aware that some elements of the Transformation Programme could result in unexpected or unintended impacts on residents, which we are not yet in a position to fully assess. This cumulative analysis highlights some of the high level impacts that we are able to define at this time, as they relate to the projects mentioned.

33. Through reviewing all of the Equality Impact Assessments undertaken as part of the budget process, it is noted that there are other areas in which decisions that the

Annex 7 – SCC Budget 2019/20 Equality Impact Assessment

council is taking are likely to impact on service delivery for residents which are not mentioned in the seven EIAs attached.

34. Changes to arrangements for Looked after Children (LAC), as part of the wider Family Resilience Transformation Plan, are intended to ensure that all children receive the right help at the right time, which will improve services for children, young people and their families as well as reduce our over-reliance on independent placements comparative to our peer authorities. Whilst the intended effects of this change will mean increased in-county provision and support for in-house foster carers, there is the possibility that placement choice may be reduced, resulting in the potential for higher placement instability. Effective planning and completion of Sufficiency Plans will help identify the needs of LAC, so that gaps in provision can be proactively addressed.
35. The SEND Travel Assistance Policy continues the introduction of a wider variety of travel assistance options that are better adapted to the needs of children and young people, from the previous financial year. The service has actively promoted its independent travel training offer since the launch of the new arrangements in September 2018, and is currently devising a Travel Assistance Communications plan to continue to engage with residents around impacts of the policy change and potential mitigations.
36. A review is underway to assess the services the Highways, Transformation and Environment Directorate provides, including the future of public bus provision in Surrey. As the review progresses and proposals developed, reports will be presented to Cabinet with completed EIAs following stakeholder consultation and engagement.
37. Service changes attached to the Countryside Review, a continuation of savings from previous financial years, entail a reduction in contribution to hosted partnerships and a reduction in Rights of Way work. The public who visit the countryside, and those who benefit from some of the activities run by the partnerships experiencing funding reductions, are likely to continue to be affected. The service will continue to monitor the impact of these changes and make adjustments as appropriate as the impacts become apparent.
38. Changes to working practices in the Customer, Digital and Transformation directorate are likely to impact staff in a variety of ways. More flexibility and an 'agile' approach to working bring with it benefits for those staff members who are able to take advantage of this flexibility through, for example, working remotely or utilising digital to more effectively manage workloads. Early assessment suggest that those staff with protected characteristics may be less able to adapt to these changes and are the most likely to be affected. Those departments implementing new ways of working will monitor how members of staff are able to adapt and provide training and make adjustments as necessary.
39. Although there are difficult choices to make, our EIAs illustrate the commitment of the council to understanding the effects of decisions made and to mitigate negative impacts where possible. We will closely monitor the impact of decisions taken, especially those on the groups outlined within this section as potentially being at particular risk of impact.

Mitigations

40. As part of this equality analysis work, services have developed a range of mitigating actions that seek to offset impacts of savings proposals (as outlined in paragraphs 20 - 27 and in the EIAs themselves) on residents and staff with protected characteristics. In general terms, the Council's approach to mitigating impacts has been, or will be as strategic principles are developed into more formative proposals, to adopt one or more of the following:
- a. Putting service users and staff at the heart of service re-design, using co-design and consultation methods to produce services that are responsive and focus on supporting people that need them most. This means bringing together the right people early in the process to understand the issues and then decide what can be done collectively to improve outcomes.
 - b. Undertaking ongoing evaluation of the impacts of changes to services so we can build further evidence of who is affected by them, to refine and strengthen the mitigations that are in place and to document and respond to unforeseen negative impacts.
 - c. Providing tailored information to service users that are impacted negatively by savings proposals so they can draw on their own resources or seek further support either from the council or partner organisations.
 - d. Ensuring any changes to staffing levels or staff structures are completed in accordance with the council's human resources policies and procedures and take account of the impact these changes have on the workforce profile. In particular, there may be positive career opportunities for staff with protected characteristics as a result of this activity.
 - e. Increasing opportunities for residents to access council services in new and easier formats, such as through the use of digital technologies. Additional support will be provided for residents who may need help to adapt to the new formats, such as some older or disabled people.
 - f. Ensuring that staff with protected characteristics are fully supported with training and adjustments as appropriate to allow them to access the new ways of working the transformation proposals give rise to and for all staff to be equipped to support residents to do the same.

Conclusions

41. As part of our drive to become a modern and efficient organisation, the council is undertaking changes in the way we deliver some services to residents. Some of these changes have necessitated Equality Impact Assessments to be undertaken to identify any groups with protected characteristics who may be impacted by these proposals.
42. This report has summarised the main themes and potential impacts on residents arising from savings proposals for the 2019/20 year, as well as mitigation activity.

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The scale of change the council needs to go through is significant, and will affect the residents that depend on our services. However, this report demonstrates, as part of our commitment to ensure that no-one is left behind, that we will always consider how these changes affect the most vulnerable residents and how we can support them through this period of transformation.

- 43. This summary report should be read only in conjunction with each individual EIA.**



Equality Impact Assessment (EIA)

1. Topic of assessment

EIA title	Adult Social Care Transformational Savings
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EIA author	Kathryn Pyper
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2. Approval

	Name	Date approved
Approved by	Sinead Mooney, Cabinet Member for Adult Social Care	3 January 2019
Approved by	Simon White, Executive Director, Adult Social Care	2 January 2019

3. Quality control

Version number	5	EIA completed	18 January 2019
Date saved	18 January 2019	EIA published	21 January 2019

4. EIA team

Name	Job title	Organisation	Team role
Liz Uliasz	Service Director (Adult Social Care)	Adult Social Care	Accountable Executive
Toni Carney	Head of Resources & Caldicott Guardian	Adult Social Care	Head of Resources
Kathryn Pyper	Senior Programme Manager	Adult Social Care	Equality & Diversity
Claire White	Lead Project Manager	Adult Social Care	Subject matter expert
Mike Boyle	Assistant Director, Commissioning and Transformation	Adult Social Care	Commissioning
Peter Tempest	Assistant Director, Learning Disability and Autism	Adult Social Care	Learning Disability and Autism

5. Explaining the matter being assessed

<p>What policy, function or service is being introduced or reviewed?</p>	<p>Adult Social Care’s vision is to be a modern service which promotes independence. This modern service will be characterised by:</p> <ul style="list-style-type: none"> • Diverting people to alternative support including, community and family support, self-help and universal services • Helping people at the right time so that short term help is provided to promote independence and is then reduced over time • Focusing on restoration, reablement, recuperation, recovery and rehabilitation • Assessing for long term needs when an individual is at their best • Treating hospitals as a front door in their own right • Reviewing in a culture of optimism <p>This modern service will be delivered through the ASC transformation programme. The key elements of this programme which will deliver savings as part of the 2019/20 Medium Term Financial Plan (MTFP) will be:</p> <ol style="list-style-type: none"> 1. Learning Disability – This programme will increase the number of people with a learning disability and autism living independently in their own homes, with access to employment, friendship groups or other worthwhile pastimes. 2. Market Management – This programme will renegotiate the cost of care for the provision of supported living and residential care for people with a learning disability 3. Practice Improvement – This programme will equip practitioners to take a strength based approach, ensuring people who need care and support have real choice and control, implementing a rigorous approach to reviews.
<p>What proposals are you assessing?</p>	<p>Some areas of the programme require an Equality Impact Assessment to be undertaken. Those areas that do not require an assessment are not referred to in this document. The proposals requiring an EIA in respect of the transformation programme are as follows:</p> <ol style="list-style-type: none"> 1. Learning Disability <ul style="list-style-type: none"> • Residential care and day care – Exploring options for replacing day care and associated transport arrangements with better access to universal community services, employment training, travel training etc. • Supported Living schemes – Introducing assistive technology across all schemes to reduce staff costs and aid independence/safety. • Short break service/respice – Exploring the concept of a county service to ensure parity of provision, price and use. Developing a directory of alternatives to building based short breaks - possibly extending shared care schemes and other activity based approaches. • Direct payments – Making this the default offer by mid-2019 to give people more choice and buying power. Introducing an asset based model of support to achieve the same outcomes at a reduced cost - switching the focus to training/recovery/discovery of skills, rather than doing for the person. 2. Market Management

	<ul style="list-style-type: none"> • Renegotiating the cost of care for the provision of supported living and residential care for people with a learning disability. <p>3. Practice Improvement</p> <ul style="list-style-type: none"> • Changing the conversation at the front door – Having skilled workers triaging at the front door using an asset based approach to ensure we manage demand more effectively and avoid unnecessary casework. Holding strength-based conversations through the assessment, support planning and review process. Making direct payments the default offer to reduce dependency on traditional home care and commissioned services. • Mobile Workforce – Testing the LAS (Liquidlogic Adults System) mobile app for roll out to workers with visiting roles to enable a more mobile workforce who can complete assessments in the community, saving both time and travel. • Channel shift /self-serve – Having a greater focus on self-service, self-assessment and self-sourcing and developing the functionality to enable online reviews. . Introducing online accounts to enable clients to complete support plans online and to interact with us in a digital way to reduce transaction costs. • Flexible and Skilled Workforce - Looking at organisational structure and accountabilities including qualified and un-qualified posts. Having a new structure for ASC localities/hospital teams defined and a new structure for countywide services in place by the end of 2018/2019.
<p>Who is affected by the proposals outlined above?</p>	<p>The proposals will affect:</p> <ul style="list-style-type: none"> • People who use services and their carers • Local residents • Adult Social Care staff • Surrey Choices (SCC’s Local Authority Trading Company)

6. Sources of information

<p>Engagement carried out</p>
<p>Staff and our strategic user and carer partners have been engaged as part of defining the Practice Improvement changes.</p> <p>Extensive engagement with Surrey Care Association and a steering group of learning disability providers was undertaken to develop the new pricing structure for residential care and supported living for the cost of care renegotiations.</p> <p>For the changes to learning disability services, a range of engagement will be undertaken with staff, Members, providers and other stakeholders including the Learning Disability Partnership Board, Local Valuing People Groups, Autism Partnership Board and Carers Forum.</p> <p>People who use services will be engaged in any changes arising on an individual basis as part of their personalised review</p>
<p>Data used</p>
<ul style="list-style-type: none"> • Liquidlogic Adults System (LAS) management information – April 2018 • Interviews with locality team managers - April 2018

Annex 7a – ASC Transformational Savings Equality Impact Assessment

- Team Appraisal 5 - September 2017
- Data from www.surreyi.gov.uk, including the Surrey Joint Strategic Needs Assessment
- Strengths-based social work practice with adults, roundtable report, Department of Health – June 2017
- Predicting and managing demand in social care, Professor John Bolton – March 2016

7a. Impact of the proposals on residents and service users with protected characteristics

** Please note: Potential positive and negative impacts which relate to all protected characteristics are listed under age; those which then relate to each specific protected characteristic are then listed against that characteristic

Protected characteristic ¹	Potential positive impacts	Potential negative impacts	Evidence																														
Age**	Create more age appropriate services, including extra care or residential age appropriate settings	The shift towards more creative and informal care may generate some initial anxiety for people and their carers	<p>Learning Disability - The age profile of all the people with a learning disability and/or autism and/or asperger who will be supported by the ASC learning disability and autism team is as follows:</p> <table border="1"> <thead> <tr> <th>Age Band</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>16 to 25</td> <td>209</td> </tr> <tr> <td>26 to 40</td> <td>1,166</td> </tr> <tr> <td>41 to 65</td> <td>1,465</td> </tr> <tr> <td>66 to 80</td> <td>442</td> </tr> <tr> <td>80+</td> <td>54</td> </tr> <tr> <td>Not Known</td> <td>95</td> </tr> <tr> <td>Grand Total</td> <td>3,431</td> </tr> </tbody> </table> <p>Market Management - The age profile of all the people with a learning disability who are supported by providers involved in the cost of care renegotiation is as follows:</p> <table border="1"> <thead> <tr> <th>Age Band</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>16 to 25</td> <td>252</td> </tr> <tr> <td>26 to 40</td> <td>601</td> </tr> <tr> <td>41 to 65</td> <td>970</td> </tr> <tr> <td>66 to 80</td> <td>339</td> </tr> <tr> <td>80+</td> <td>54</td> </tr> <tr> <td>Grand Total</td> <td>2,216</td> </tr> </tbody> </table> <p>Practice Improvement - The number of individuals supported by Adult Social Care is shown below, broken down by age range:</p>	Age Band	Number	16 to 25	209	26 to 40	1,166	41 to 65	1,465	66 to 80	442	80+	54	Not Known	95	Grand Total	3,431	Age Band	Number	16 to 25	252	26 to 40	601	41 to 65	970	66 to 80	339	80+	54	Grand Total	2,216
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Identify family carers of 70yrs+ and offer them more effective support and engage in early planning for their adult child's future wellbeing, support and financial arrangements etc	There may be increasing demands placed upon the voluntary, community and faith sector which may become overloaded and unable to support everyone who approaches them																																
Enable an offer to young adults transitioning into adult services is aligned with the opportunities we will be creating for working age adults.	Block commissioning enables reduced rates to be negotiated. Individual's commissioning services may not receive the same competitive pricing.																																
It will encourage a more creative and age appropriate response by care companies	Older residents may not have the same ability to access a menu of support services and may be less able to																																

¹ A Protected Characteristic is defined in the Equality Act 2010. See the Equality and Human Rights Commission information for further information <https://www.equalityhumanrights.com/en/equality-act/equality-act-2010>

Protected characteristic ¹	Potential positive impacts	Potential negative impacts	Evidence														
	<p>There will be a focus upon ensuring people have access to universal health care and screening at the right time in their lives</p> <p>Providers may hand back contracts and/or ask people to leave. This creates opportunities for people over 65 years of age to move to more age appropriate services with their peer age group</p> <p>Residents will be encouraged to have a more detailed discussion, exploring what care and support their family, friends and local community can provide to meet their needs. This will encourage creativity, people to continue to play an active part in their community and to maintain their independence</p> <p>Skilled and trained staff at the front door,</p>	<p>access community based support services</p> <p>Older people may be less able to assess the suitability of the services they are buying</p> <p>There may be quality assurance and safeguarding issues around the care provided by family, friends and community networks, how this is assured and to whom concerns should be raised</p>	<p>Open ASC cases (August 2018)²</p> <table border="0"> <tr> <td>18 to 54</td> <td>6,417</td> </tr> <tr> <td>55 to 64</td> <td>3,083</td> </tr> <tr> <td>65 to 74</td> <td>3,139</td> </tr> <tr> <td>75 to 84</td> <td>4,408</td> </tr> <tr> <td>85 to 99</td> <td>5,687</td> </tr> <tr> <td>100+</td> <td>155</td> </tr> <tr> <td></td> <td>22,889</td> </tr> </table>	18 to 54	6,417	55 to 64	3,083	65 to 74	3,139	75 to 84	4,408	85 to 99	5,687	100+	155		22,889
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² ASC LAS system [accessed 6 August 2018]

Protected characteristic ¹	Potential positive impacts	Potential negative impacts	Evidence
	<p>using a reworked contact form, will ensure residents experience earlier decision making, and provision of appropriate information and signposting</p> <p>Online tools allow residents to refer themselves at a time and place that suits them; independently or with the help of a relative or friend; to record responses in their own words; and with links to information to help meet their needs</p> <p>The promotion of direct payments and Individual Service Funds will give residents more choice, control and independence</p> <p>Robust, timely and proportionate reviews will mean residents have services at a level and duration to meet their needs</p>		

Protected characteristic ¹	Potential positive impacts	Potential negative impacts	Evidence																																
	New models for strategic commissioning in alignment with health will mean more seamless service provision for residents																																		
Disability**	<p>It will encourage commissioners and care companies to co-design services and to listen to the individuals' voice in shaping new services to meet need</p> <p>The offer of a direct payment will increase choice and control for people with a learning disability and autism</p> <p>This may create opportunities for people to explore alternative community based solutions and different living arrangements</p> <p>Online tools will enable deaf residents to complete an assessment online without the need for an interpreter</p>	<p>Placing people in the community may be perceived by their families as placing them at potential risk</p> <p>If we don't communicate change in an appropriate and accessible way, there is a risk that people with a learning disability and autism will be excluded from the decision making process</p> <p>Local residents may object to planning application in their community for new services for people with a learning disability and autism</p> <p>It will be more difficult for people with some particular disabilities to access community networks as their disabilities are more challenging to support in</p>	<p>Learning Disability - The profile of the primary support reason of all the people with a learning disability and/or autism and/or asperger who will be supported by the ASC learning disability and autism team is as follows:</p> <table border="1"> <thead> <tr> <th>Primary Support Reason</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>Learning Disability Support</td> <td>3,082</td> </tr> <tr> <td>Mental Health Support</td> <td>72</td> </tr> <tr> <td>Not Known</td> <td>116</td> </tr> <tr> <td>Physical Support</td> <td>117</td> </tr> <tr> <td>Sensory Support</td> <td>15</td> </tr> <tr> <td>Social Support</td> <td>23</td> </tr> <tr> <td>Support with Memory and Cognition</td> <td>6</td> </tr> <tr> <td>Grand Total</td> <td>3,431</td> </tr> </tbody> </table> <p>Market Management - The profile of the primary support reason of all the people with a learning disability who are supported by providers involved in the cost of care renegotiation is as follows:</p> <table border="1"> <thead> <tr> <th>Primary Support Reason</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>Learning Disability Support</td> <td>1,898</td> </tr> <tr> <td>Mental Health Support</td> <td>99</td> </tr> <tr> <td>Physical Support</td> <td>175</td> </tr> <tr> <td>Sensory Support</td> <td>32</td> </tr> <tr> <td>Support with Memory and Cognition</td> <td>12</td> </tr> <tr> <td>Grand Total</td> <td>2,216</td> </tr> </tbody> </table>	Primary Support Reason	Number	Learning Disability Support	3,082	Mental Health Support	72	Not Known	116	Physical Support	117	Sensory Support	15	Social Support	23	Support with Memory and Cognition	6	Grand Total	3,431	Primary Support Reason	Number	Learning Disability Support	1,898	Mental Health Support	99	Physical Support	175	Sensory Support	32	Support with Memory and Cognition	12	Grand Total	2,216
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Protected characteristic ¹	Potential positive impacts	Potential negative impacts	Evidence																										
		<p>a community setting eg mental health, autism</p> <p>Safeguarding issues need to be considered particularly for people with learning disabilities or mental health needs, who may be more vulnerable in some community situations</p>	<p>Practice Improvement - Individuals supported by Adult Social Care by primary reason for support are listed below.</p> <p>Open ASC cases as at Aug 2018³</p> <table border="0"> <tr> <td>Learning Disability Support</td> <td style="text-align: right;">3,945</td> </tr> <tr> <td>Mental Health Support</td> <td style="text-align: right;">1,708</td> </tr> <tr> <td>Physical Support - Access and Mobility Only</td> <td style="text-align: right;">1,499</td> </tr> <tr> <td>Physical Support - Personal Care Support</td> <td style="text-align: right;">8,898</td> </tr> <tr> <td>Sensory Support - Support for Dual Impairment</td> <td style="text-align: right;">47</td> </tr> <tr> <td>Sensory Support - Support for Hearing Impairment</td> <td style="text-align: right;">207</td> </tr> <tr> <td>Sensory Support - Support for Visual Impairment</td> <td style="text-align: right;">162</td> </tr> <tr> <td>Social Support - Asylum Seeker Support</td> <td style="text-align: right;">1</td> </tr> <tr> <td>Social Support - Substance Misuse Support</td> <td style="text-align: right;">66</td> </tr> <tr> <td>Social Support - Support for Social Isolation / Other</td> <td style="text-align: right;">278</td> </tr> <tr> <td>Social Support - Support to Carer</td> <td style="text-align: right;">3,200</td> </tr> <tr> <td>Support with Memory and Cognition</td> <td style="text-align: right;">1,255</td> </tr> <tr> <td></td> <td style="text-align: right;">21,266</td> </tr> </table>	Learning Disability Support	3,945	Mental Health Support	1,708	Physical Support - Access and Mobility Only	1,499	Physical Support - Personal Care Support	8,898	Sensory Support - Support for Dual Impairment	47	Sensory Support - Support for Hearing Impairment	207	Sensory Support - Support for Visual Impairment	162	Social Support - Asylum Seeker Support	1	Social Support - Substance Misuse Support	66	Social Support - Support for Social Isolation / Other	278	Social Support - Support to Carer	3,200	Support with Memory and Cognition	1,255		21,266
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Gender reassignment**	No significant impact	No significant impact																											
Pregnancy and maternity**	No significant impact	No significant impact																											
Race**	No significant impact	No significant impact																											
Religion and belief**	The offer of a direct payment may enable people to access																												

³ ASC LAS system [accessed 6 August 2018]

Protected characteristic ¹	Potential positive impacts	Potential negative impacts	Evidence															
	services which cater for their faith People who share a religion or belief system will be encouraged to access support from within their local faith community																	
Sex**	No significant impact	No significant impact																
Sexual orientation**	No significant impact	No significant impact																
Marriage and civil partnerships**	No significant impact	No significant impact																
Carers^{4**}	Direct payments will offer carers more choice and support options We want to increase home adaptations to encourage and enable families to look after their adult family member at home	Carers may be resistant to, and feel anxious about, change Carers may feel obliged to take on more of a caring role Any changes to existing care arrangements may cause carers and families anxiety	Learning Disability - The profile carers for all the people with a learning disability and/or autism and/or asperger who will be supported by the ASC learning disability and autism team is as follows: <table border="1"> <thead> <tr> <th>Number of Carers linked to individual</th> <th>Number of Individuals who have a Carer</th> <th>Number of Carers</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>1,048</td> <td>1,048</td> </tr> <tr> <td>2</td> <td>176</td> <td>352</td> </tr> <tr> <td>3</td> <td>9</td> <td>27</td> </tr> <tr> <td>Grand Total</td> <td>1,233</td> <td>1,427</td> </tr> </tbody> </table>	Number of Carers linked to individual	Number of Individuals who have a Carer	Number of Carers	1	1,048	1,048	2	176	352	3	9	27	Grand Total	1,233	1,427
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⁴ Carers are not a protected characteristic under the Public Sector Equality Duty, however we need to consider the potential impact on this group to ensure that there is no associative discrimination (i.e. discrimination against them because they are associated with people with protected characteristics). The definition of carers developed by Carers UK is that 'carers look after family, partners or friends in need of help because they are ill, frail or have a disability. The care they provide is unpaid. This includes adults looking after other adults, parent carers looking after disabled children and young carers under 18 years of age.'

Annex 7a – ASC Transformational Savings Equality Impact Assessment

Protected characteristic ¹	Potential positive impacts	Potential negative impacts	Evidence
	<p>Online tools will enable carers to complete a carer’s assessment in their own time and away from the cared for person so they are able to think about their own needs</p>		<p>Practice Improvement – The number of carers known to ASC is as follows:</p> <p style="text-align: right;">Number of carers known to ASC as at August 2018⁵ 3,865</p> <p>Based on the 2011 Census and population projections, the number of carers in Surrey is projected to increase to 124,176 by 2025. An increase is projected in all age groups but the biggest increase is projected for carers aged 65 and over. Of those, 11% are projected to be 85 or over.</p> <p>Based on the 2011 Census and population projections, it is estimated that there are higher numbers of female carers in Surrey. The proportion is the highest in the 16-64 age group, where 60% of carers are female. This increases to 67% in that age group where they are caring for 50 or more hours per week. The 85+ age group is an exception to this, however, as the majority of carers (57%) are male. This increases to 58% for carers aged 85 and over who are caring for more than 20 hours per week.</p> <p>The ‘Healthy Lives Healthy People’ 2010 report stated that carers who care for 50 hours a week or more are 80% more likely to have health impacts. It also stated that carers providing 20 hours per week or more are likely to sustain a physical injury such as back strain.⁶ The ADASS report ‘<u>Economic Case for Local Investment in Carers Support</u>’ refers to the Department of Health’s ‘Impact Assessment on the Care Bill’ and concludes that ‘each pound spent on supporting carers would save councils £1.47 on replacement care costs and benefit the wider health system by £7.88’.⁷</p>

⁵ ASC LAS system [accessed 6 August 2018, includes Carers and Carers who also use services]

⁶ Department of Health. *Healthy Lives Healthy People*, 2010. Available from: <https://www.gov.uk/government/publications/healthy-lives-healthy-people-our-strategy-for-public-health-in-england>

⁷ ADASS, Department of Health, Carers Trust, Carers UK. *Economic Case for Local Investment in Carers Support* and Department of Health. *The Care Act 2014: Regulations and guidance for implementation of Part 1 of the Act in 2015/16: Impact Assessment (IA) 6107*, October 2014

7b. Impact of the proposals on staff with protected characteristics

** Please note: Potential positive and negative impacts which relate to all protected characteristics are listed under age; those which then relate to each specific protected characteristic are then listed against that characteristic

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence ⁸
Age**	<p>Staff will be equipped to spend more time understanding people's situations, assisting them to identify all the options available to meet their needs, providing information and encouraging the use of technology</p> <p>The review of organisational structure and accountabilities may create opportunities for staff with protected characteristics to develop new skills and to take on new roles and responsibilities</p>	<p>Some staff with protected characteristics may struggle to adapt to the pace and scale of change eg changing their conversation at the front door, using the mobile app, supporting online channel shift</p> <p>The review of organisational structure and accountabilities may limit opportunities for staff with protected characteristics</p>	<p>4.86% of the Surrey County Council workforce is aged 16 to 24 years, compared to 3.37% in Adult Social Care & Public Health, and 12 % of the economically active population in Surrey.</p> <p>Adult Social Care & Public Health has a higher profile of mature workers than the Surrey wide population, with 31.48% 45-54-years (compared to 15%). This is 28.97% for Surrey County Council as a whole.</p> <p>42.01% of employees in Adult Social Care & Public Health are part time compared with 53.1% in SCC.</p> <p>38.64% of the Adult Social Care & Public Health workforce are women working part-time</p> <p>13.36% of the Adult Social Care & Public Health workforce is 60 years and older, compared to 12.62% in Surrey County Council. This compares to 11% of the economically active population in Surrey.</p>
Disability**	As above	Moving from a locality to county wide service could mean staff with a disability find travelling to carry out their duties more challenging	The disability workforce profile in Adult Social Care & Public Health is 3.15% compared to 3.09% in the larger Surrey County Council.
Gender reassignment**	No significant impact	No significant impact	-

⁸ SCC:HR - Workforce Planning Data Sheet Jan 2017 and 2011 Census

Annex 7a – ASC Transformational Savings Equality Impact Assessment

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence⁸
Pregnancy and maternity**	No significant impact	No significant impact	-
Race**	No significant impact	No significant impact	
Religion and belief**	No significant impact	No significant impact	
Sex**	No significant impact	No significant impact	
Sexual orientation**	No significant impact	No significant impact	
Marriage and civil partnerships**	No significant impact	No significant impact	-
Carers**	Introduction of the mobile app will enable staff to be more flexible and efficient in their time and travel and will thus enable them to accommodate any caring responsibilities	Moving from a locality to county wide service could mean staff with caring responsibilities find travelling to carry out their duties more challenging	-

8. Amendments to the proposals

Change	Reason for change
No amendments to the proposals are recommended as a result of the Equality Impact Assessment.	-

9. Action plan

Potential impact (positive or negative)	Action needed to maximise positive impact or mitigate negative impact	By when	Owner
More creative and age appropriate services	Take a coordinated approach, provider by provider, introducing more specificity to support plans with clearer outcomes Encourage and challenge care companies to find creative solutions to deliver best value for money	2019/20	Assistant Director, Learning Disability and Autism (AD PLD)
Support for family carers 70yrs+	Identify family carers 70yrs+ and offer effective support and engage in early planning for their adult child's future wellbeing support and financial arrangements etc through using the family carers network to assist in conversations	2019/20	AD PLD
Seamless service to young adults transitioning into adult services	Align work with the Council's All Age Learning Disability Strategy Support work to improve the flow of information and data from Children's Services	2019/20	AD PLD
Services relevant to the changing needs of individuals as they age	Staff will undertake annual reviews to ensure services are relevant and changed where appropriate	2019/20	AD PLD
Focus upon the outcomes	Take a coordinated approach, provider by provider, introducing more specificity to support plans with clearer outcomes	2019/20	AD PLD

Annex 7a – ASC Transformational Savings Equality Impact Assessment

Co-design of services	<p>Ensure commissioners and care companies co-design services with, and listen to the voices of, people who use services and their carers</p> <p>Drive forward change with input from, and the support of, all stakeholders</p>	2019/20	AD PLD
Supporting carers	<p>Continue to support carers in their caring role</p> <p>Involve carers in the co-design of new services</p> <p>Monitor the use of carers' services to ensure equitable access</p> <p>Make direct payments the default offer for carers</p>	2019/20	AD PLD
Direct payments	<p>Ensure there are appropriate support mechanisms in place to enable people with a learning disability and autism to use a direct payment</p> <p>Work with ALT colleagues to ensure the PA rate is adequate to enable people to recruit and retain a PA</p>	2019/20	AD PLD
Home adaptations	<p>Work with district and borough councils to ensure home adaptations are undertaken with pace</p>	2019/20	AD PLD
Care companies adapting to direct payments	<p>Provide clear communication and support to care companies to reshape their service offer around direct payments</p>	2019/20	AD PLD
Placing people in the community perceived as a risk to themselves/the community	<p>Ensure people are equipped and their needs are suitable to access community resources</p> <p>Ensure robust safeguarding arrangements are in place</p> <p>Use success stories to reassure families</p>	2019/20	AD PLD

Annex 7a – ASC Transformational Savings Equality Impact Assessment

People will be excluded from the decision making process	Communicate change in an accessible way for people with a learning disability and autism so they are engaged in the decision making process	2019/20	AD PLD
Local residents may object to planning application	Engage with the local community and adherence to planning processes	2019/20	AD PLD
Carers resistant to, and anxious about, change may feel obliged to take on more of a caring role	Provide clear communication to help carers understand why and how services are changing Listen to carers concerns and reflect these into service design Ensure carers are assessed in their own right and have a support plan Continue to take a whole family approach to assessment. Ensure any young carers are identified and given support	2019/20	AD PLD
Moving to a county wide service could mean staff with a disability or caring responsibilities find travelling more challenging	Reasonable adjustments will be made to support staff	2019/20	AD PLD
Changes arising from market management	The Council has an on-going duty of care to meet eligible assessed need and will continue to do so		AD PLD with AD Commissioning and Transformation
Changing the conversation at the front door	Train and support staff to have an informed conversation with residents at the front door	End March 2019	Business Process Transformation Project Team
	Continue to grow staff's knowledge of local community based resources to which they can signpost people	On-going	SCDCs
	Continue to promote direct payments	On-going	ADs
	Define Surrey's Individual Service Funds offer for residents	End March 2019	Business Process Transformation Project Team

Annex 7a – ASC Transformational Savings Equality Impact Assessment

	Continue to work as part of Local Joint Commissioning Groups to expand the role of, and support available to, the voluntary, community and faith sector	On-going	ADs
Mobile Workforce	Roll out the mobile app to staff with visiting roles. Offer training to support the introduction of the new technology.	End March 2019	Business Process Transformation Project Team
Channel shift /self-serve	Continue to develop and promote online tools for Surrey residents	On-going	Business Process Transformation Project Team
Flexible and Skilled Workforce based on 11 Localities Model	Ensure the review of the organisational structure and accountabilities takes account of staff with protected characteristics	End March 2019	Liz Uliasz

10. Potential negative impacts that cannot be mitigated

Potential negative impact	Protected characteristic(s) that could be affected
Care companies giving notice	Age and disability
Local residents objecting to planning application for new services in their community	Disability

11. Summary of key impacts and actions

<p>Information and engagement underpinning equalities analysis</p>	<p>A range of data was used to support the equalities analysis including Surrey, Team Appraisal 5, LAS management information, interviews with locality team managers, independent research and literature.</p>
<p>Key impacts (positive and/or negative) on people with protected characteristics</p>	<p>See table above</p>
<p>Changes you have made to the proposal as a result of the EIA</p>	<p>No changes have been made to the proposal as a result of the Equality Impact Assessment</p>
<p>Key mitigating actions planned to address any outstanding negative impacts</p>	<p>See table above</p>
<p>Potential negative impacts that cannot be mitigated</p>	<p>See table above</p>

Equality Impact Assessment (EIA)



1. Topic of assessment

EIA title	Customer Experience
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EIA author	Carole Comfort
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2. Approval

	Name	Date approved
Approved by	Michael Coughlin (Executive Director, Customer, Digital and Transformation)	14 January 2019
Approved by	Charlotte Morley (Cabinet Member for Corporate Support)	16 January 2019

3. Quality control

Version number	1	EIA completed	14 January 2019
Date saved	14/01/19	EIA published	21 January 2019

4. EIA team

Name	Job title	Organisation	Team role
Carole Comfort	Project Lead	Surrey County Council	Customer Services
Susan Grizzelle	Customer Services Group Manager	Surrey County Council	Customer Services
Sarah Baker / Janet Polley / Deborah Chantler	Legal Services Manager / Senior Principal Solicitors	SCC	Legal Advice
Adam Whittaker	Policy and Strategic Partnerships Manager	SCC	Advice

5. Explaining the matter being assessed

What policy, function or service is being introduced or reviewed?

As part of the transformation programme which Surrey County Council is undertaking, there is a drive to change the way in which residents can contact the council and access some of its services.

Through the promotion of digital and self-service options and the expansion of the established front door model, the requirement for consistent and cost effective access to council services will be met.

This increased use of digital and expansion of the front door together entail the Customer Experience programme.

The council's Organisational Strategy 2019-2023 identifies that to keep up with the digital demands of society we need faster, quicker and better public services available through multiple channels and devices.

It further states the council's commitment to get better at seeing things from a resident's perspective, giving customers a more consistent experience while reducing costs. It identifies that currently customers have to transact, interact and get information from the council in a number of different ways and that an improved customer experience will be created by streamlining and simplifying this to a single point of contact where appropriate.

Initial scoping has identified the following as potential opportunities to bring new services into the existing front door model:

- Children's MASH
- SEND
- Adult's triage
- Adult's MASH
- Coroner
- Online school wait list checker (digital)
- Online bus pass system (digital)

What proposals are you assessing?

The contact centre operates as the front door to the majority of council services. In order to realise required efficiency savings, and provide customers with more flexibility and control in the way they contact the council, it would like to deliver services digitally wherever possible.

Working with our partners in IT& Digital to identify options to improve the ability of customers to self-help and self-serve, we can provide economy of scale for the council and free up more costly specialist officer time within services.

The strategy is being assessed to serve as an overarching policy when considering any proposals to withdraw or reduce mediated telephone access to services via the council's contact centre. Additional EIAs will be carried out on a service by service basis as and when individual proposals are made.

This model will also allow us to focus our most expensive methods of communication, e.g. telephone, for our most vulnerable residents and customers, add most value and ensure we do not exclude those who are not digitally enabled.

	<p>Centralising enquiry management by expanding the existing single front door model will deliver economy of scale and an improved, consistent customer experience. It will enable a more transformative change to the provision of self-service options through utilising enhanced technology.</p> <p>It will also enable a comprehensive and joined up picture of Surrey residents and customers. Customer insight and feedback gathered by customer services in a centralised performance management framework will ensure that the customer is at heart of service delivery and policy change.</p> <p>The Customer Experience strategy supports customers to self-serve wherever possible. The aim is to provide customers with more flexibility, choice and control over when they can contact us while at the same time realise efficiency savings</p>
<p>Who is affected by the proposals outlined above?</p>	<p>All customers who currently access those services which will have their point of access changed as a result of the expanded front door, as well as those who chose to telephone the contact centre in order to access council services (as these services will largely move to digital platforms).</p> <p>Any savings associated with staffing reductions will be achieved by natural wastage wherever possible, therefore these proposals are unlikely impact on staff.</p> <p>Additional EIAs will be undertaken, where necessary, as and when specific proposals are received for services coming into the single front door.</p>

6. Sources of information

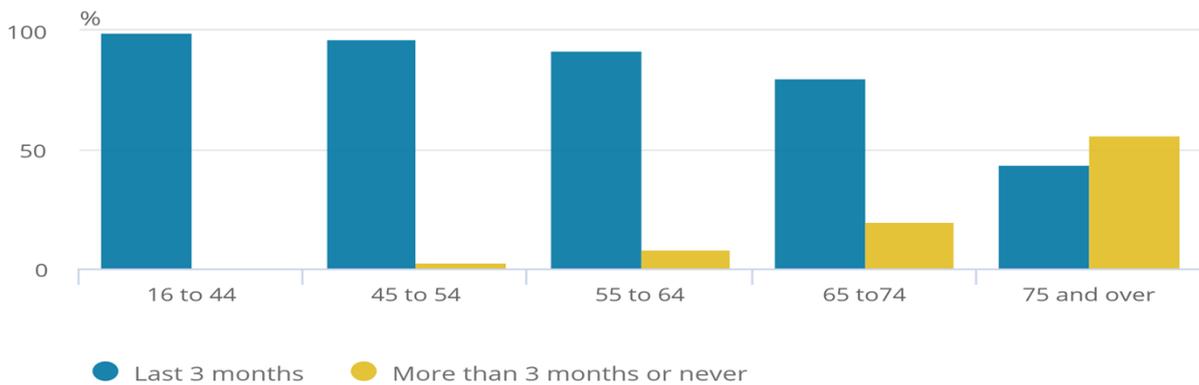
<p>Engagement carried out</p>
<p>Engagement and consultation will be carried out with customers as necessary, as and when individual proposals are made..</p>
<p>Data used</p>
<p>The contact centre call logging system is used to identify the number of calls received by the contact centre on specific call types. Web data is analysed to identify levels of online uptake.</p> <p>Surrey has a low rate of digital exclusion. Data indicates that there is an upward trend of customers preferring self-serve options for straightforward transactions (see graphs).</p> <p>Data on digital inclusion*:</p> <ul style="list-style-type: none"> • 93.4% of adults in Surrey go online regularly • 77%-80% (3% variance between districts and boroughs) of Surrey residents have all 5 digital skills needed to participate fully online, i.e. <ul style="list-style-type: none"> ○ Managing information – e.g. able to search for information and store data ○ Communicating – e.g. use email, instant messaging, post on forums

- Transacting – e.g. order shopping
- Problem solving – e.g. access support services such as live chat
- Creating – e.g. create a text document, create a social media post
- 98% of premises in Surrey can receive broadband of at least 10mps, 85% of households can access superfast broadband
- Surrey County Council’s website receives approximately 6.5 million visits each year, 36% of visits take place out of office hours
- In 2018 there was a larger difference in recent internet use for adults aged 75 years and over; 39% of disabled adults in this age group were recent internet users, compared with 49% of non-disabled adults**
- Overall, the proportion of recent internet users was lower for adults who were disabled compared with those who were not**
- Just over 7,000 people in Surrey either do not speak English well or at all

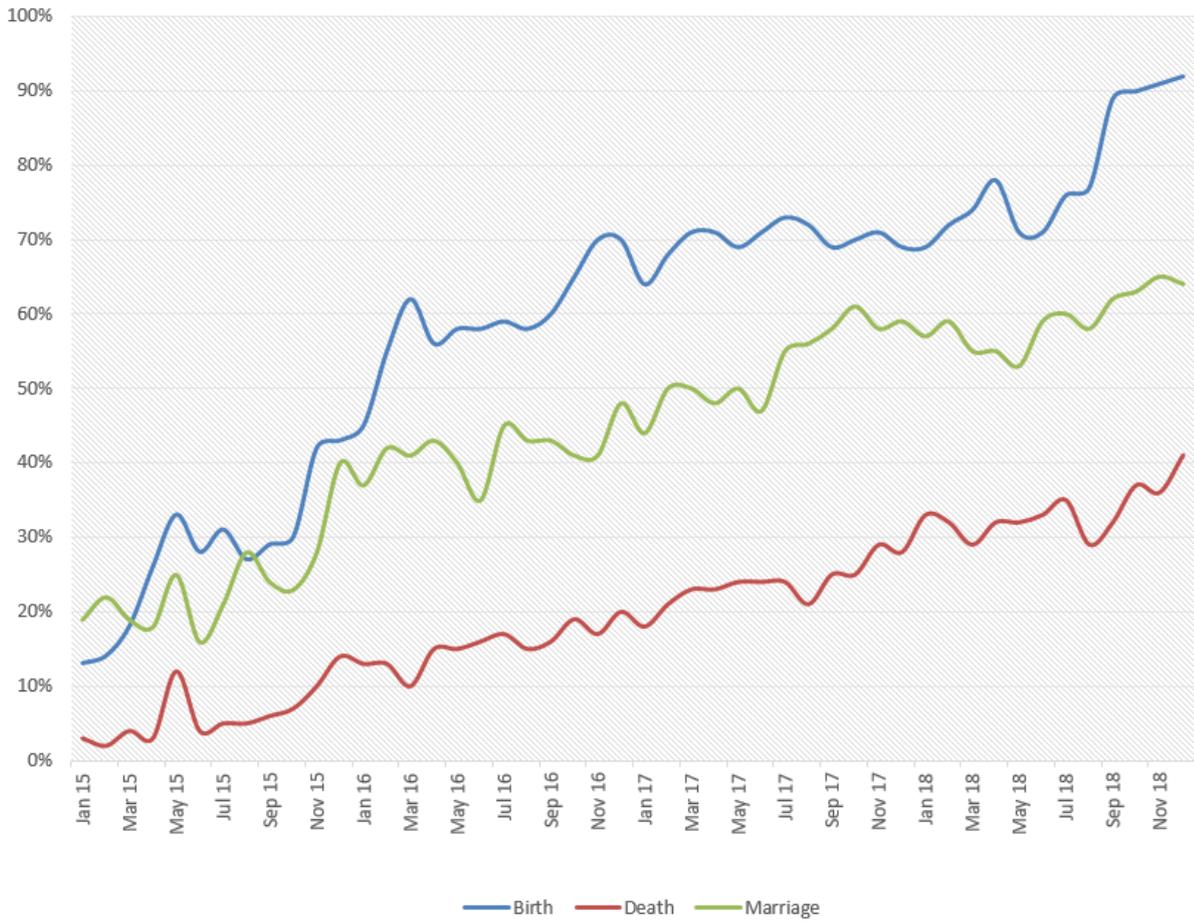
*Data obtained from Ofcom, ONS, DotEveryone, Surrey County Council, Surrey-i

**ONS Internet Users UK:2018

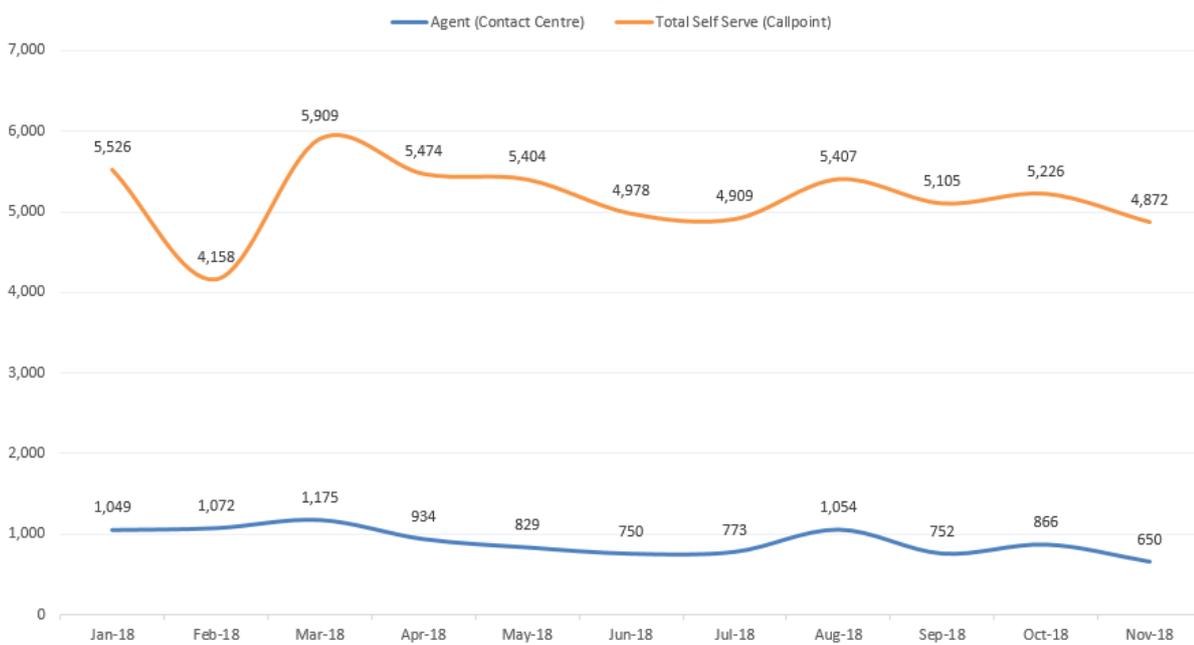
Figure 1: Internet users by age group, 2018, UK



Birth, Death and Marriage appointments booked online



Library Phone Renewals Agent vs CallPoint



7. Impact of the new/amended policy, service or function

7a. Impact of the proposals on residents and service users with protected characteristics

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence
Age	<p>People who prefer to self-serve will benefit from this policy. This may include younger people.</p> <p>A single point of access for all council services will make it easier for customers to access the information and services they need.</p>	<p>People who are digitally excluded will be impacted by this policy. This group may include older people.</p>	<p>Data shows (see point 6 above) that almost all adults age 16-54 regularly use the internet. This drops to 41% in those aged 75+.</p>
Disability	None	<p>People who are unable to self-serve will be impacted by this policy. This group may include people with certain types of disability.</p>	<p>Latest data (see point 6 above) from ONS states that 39% of adults with disabilities aged 75+ used the internet recently compared with 49% of non-disabled adults.</p>
Gender reassignment	None	None	None
Pregnancy and maternity	None	None	None
Race	None	<p>Some people who do not speak English as a first language may have difficulty understanding and/or following online or automated instructions.</p>	None
Religion and belief	None	None	None

Sex	None	None	None
Sexual orientation	None	None	None
Marriage and civil partnerships	None	None	None
Carers (protected by association)	This policy may assist carers to access services, advice and information at a time that best suits them.	None	None

7b. Impact of the proposals on staff with protected characteristics

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence
Age	None	None	None
Disability	None	None	None
Gender reassignment	None	None	None
Pregnancy and maternity	None	None	None
Race	None	None	None
Religion and belief	None	None	None
Sex	None	None	None
Sexual orientation	None	None	None

Annex 7b – Customer Experience Equality Impact Assessment

Marriage and civil partnerships	None	None	None
Carers (protected by association)	None	None	None

8. Amendments to the proposals

Change	Reason for change

9. Action plan

Potential impact (positive or negative)	Action needed to maximise positive impact or mitigate negative impact	By when	Owner
Customers will be able to access information and services from a single point channels across a range of contact channels.		N/A	N/A
The potential withdrawal of telephone based mediated access to some services will have a negative impact on customers who are digitally excluded and/or unable to self-serve. This group is most likely to include older people and people with disabilities	<p>We recognise that some of our customers may not be able to self-serve. Customers who are digitally excluded will still be able to contact the council through traditional methods such as telephone. The contact centre will provide instruction and support to any customers who experience difficulty in using digital or automated services.</p> <p>A discrete mediated service will be offered to vulnerable customers who are unable to self-serve, even with assistance. Although some customers may still require assistance from the contact centre this channel shift strategy will lead to an overall significant reduction in call volumes.</p> <p>Training will be provided to contact centre staff to ensure that vulnerable customers are correctly identified and provided with appropriate support and/or mediated access. The customer services in-house training team will</p>	Customers will receive additional support as, and when, required	N/A

	deliver this training to ensure take up by all staff.		
The withdrawal of telephone based mediated access to some services may have a negative impact on customers who do not speak English as a first language	<p>Customers who do not speak English as a first language may have difficulty in reading or understanding online instructions.</p> <p>The contact centre has access to a telephone interpretation service and would offer this as part of a mediated service to customers who are unable to use online or automated services due to language difficulties in the same way as they do at present.</p>	Customers will receive additional support as, and when, required	N/A
The proposed changes will provide an opportunity to raise awareness of the ability of the majority of Surrey residents, including those with protected characteristics, of 24/7 self-serve options for a number of transactions	Some residents and other customers may find it easier to use self-serve options. The channel shift strategy will help to promote online self-serve options which are available 24/7.	N/A	N/A

10. Potential negative impacts that cannot be mitigated

Potential negative impact	Protected characteristic(s) that could be affected

11. Summary of key impacts and actions

Information and engagement underpinning equalities analysis	<ul style="list-style-type: none"> The communications team will be consulted to ensure that appropriate messaging is undertaken for each proposal that may impact customers, including those with protected characteristics. The approach for each proposal is likely to vary depending on what service is being considered. Staff briefing sessions and training will be undertaken to ensure that vulnerable customers and those unable to self-serve due to digital exclusion are given appropriate assistance and support to access the services they need
Key impacts (positive and/or negative) on people with protected characteristics	<ul style="list-style-type: none"> Residents who are digitally excluded, including older people and people with disabilities, will be impacted by these proposals. People who have English as a second language may find it challenging to understand/follow online and/or automated instructions. Opportunity to raise awareness of 24/7 self-serve options for a number of services which may benefit some people with protected characteristics.
Changes you have made to the proposal as a result of the EIA	<p>N/A</p>
Key mitigating actions planned to address any outstanding negative impacts	<ul style="list-style-type: none"> A discreet mediated service will be offered by the contact centre to vulnerable customers, and customers who do not have English as a first language, if they are unable to self-serve, even with guidance and instruction. Training will be provided to contact centre staff to ensure that vulnerable customers are correctly identified and provided with appropriate support and/or mediated access
Potential negative impacts that cannot be mitigated	<p>N/A</p>

Flexible Use of Capital Receipts Strategy

In the Spending Review 2015, the Chancellor of the Exchequer announced that to support local authorities to deliver more efficient and sustainable services, the government will allow local authorities to spend up to 100% of their capital receipts on the revenue costs of transformation projects. Initially this flexibility on the use of capital receipts was limited to those receipts received between 1 April 2016 and 31 March 2019, however, this has now been extended to March 2022.

In the 2018/19 financial year, the council proposed the use of capital receipts to fund the revenue costs of transformation for the first time. The Council has embarked on a major programme of transformation, covering a number of years, in pursuit of its strategic ambitions and priorities and in order to deliver financially sustainable services to residents in the future. To deliver this transformation programme the Council will use the opportunity provided by the government to flexibly use capital receipts to invest in and fund this transformation of services. A requirement of this flexibility is that the County Council approve a Flexible Use of Capital Receipts Strategy and the business cases for their use.

Since 1 April 2016, the council has received £45m capital receipts, which it could use to fund this strategy. In setting the 2018/19 budget the County Council initially approved the use of £15m capital receipts in accordance with this strategy. The council can vary this amount during the year with the approval of County Council. At its meeting on 22 May 2018, Council approved an additional £5m to provide interim capacity and project management support for the Transformation Programme, to inject the necessary pace required to deliver the scale of change required. This report also highlighted that a further £10m-£15m of investment, using these flexibilities, was estimated to be required to deliver the savings identified in the individual business cases.

Following the County Council's approval of the Transformation Programme in November 2018, and the Cabinet's consideration of the outcome of consultation, engagement and equality impact assessments, business cases have been developed to deliver an estimated £125.5m of revenue savings and/or cost avoidance over the period to March 2021. The council estimates that investment of £31.4m is required to achieve this, of which £7.2m will be in the current 2018/19 financial year. Approval by the County Council is sought for the 2018/19 investment of £7.2m and further investment of £16.3m required for 2019/20, under the Flexible Use of Capital Receipts.

The schedule below presents the projects to transform services that will be funded through flexible use of capital receipts, and associated revenue savings or future cost avoidance. In some cases there is a direct link between a project and the realisable financial benefit. In others, the project contributes to enabling the savings in other business cases or provide a wider benefit, which would not otherwise be realised.

	Projected Investment Required				Estimated Return on Investment		
	2018/19 £00	2019/20 £000	2020/21 £000	TOTAL £000	Anticipated Savings in 2019/20 £000	Anticipated annual savings by 2020/21 £000	Comments
Accommodation with Care & Support	74	210	210	494	17,826 plus significant cost avoidance	34,600	
ASC Practice Improvement	900	2,170	384	3,454			
Health & Social Care Integration	20	0	0	20			
ASC Market Management	103	318	174	595			
All Age Learning Disabilities (Transitions)	354	1,164	1,080	2,598			
Family Resilience (Early Help & Practice)	1,381	2,626	0	4,007	19,450	31,400	
SEND Sustainability	445	2,629	1,675	4,749	700 (SEN transport) plus significant cost avoidance	700	Business case proposes sustainable provision (within government funding) by 21/22
Cultural Services	83	170	0	253	1,500	4,000	
Commissioning	0	350	450	800	Enabling (estimated £10m)	Enabling (estimated £10m)	
Highways, Transport & Environment Transformation	663	538	106	1,307	9,614	17,400	
Asset & Place Strategy	478	153	0	631			To be agreed, under review
Finance Transformation	290	351	135	776			Finance service improvement programme and financial sustainability
Fees & Charges	7	0	0	7	Enabling (estimated £1m)	Enabling (estimated £1m)	
Agile Workforce	180	833	750	1,763	Enabling	Enabling	
ORBIS VFM	0	200	0	200	1,757	3,400	
Performance Management & MI/Insight	176	421	0	597	Enabling	Enabling	
Spans of Control	60	15	0	75	500 (plus enabling up to approx. £7m)	Enabling (up to approx. £15m)	
Customer Experience	315	662	112	1,089	500 (plus enabling in other services)	Enabling	
Digital	779	2,672	2,063	5,514	Enabling	Enabling	

Annex 8 – Flexible Use of Capital Receipts Strategy

Governance/Culture/Comms	800	800	800	2,400	Overarching	Overarching	
TOTAL	7,153	16,277	7,939	31,369	51,847*	91,500	

*Direct service savings. These transformation projects also deliver significant cost avoidance and service provision transformation.

The regulations on the flexible use of capital receipts require local authorities to disclose the impact of the strategy on Prudential Indicators. The council's current capital programme has not sought the use of capital receipts received since 1 April 2016 as a source of funding for schemes. Therefore, there will be no change to the council's Prudential Indicators that are contained in the Treasury Management Strategy Statement.

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CAPITAL AND INVESTMENT STRATEGY 2019/20 – 2023/24

1. INTRODUCTION

This strategy sets out Surrey County Council's approach to capital investment for the next 5 years. It forms a vital part of the Council's governance arrangements and provides a mechanism by which investment and financing plans can be prioritised, ensuring that capital decisions take account of stewardship, value for money, prudence, sustainability and affordability.

The Capital and Investment Strategy is an integral part of the Council's overall financial and asset management planning framework and should be read in conjunction with Financial Regulations and the Scheme of Delegation, the Financial Strategy 2019/24, the Treasury Management Strategy Statement (TMSS), the Minimum Revenue Provision (MRP) Policy (attached at Appendix 1), the Risk Management Strategy, the Investment Strategy, the Asset and Place Strategy for Surrey and the Highways Asset Management Plan.

The Council has regard to the Statutory Guidance on Local Government Investments issued by the Secretary of State and the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code, and has in place robust financial planning, option appraisal and governance arrangements as outlined in the Governance Section below.

2. OBJECTIVES

The Capital and Investment Strategy is a new report for 2019/20, providing a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services. It also provides an overview of risk management and the long term sustainability of capital investment plans.

This strategy will:

- ensure capital expenditure contributes to the achievement of the Council's organisational strategy
- set a capital programme which is affordable and sustainable
- maximise the use of the Council's assets
- provide a clear framework for decision making and prioritisation relating to capital expenditure
- establish a corporate approach to the review of asset utilisation

This Strategy covers the following distinct, but inter-related elements of capital and investment activity as follows:

Capital Expenditure (section 3); the Council incurs three distinct types of capital expenditure, (capital programme, strategic investment and commercial investment). This strategy covers each of these areas, setting out the Council's capital expenditure and financing plans over the medium term. It provides an overview of the governance arrangements for approval and monitoring of expenditure and, in relation to commercial investment activities, sets out the due diligence process and the Council's risk appetite in respect of these, including proportionality in respect of overall resources.

Capital financing and borrowing (Section 4); including a projection of the Council's capital financing requirement and how this will be funded and repaid. It links to the Council's

borrowing strategy and sets out the Council's policy to meet its statutory duty to make an annual revenue provision for the repayment of debt (Appendix 1).

Prudential Indicators (Section 5); Local Authority borrowing is governed by CIPFA's Prudential Code, which requires local authorities to set indicators which ensure that the level of borrowing is affordable, prudent and sustainable. The Prudential Indicators are set in the Treasury Management Strategy Statement each year, and monitored throughout the year by the Audit & Governance Committee. This strategy highlights the key indicators relating to borrowing levels.

Treasury Management Investments (Section 7); provides an overview of the Council's approach to the management of investments and cash flows. Further details on this are contained in the Council's Treasury Management Strategy Statement.

Use of capital resources for revenue purposes (Section 8); provides a summary of the Council's plans to utilise the Governments flexibilities to use capital receipts to finance the costs of its transformation plans. These are further detailed in the Council's Flexible Use of Capital Receipts policy.

Knowledge & Skills (section 10); summarises the knowledge and skills available to the Council to support it in its decision making in these areas. Full details of processes and the roles and responsibilities of Budget Holders can be found in the 'Budget Holder Handbook – Capital.'

3. CAPITAL EXPENDITURE

Expenditure is classified as capital in nature when it results in the acquisition or construction of an asset (eg land, buildings, roads and bridges, vehicles, plant and equipment etc) that will:

- be held for use in the delivery of services, for rental to others or for administrative purposes; and
- be of continuing benefit to the Council for more than one financial year.

There are a number of other specific instances where expenditure is required to be classified as capital expenditure, including:

- where the Council does not directly benefit from, or control, the resulting asset but where if it did it would be required to classify the expenditure as capital expenditure.
- where statutory regulations require it.

This includes expenditure on the purchase of shares, assets owned by other bodies and loans or grants to other bodies or subsidiaries, enabling them to buy assets.

The Council incurs capital expenditure in three distinct areas:

- investment in new and existing operational assets to support the delivery of its services (**capital programme**),
- investment required to deliver the Council's new vision and transformation of its services (**transformation & strategic investment**),
- investment to balance the Council's existing commercial investment income portfolio, as set out in the Investment Strategy. This includes shareholdings and loans to third parties and subsidiaries (**commercial investment**).

There are currently reviews taking place of both the commercial investment and transformation & strategic investment areas. Conclusions from these reviews will be communicated in early 2019/20. Approval for any potential future expenditure will be sought via the appropriate governance arrangements.

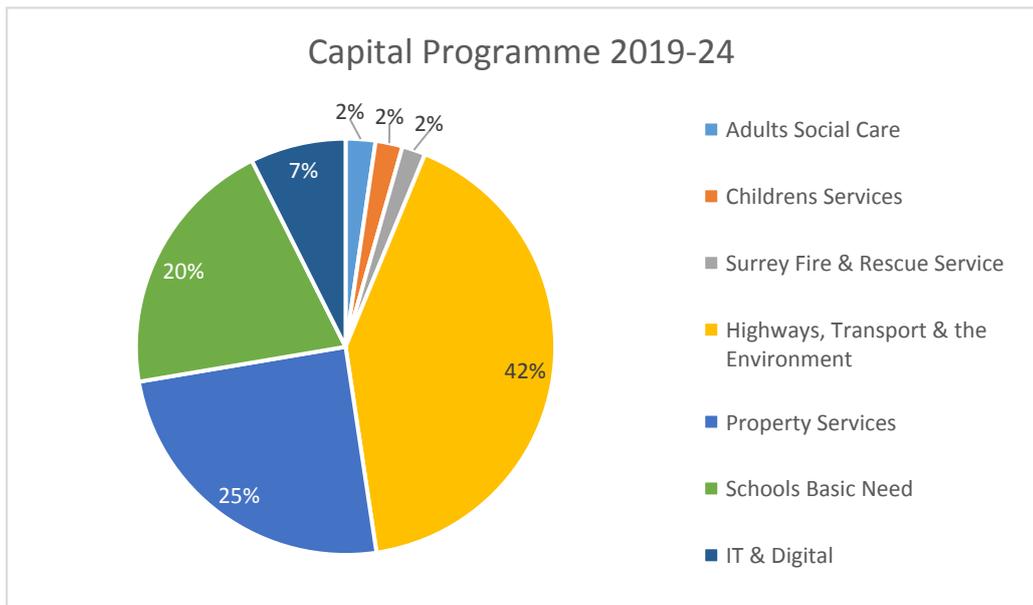
Capital Programme:

The capital programme represents the Council’s commitment to continue to invest in its operational asset portfolio, specifically in the highways, operational property and in new pupil places. It is refreshed at least annually during budget planning and is approved by County Council as part of the revenue and capital budget setting process.

New capital schemes and projects will usually be added to the Capital Programme as part of the annual budget setting process, however, governance arrangements around managing the Capital Programme allow for new schemes and projects to be added in-year, subject to appropriate approval. All proposed new projects will assessed on a lifetime costing basis, making sure all revenue and maintenance costs are affordable.

The proposed capital programme includes £129.2m of investment in 2019-20, with an indicative programme for the subsequent four years of £283.6m.

Chart 1 shows a breakdown of the Capital Programme by main service type:



Governance: New capital schemes, projects and maintenance programmes are assessed and scrutinised in two stages prior to being included in the Capital Programme:

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- 1) The Capital Programme Panel (CPP) an officer panel comprising a small team of Executive Directors and senior officers nominated by Executive Directors, and
- 2) The Asset Strategy Board (ASB), a member / officer board comprising Cabinet Members, the Executive Director of Economy, Growth & Commercial and the Executive Director of Finance.

All proposed schemes are based on a robust business case and subject to appropriate internal / external due diligence. In particular they must ensure:

- capital programme proposals are consistent with the Council's Organisational / Directorate Strategies;
- whole life costing is provided;
- financial and service risks are fully assessed and considered;
- proposed delivery timescales are realistic;
- all associated revenue implications are fully explained for the current and future years.

Only those schemes and projects that meet strategic priorities and have been supported via the two stages outlined above will be incorporated in the Capital Programme, which is approved by Council. Preference will be given to schemes and projects that are self-financing by generating additional income, reducing expenditure or realising a capital receipt. However, it is recognised that not all capital projects generate a return.

In addition, the Transformation Programme requires capital investment in assets, infrastructure and IT. The overall Transformation Programme will be supported by and delivered via individual business cases. Where these business cases have identified the need for capital funding, expenditure has been included in the capital programme, this relates mainly to the provision of IT equipment which is essential to the achievement of the agile workforce transformation project.

Budget monitoring - Budget managers must ensure capital expenditure does not exceed the allocated capital resources over the life of the project. Capital expenditure is monitored by CPP monthly, and reported to ASB, Corporate Leadership Team (CLT), Scrutiny Committee and Cabinet as part of the overall budget monitoring process. The monitoring report highlights any forecast variance in expenditure and the implications of changes, if any, to the expected timescales for delivery.

Asset Disposal – The Council takes a strategic approach in identifying those assets that are surplus to requirements and considers a range of options for their future use including suitability for alternative use, e.g. Extra Care accommodation, the business case for commercial or residential development against the benefits to be gained from marketing for sale. The Council has recently entered into a joint venture arrangement with Places of People to undertake approved development schemes for a number of its vacant sites.

Asset Management – Highways and Transport - Surrey County Council provides essential services which benefit all of Surrey's residents, businesses and visitors. The infrastructure includes over 3,000 miles of roads, 3,262 miles of footway, 2,143 miles of footpaths, bridleways and byways, 2,300 hectares of countryside, 2,300 bridges and structures, 15 community recycling centres and 4 waste transfer stations. We promote road safety, regulate waste and minerals developments and work to ensure that new development across Surrey is sustainable.

Asset Management – Property - The Council owns approximately 5,800 registered assets both inside and outside Surrey. These cover a wide range of property types from farms and countryside through to the operational buildings such as schools, offices and fire stations. The total value of these assets amounts to circa £1.5 billion.

Strategic Investment

The Council is undergoing major transformation of the way it works and the way in which it delivers services to residents. Future services will be more about supporting people to make changes in their lives that will make them happier and healthier in their homes and communities and less about the buildings our staff are in. The asset management plan provides a guide for future property decisions and a link between the strategic consideration of assets and their role in the delivery of the Council's services.

Given the Council's ambitions and the financial challenges it faces, it is timely to review the contribution that property assets can make both to the transformation of Surrey County Council services and to the development of Surrey's wider economy. This will build on the Council's existing Investment Strategy and provide a wider approach to the development and utilisation of the Council's assets, enabling the development of housing and employment space and a contribution to the wider Surrey economy.

Work is underway to develop plans under the Asset and Place strategy and separate approval will be required to add these schemes to the capital programme.

Commercial Investment / Non-treasury Investment:

The Investment Strategy agreed by Cabinet in July 2013 was developed in response to the requirement for the Council to enhance its financial resilience in the longer term. The main principles of the strategy are to create a diversified and balanced portfolio of investments to facilitate future service provision, manage risk and secure an ongoing annual return to the Council.

Cabinet approved the business case for the creation of a Property Company and its associated subsidiaries in May 2014 to enable investment in property outside of the county and for the commercial income return. The property investment portfolio is therefore a combination of assets acquired or developed by the Council for future service need or economic development and those acquired or developed by Halsey Garton Property Group (HGP).

Governance

The governance for the Investment Strategy is provided by the Investment Board (IB), which is comprised of members of the Cabinet, who are supported by officers. The IB is responsible for making investment decisions in accordance with the framework established by the agreed Investment Strategy and for the strategic management of the overall portfolio consistent with the aims of the Investment Strategy. Officers, supported by independent Capital and Investment Strategy

specialist professional advisors, support the IB. These specialist advisors periodically evaluate the recommended portfolio of property investment, taking into account market conditions and achievable returns.

The Investment Board produces an Annual report for Cabinet and for the purposes of scrutiny which provides details about the investment portfolio governance, its processes and the responsible investment policy. A summary version of the report is also available to the public on the council's website. Capital expenditure and in-year financial performance is reported to the Cabinet monthly as part of the Financial Monitoring Report.

Further information about the Investment Strategy and the council's investment portfolio is shared in the Investment Board's Annual Report.

Financial Arrangements

Acquisitions by HGP are funded by the council from the provision of equity and debt finance. This finance is provided on market facing terms, on an 'arm's length' basis in order to be compliant with competition law and State Aid. The returns to the council from the provision of finance to HGP are received in the form of a net interest margin receivable by the council on the loans provided plus the annual dividend payment from the company.

In undertaking investment activity the council is required to take into account the new guidance that has been published by the Secretary of State and by CIPFA. In particular the new guidance in relation to "borrowing in advance of need". The Council does not borrow in advance of need purely in order to profit from the investment of the extra sums borrowed. The Council does however borrow to invest in order to fulfil its statutory duties and in doing so, will take into account the new guidance and the codes of practice. The Council has the power to invest legally and to provide financial support to its wholly owned property company, and in doing so will consider these regulations and will exercise its powers reasonably and in accordance with best value and fiduciary duties with regard to mitigation of risk and all due-diligence

Risk Management

The Investment Strategy means that the council is managing different financial risks. Investments will be subject to inherent economic and market risks which requires a balanced portfolio of investments to be built over time. The strategy notes a preference toward assets that are investment grade, are of good quality, in good or growth locations with a diversified portfolio a mix of geographical locations.

The investment portfolio is being delivered to ensure diversification of-

- **Asset Class:** a mix of office, retail, industrial and other investment classes (e.g. leisure, hotels etc.). The target mix of investments between classes is reviewed in detail bi-annually on the basis of an in-depth market report and recommendations from our strategic property investment advisors, CBRE.
- **Location:** a geographically diverse portfolio, focussed in good or growth locations for their asset class and for retail investments, a mix of high-street and out-of-town locations.
- **Tenants:** a mix of tenants across different sectors, including a diversified range of tenants within the retail sub-sector. Care is also taken to limit the number of lease breaks and lease expiry in any one-year.

The creation of a diversified portfolio of assets to mitigate risk will take some time to achieve. The investment portfolio, including future commitments, is currently over-weight in retail. To address this and achieve a balance closer to the benchmark would require further acquisitions of approximately £150m. We are currently undertaking a review of the Investment Strategy, and until this is complete, no further acquisitions are being actively pursued.

The purpose of the Investment Strategy is to deliver an annual income stream in support of the council's services and in doing so, the council is not assuming any gain from the value of the underlying assets. Instead a long-term view is taken, since the value of the assets may decrease as well as increase over time, and the costs of purchase – in particular stamp duty, are unlikely to be offset by increases in value in the much shorter term.

All investment assets are independently revalued each year as part of the year-end financial accounts process using a standard methodology of fair market value. This method takes into account the present value of the known income streams, the likelihood of future unknown income and the underlying site value of each asset. This means that generally, the shorter the lease the lower the asset value. The results of the year-end valuation are reported in the Annual Report provided by the Investment Board and are included in the Council's annual Statement of Accounts.

Values will therefore fluctuate but there are no financial implications unless or until the asset is sold and the timing of any sale is the decision of the Investment Board on behalf of the council. Investment grade assets are by their nature liquid since there is a well-developed market and as the council is not reliant upon the capital receipt investment, assets can be sold only when financially beneficial to do so.

Any revaluation loss does not impact upon the general fund of the council – there are no adverse implications for the tax-payer since financial adjustments of this nature are excluded from the calculation of the revenue requirements of the council by statute. Similarly this is the case if there is a revaluation gain. It is only realised profits (or losses) that have an impact upon the council.

Assets that are being developed will not produce an immediate income stream and there will be occasions when a tenant triggers their break clause or vacates at the end of the lease resulting in a potential letting void. In order to mitigate against these risks the council has a Revolving Investment and Infrastructure fund that meets the initial revenue costs of initiatives and can act, if required, as a method to smooth net income and offset the impact of voids, noting that one strand of the diversification approach is avoid potential void events occurring at the same time. The reserve has not been required to date, since the income delivered by acquisitions has offset development spend and voids in the portfolio.

Reliance and proportionality

The investment portfolio held by the council and its property company HGP was valued at £319m as at 31 March 2018, this is 16% of the Group's¹ land and buildings assets.

The returns from investment contribute to the funding of the council's services and is included in the MTFP at £4.0m in 2018/19 rising to the target return of £10.0m per annum

¹ Group consists of the Council and its wholly owned Local Authority Trading Companies (SE Business Services, Halsey Garton Property Ltd and Surrey Choices Ltd)
Capital and Investment Strategy

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for 2019/20 onwards. The forecast income in 2018/19 is in excess of this target, at £5.2m. This compares to a total income, excluding grants, of £197m in the MTFP. Therefore the extent to which the delivery of the council's services is dependent upon the performance of its investments is significantly limited.

With financial return being the main objective, the Council accepts higher risk on commercial investment than with treasury investments. The principal risk include property voids and fall in capital value. These risks are managed by ensuring that the portfolio is diversified across multiple property sectors and a range of geographical locations, and that reliance on a commercial return is in proportion to the Council's overall budget.

Specific tenant risk and voids are monitored by the Investment Board as part of in-depth quarterly reporting. Tenant voids as measured in terms of an estimate of the rent that would otherwise be receivable as a % of the total rent receivable are currently 3.7%. This is below industry benchmarks – which for an established diversified portfolio is currently c.7%.

The Council has established a Revolving Infrastructure and Investment Fund as a risk mitigation to smooth the investment income and mitigate against potential / inevitable voids. This fund will be called upon if target returns are not achieved and a shortfall results in an overall shortfall in the revenue budget. The fund will be replenished if actual income exceed targets and will be subject to approval by Cabinet.

Table 2 illustrates the proportion of investment income to gross service expenditure:

	2018/19 Forecast £m	2019/20 Budget £m	2020/21 Budget £m	2021/22 Budget £m	2022/23 Budget £m	2022/23 Budget £m
Net service expenditure	883.8	885.9	928.8	936.0	947.8	953.4
Investment income	5.2	10.0	10.0	10.0	10.0	10.0
Proportion	0.6%	1.1%	1.08%	1.07%	1.06%	1.05%

Purchase of shares/Provision of loans: The Council may make investments to assist local public services, including making loans to and buying shares in service providers, local businesses to promote economic growth and the Council's subsidiaries that provide services or which have been established for the purposes of trading. In light of the public service objective, the Council is willing to take more risk than with treasury investments, however it still plans for such investments to break even or generate a profit after all costs.

The decision to invest in shares or provide funding in the forms of loans is taken by Cabinet or in accordance with delegated decision-making, upon the basis of a business case which articulates the strategic rationale, the financial implications and associated risks for the council. The Shareholder Board safeguards the Council's interest and takes decisions in matters that require the approval of the Council as owner or a shareholder of a company. Shareholder control is exercised over all companies owned by the Council, and in relation to any shares held whether the purpose is trading, service provision or investment. Decisions in relation to the day to day operation of companies are taken by the directors of each company. The Shareholder Board produces a report on these shareholdings which is presented to Council annually.

Capital and Investment Strategy

Service investment (loans): Loans to local enterprises may be considered as part of a wider strategy for local economic growth. Such loans will be considered when all of the following criteria are satisfied:

- The loan is given towards expenditure which would, if incurred by the Council, be capital expenditure;
- The purpose for which the loan is given is consistent with the Council's corporate / strategic objectives and priorities;
- Due diligence is carried out that confirms the Council's legal powers to make the loan, and that assesses the risk of loss over the loan term;
- A formal loan agreement is put in place which stipulates the loan period, repayment terms and loan rate (which will be set at a level that seeks to mitigate any perceived risks of a loss being charged to the General Fund, and takes appropriate account of state aid rules) and any other terms that will protect the Council from loss;

Most loans are capital expenditure and proposals will therefore initially be presented to the CPP as part of the capital programme assessment, and all decisions on service investments and loans to third parties are subject to member approval.

Accounting standards require the Authority to set aside loss allowance for loans, reflecting the likelihood of non-payment. If applicable, the figures for loans in the Authority's statement of accounts from 2018/19 onwards will be shown net of this loss allowance. However, the Authority makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

Non-specified Investments: Shares are the only investment type that the Authority has identified that meets the definition of a non-specified investment in the government guidance. The Authority has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

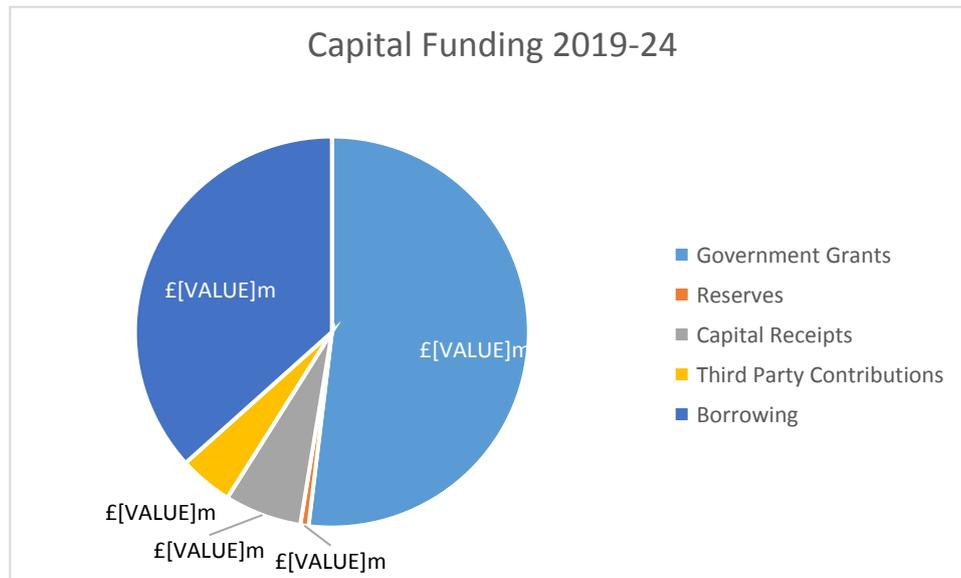
4. CAPITAL FINANCING & BORROWING

The Council's capital investments fall within "the Prudential Code for Capital Finance in Local Authorities" (the Code), and the Council complies with the Code. Under the Code, local authorities have discretion over the funding of capital expenditure and the freedom to determine the level of borrowing they wish to undertake to deliver the Capital Programme. There are a range of potential funding sources which can be generated locally, either by the Council itself or in partnership with others. The Council will fund the Capital Programme from the following sources:

- Government Grants
- Third Party Contributions (including section 106 agreements and Community Infrastructure Levy (CIL))
- Reserves and Capital Receipts
- Revenue Contributions to Capital
- Borrowing

Annex 9 – Capital and Investment Strategy 2019/20 – 2023/24

Chart 2 below summarises the Council's estimated capital funding for the period 2019/24:



Government grants - Grants are allocated in relation to specific projects or schemes, and the Council will seek to maximise such allocations, developing projects and schemes which reflect government and partnership led initiatives, and at the same time address the Council's local priorities. The level of future government grants is uncertain, and the 2019/24 capital programme includes an estimate for each year. The Council reviews notification regularly, and the Capital Programme is adjusted accordingly and reported to Cabinet as part of the monthly budget monitoring.

Table 3 shows the grants expected for 2019/24.

Expected Government capital grants	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
School Basic Need*	27.1	17.6			
Schools condition allocation	9.8	9.8	9.8	9.8	9.8
Devolved Formula Capital (Schools)	1.2	1.2	1.2	1.2	1.2
Integrated transport block	4.8	4.8	4.8	4.8	4.8
Highways maintenance	13.4	13.4	13.4	13.4	13.4
Local Growth Fund	6.7				
Other capital grants	4.1	3.5	3.3	3.3	3.3
Total expected grant	67.1	50.3	32.5	32.5	32.5

* Includes some re-profiling of unspent grant from previous years

Third party contributions / Section 106 Agreement Contributions & Community Infrastructure Levy (CIL) – These are mainly generated from planning gain agreements under Section 106 or as community infrastructure levies (CIL) from developers. The 2019/24 Capital Programme relies on approximately £18m third party contributions. These contributions help to finance infrastructure, facilities and services, e.g. schools, highways and transport improvements. S106 is negotiated, CIL is levied, and collected by planning authorities in consultation and collaboration with the County Council. Planning authorities need to work closely with the County Council in setting priorities for how the s106 receipts

Capital and Investment Strategy

and the levy will be spent, to ensure the required infrastructure is secured to support new development.

Reserves and Capital Receipts - These are amounts set aside from the revenue budget (revenue reserves) or from asset disposal (capital receipts) into a reserve for future capital expenditure. The Council plans to use approximately £29m of reserves and capital receipts to support the 2019/24 capital programme.

Revenue Contributions to Capital - Capital expenditure may be funded directly from revenue (REFCUS – Revenue Expenditure Funded from Capital Under Statute).

Borrowing - After the application of all other sources of capital funding, the Council will utilise Prudential Borrowing to finance the un-funded part of the Capital Programme.

The Council has a policy, that it will only finance a capital scheme from borrowing if it fulfils one, or more, of the following criteria:

- is a statutory requirement
- generates a revenue savings
- avoids a revenue costs
- produces a capital receipt

Over the five years of the 2019/24 capital programme, the Council expects to fund approximately £152m of capital expenditure in this way. In addition, any expenditure on commercial investments, loans to third parties or the purchase of shares will also be funded in this way.

The implications of financing capital expenditure from borrowing is that the expenditure is not funded immediately but charged to the revenue budget over a number of years. The Council may defer the timing of external borrowing on a short to medium term by using temporary cash resources held in reserves and balances. This practice, which is referred to as 'internal borrowing', does not reduce the magnitude of borrowing required or the level of funds held in reserves and balances; the funds are merely being utilised in the short term until they are required for their intended purpose. The timing of external borrowing and the balance of external / internal borrowing is determined by market conditions and the Council's cash flow position. Officers manage this position on a day to day basis in line with the overall TMSS, as approved by members of the Audit & Governance Committee.

Debt is only a temporary source of finance, loans must be repaid. The Council has a statutory duty to set aside an amount it considers to be prudent, in line with guidance, for the repayment of borrowing. This is known as the Minimum Revenue Provision (MRP). See Appendix A for this Council's MRP Policy for 2019/20. The Council's underlying debt liability will be repaid in line with the MRP Policy, amortised over the life of the assets creating the debt liability. Alternatively the Council can repay debt from selling capital assets (capital receipts).

Although capital expenditure is not charged directly to the revenue budget, interest payable and MRP are charged to revenue. This is offset by income and investment income. All treasury and non-treasury investments make a contribution to the Council's services, and in meeting the Council's strategic aims and objectives. Treasury investments follow the Security / Liquidity / Yield criteria, but the Council also makes a range of investments with the intention of making a return that will be spent on local public services. The net annual

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charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from local taxation and general government grants.

Table 4 below provides the Prudential Indicator for proportion of financing cost to net revenue stream:

	2018/19 forecast	2019/20 projection	2020/21 projection	2021/22 projection	2022/23 projection	2023/24 projection
Financing costs (£m)	£17.9m	£13.7m	£16.2m	£17.7m	£19.1m	£19.7m
Proportion of net revenue stream	2.02%	1.55%	1.75%	1.89%	2.02%	2.02%

Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Section 151 Officer is satisfied that the proposed capital programme is prudent, affordable and sustainable due to the robust assessment process and the close links between the Medium Term Financial Plan, the capital programme and revenue budget and the TMSS.

Leasing – Assets such as vehicles and IT equipment may be leased rather than purchased where there is a financial benefit in doing so, subject to a robust options appraisal. The financing of expenditure by lease needs to take into account:

- Value of expenditure
- Residual value
- Life span of equipment matches the funding proposed

Leasing is considered to be a type of credit arrangement and therefore forms part of the Council's Capital Financing Requirement, as if it were borrowing.

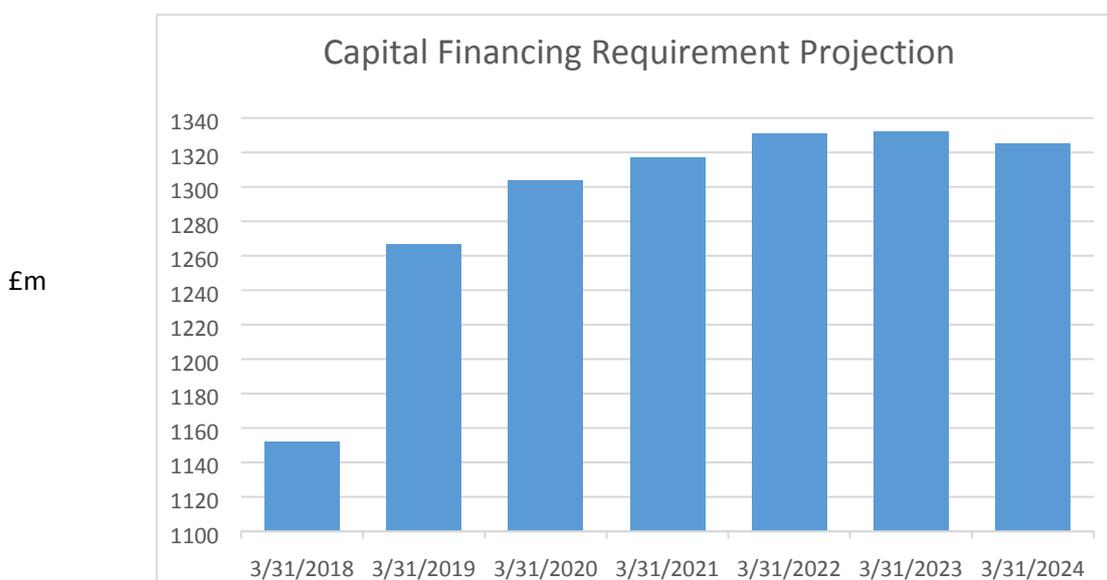
5. PRUDENTIAL INDICATORS

Local Authority borrowing is governed by CIPFA's Prudential Code, which requires local authorities to set indicators which ensure that the level of borrowing is affordable, prudent and sustainable. The Prudential Indicators are set in the TMSS each year, and monitored throughout the year by the Audit & Governance Committee.

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The Capital Financing Requirement provides a measure of the amount of capital expenditure that the Council has already spent but not yet funded. The CFR is the measure of the Council's debt liability; i.e. the need to borrow for capital financing purposes. Credit arrangements are included in the CFR calculation as such arrangements are a form of borrowing. Examples of credit arrangements include Private Finance Initiative (PFI) schemes and finance leases.

The Authority's CFR projections are shown in **Table 5** below:



CFR movements are caused by:

- the Council incurring further capital expenditure which is not funded from existing capital resources, (the CFR **increases**)
- the Council makes a statutory provision for the repayment of debt through MRP, (the CFR **decreases**).

Projected levels of the Council's total outstanding debt (which comprises borrowing, PFI liabilities and leases) are shown below, compared with the capital financing requirement (see above). **Table 6** shows the gross debt compared to the CFR:

	2017/18 actual £m	2018/19 forecast £m	2019/20 projection £m	2020/21 projection £m	2021/22 projection £m	2022/23 projection £m	2023/24 projection £m
Gross Borrowing (incl. PFI & Leases)	590	689	716	732	759	743	736
CFR	1,152	1,267	1,303	1,317	1,337	1,332	1,325

Affordable borrowing limits: The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit. **Table 7** sets out the Council's Authorised Limit and Operational Boundary for external debt, and full details can be found in the TMSS.

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Operational Boundary						
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	Agreed	← ----- Estimated -----			----->	
	£m	£m	£m	£m	£m	£m
Borrowing	702	966	1131	1179	1173	1166
Other long term liabilities	170	143	124	106	87	68
Total	872	1108	1256	1285	1260	1234
Estimated external debt	689	716	732	759	743	736

Authorised Limit						
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	Agreed	← ----- Estimated -----			----->	
	£m	£m	£m	£m	£m	£m
Borrowing	1,092	1,553	1,717	1,757	1,762	1,755
Other long term liabilities	182	143	124	106	87	68
Total	1274	1696	1841	1863	1849	1823
Estimated external debt	689	716	732	759	743	736

6. BALANCED PORTFOLIO APPROACH

The Council will assess its overall approach to capital expenditure and investment, and will aim to avoid over-exposure to specific markets, sectors or activity. This will reflect investments made to deliver Council services and to those service designed for wider economic benefit.

All projects will reflect full development costs including purchase, fees to cover due diligence, site surveys, legal and transactional costs. The overall business case will include full lifetime maintenance and management costs as well as projected income. Where necessary, external specialist advice and support will be sought, and internal / external due diligence will be undertaken.

The portfolio will comprise an acceptable balance of risk and return, based on market conditions and the level of secured / unsecured investments. Appropriate risk management tools will be applied, tailored to individual schemes and projects.

The Capital and Investment Strategy covers a range of capital investments, and the balanced portfolio approach will ensure an overall average net return reflecting that some projects will yield a higher return than others, and that some schemes are not delivered purely to generate a return.

7. TREASURY MANAGEMENT INVESTMENTS

The Council's investment activities are undertaken in compliance with statutory regulation, the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-

Sectoral Guidance Notes (referred to as the Treasury Management Code). The Treasury Management Code and statutory regulations require the Council to prepare an annual strategy that explains how the Council will invest its funds. In accordance with regulatory requirements, the primary objectives when investing funds for treasury management purposes are **Security, Liquidity**; and **Yield**, in that order of importance, often referred to as the **SLY** criteria. The Council's current policy is to maximise the use of reserves and balances for the purpose of internal borrowing, and thereby keeping investment balances to a minimum. This policy reduces the cost of external borrowing and also reduces the market risk of investments.

Day to day decisions on investment and borrowing are delegated to the Section 151 Officer and the Finance Team, who act in line with the TMSS, which is approved by the Audit and Governance Committee before the start of each financial year. Effective scrutiny of the TMSS is undertaken by the Corporate Overview Standards Committee.

8. FLEXIBLE USE OF CAPITAL RECEIPTS

In the Spending Review 2015, the Chancellor of the Exchequer announced that to support local authorities to deliver more efficient and sustainable services, the government will allow local authorities to spend up to 100% of their capital receipts from the sale of non-housing assets on revenue costs incurred to generate ongoing revenue savings, to reduce costs and / or transform service delivery in a way that reduces costs or demand for services in future years. This flexibility relates to expenditure which is properly incurred for the financial years that begin on 1 April from 2016 to 2021.

Local authorities are only able to use capital receipts in the years in which this flexibility is offered. In using the flexibility, the Council will have due regard to the requirements of the Prudential Code, the CIPFA Local Authority Accounting Code of Practice and the current edition of the Treasury Management in Public Services Code of Practice. A flexible use of capital receipts policy will be presented to Council before the start of each financial year for which the flexibilities are proposed to be utilised.

9. RISK MANAGEMENT

Internal and external financial and service related risks are assessed in line with the Council's Risk Management Strategy. Future costs are estimated using interest rate forecasts and projections provided by the Council's treasury management advisers and other financial advisers, and lessons learned from completed schemes and projects are reported to CPP. Operational risks are identified and mitigating controls are applied wherever possible. Residual risks are managed by Budget Managers and reported to CPP monthly.

10. KNOWLEDGE AND SKILLS

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. The Council pays for officers to study towards relevant professional qualifications including CIPFA.

All officers involved in the treasury and investment management function have access to relevant technical guidance and training to enable them to acquire and maintain the appropriate level of expertise, knowledge and skills to undertake the duties and

responsibilities allocated to them. The Council currently employs treasury management advisers, and seeks external legal and property related advice and due diligence as required. The Council's commercial investment strategy is supported by advice from CBRE.

Those charged with governance (Members of the Audit and Governance Committee and the Corporate Overview Select Committee) recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively. The Section 151 Officer will ensure that elected members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and responsibilities.

The Orbis partnership enables the creation and development of specialist resources. Centres of Expertise have been established for key areas of finance and property, and central teams of pooled expertise have been created to provide robust services which are resilient to meet the changing service needs of partners.

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

Annual Minimum Revenue Provision (MRP) Policy Statement 2019-20

The Council is required by statute to make a prudent provision for the repayment of its debt. It is also required to 'have regard' to guidance on how to calculate this provision, issued by the Ministry for Housing, Communities and Local Government (MHCLG). The Council has assessed the Minimum Revenue Provision and are satisfied that the guidelines for their annual amount of MRP, set out within this policy statement, will result in their making a prudent provision.

Where capital expenditure was incurred before 1 April 2008, the guidance suggests writing down the remaining Capital Financing Requirement by providing MRP of 4% per annum. The Council agreed in 2016/17 to write this amount off over the next 50 years, resulting in the whole balance being provided for over a finite period and far sooner than under the 4% reducing balance method.

As suggested in the guidance, for capital expenditure incurred on or after 1 April 2008 and funded through borrowing, the Council will calculate MRP by charging expenditure over the expected useful life of the relevant assets, on an annuity basis. MRP will be first charged in the year following the date that an asset becomes operational.

For the following types of capital expenditure, the Council has determined that an alternative methodology for determining the annual MRP charge should be adopted:

- For assets acquired by finance leases or the Private Finance Initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability, or over the life of the asset.
- Where loans are made to other bodies for their capital expenditure, and are to be repaid under separate arrangements, no MRP will be charged. The capital receipts generated by the repayment of those loans will be set aside to repay the debt.
- In order to better match MRP to the period of time that the assets are expected to generate a benefit to the Council, MRP for investment properties purchases will be based on an estimated useful life of 50 years, on an annuity basis. This is in recognition that these assets are held for income generation purposes and that the Council holds a saleable asset, the capital receipt from which will be used to repay any outstanding debt when sold.
- The council will determine MRP on equity investments based a 20 year life. However, for equity investments in asset backed companies, a 50 year life will be assumed to match the Council's policy for investment assets.

The Council reserves the right to determine alternative MRP approaches in particular cases, in the interests of making prudent provision, where this is material, taking account of local circumstances, including specific project timetables and revenue-earning profiles.

Each year a new MRP statement will be presented.

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