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Supplementary agenda
(item 6 – addendum 2 & item 7)

for the meeting of

THE COUNTY COUNCIL BUDGET MEETING

to be held on

5 FEBRUARY 2019

(i)

6 REVENUE AND CAPITAL BUDGET 2019/20 TO 2023/24

(Pages 5
- 10)

Prior to the deadline for District & Borough councils to submit their final council tax collection fund balances and after the publication of the County Council budget papers, Reigate & Banstead Borough Council provided an amended balance. This increased the surplus on the collection fund due to the County Council by £91,888.79.

A revised Annex B is published that includes a schedule of revised payments due from each billing authority.

This change to the council tax collection fund balance leads to revised Cabinet recommendations which are outlined in the report.

7 MEMBERS' QUESTION TIME

(Pages
11 - 18)

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SURREY COUNTY COUNCIL

COUNTY COUNCIL

DATE: 5 FEBRUARY 2019



REPORT OF: MR TIM OLIVER, LEADER OF THE COUNCIL

LEAD OFFICER: LEIGH WHITEHOUSE, EXECUTIVE DIRECTOR OF FINANCE

SUBJECT: REVENUE AND CAPITAL BUDGET 2019/20 AND KEY FINANCIAL STRATEGIES to 2023/24 – ADDENDUM 2

SUMMARY OF ISSUE

Prior to the deadline for District & Borough councils to submit their final council tax collection fund balances and after the publication of the County Council budget papers, Reigate & Banstead Borough Council provided an amended balance. This increased the surplus on the collection fund due to the County Council by £91,888.79.

A revised Annex B is published that includes a schedule of revised payments due from each billing authority.

The increase in funding changes the total council tax funding requirement from £731.5m to £731.6m; and the net revenue budget requirement from £886.1m to £886.2m.

The additional funding of £91,888 is to be added to the contingency held within the Finance and Corporate Expenditure Budget.

Revised Cabinet Recommendations

This change to the council tax collection fund balance leads to the following revised recommendations.

RECOMMENDATIONS

2. Approve the net revenue budget requirement be set at ~~£886.1m~~£886.2m (net cost of services after service specific government grants) for 2019/20 (**Annex A**), subject to confirmation of the Final Local Government Financial Settlement
3. Approve the total council tax funding requirement be set at ~~£731.5m~~£731.6m for 2019/20. This is an increase in the level of the council tax of 2.99% (**Annex A**).

A new recommendation;

19. The increase of £0.1m in the council tax collection fund surplus is included within the Contingency Budget.

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Council Tax Requirement

Districts and boroughs provided the Council with estimated Council Tax taxbase and Council Tax collection fund balance figures before the legislative deadline of 31 January 2019. The collection fund balance is the difference between the estimated Council Tax collectable for the current year (2018/19) and that actually collected. The districts and boroughs confirmed the Council Tax collection fund balance at £3,405,639.

The basic amount of Council Tax is the Council Tax Requirement divided by the tax base.

The Council Tax Requirement for 2019/20 is based on an overall increase of 2.99%.

	£	£
Gross expenditure		1,676,843,253.35
Other income		-195,764,000.00
Flex use of Capital Receipts		-16,277,000.00
Budgeted revenue		1,464,802,253.35
expenditure		
Council Tax collection fund balance	-3,405,639.00	
Contribution to/from reserves and balances	0.00	
Reserves and balances including Council Tax collection fund		-3,405,639.00
Budgeted net expenditure		1,461,396,614.35
Business rates income		-57,900,000.00
Business rates top-up		-62,077,015.60
Other Government grant		-613,227,000.00
COUNCIL TAX REQUIREMENT		728,192,598.75

The tax base is the number of Band D equivalent properties for precepting purposes. For 2019/20 it is as follows:

Billing authority	Number of Band D equivalent properties
Elmbridge	64,720.00
Epsom & Ewell	32,895.63
Guildford	56,795.35
Mole Valley	40,957.00
Reigate & Banstead	60,243.00
Runnymede	33,409.90
Spelthorne	39,688.00
Surrey Heath	38,054.42
Tandridge	38,237.10
Waverley	54,669.10
Woking	41,323.00
Total	500,992.50

The Council Tax tax base for 2019/20 shows a 0.70% increase on the 2018/19 taxbase.

In announcing the Provisional Settlement for 2019/20, the Secretary of State set a threshold for councils to increase the standard level of Council Tax by up to 3% without having to hold a referendum. This uplift is calculated on the full Council Tax precept for 2018/19. In addition, to reflect the specific service demand and cost pressures faced by councils with Adult Social Care (ASC) responsibilities, the Council can maintain, but not increase, its ASC precept. The Council must identify the ASC precept separately on the Council Tax bill and use it entirely for adult social care. Accordingly, the Council Tax precept for 2019/20 at Band D is calculated as follows.

Standard Council Tax	£676,895,976.68	÷ 500,992.50	= £1,351.11
Adult Social Care	£51,296,622.07	÷ 500,992.50	* = £102.39
Council Tax precept	728,192,598.75	÷ 500,992.50	= £1,453.50

*The amount charged for the ASC precept is the sum of the ASC precept increases in 2016/17, 2017/18 and 2018/19, with nil increase in 2019/20; i.e. £24.39 + £38.05 + £39.95 + £0.00 = £102.39

Surrey County Council's level of Council Tax for each category of dwelling in its area will be as follows:

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	£1,651.36	£125.14	£1,776.50
F	£1,951.60	£147.90	£2,099.50
G	£2,251.85	£170.65	£2,422.50
H	£2,702.22	£204.78	£2,907.00

The payment for each billing authority including any surplus or deficit balances on the collection fund will be as follows:

Billing authority	
Elmbridge	£94,423,935.00
Epsom & Ewell	£48,398,246.20
Guildford	£81,930,927.23
Mole Valley	£60,109,502.50
Reigate & Banstead	£88,682,102.50
Runnymede	£47,233,833.65
Spelthorne	£57,818,508.00
Surrey Heath	£56,068,799.47
Tandridge	£56,339,926.85
Waverley	£79,941,320.85
Woking	£60,651,135.50
TOTAL*	£731,598,237.75

*This total includes the Council Tax collection fund balance.

Each billing authority's payments to be made in ten equal instalments on the following dates, already agreed with the relevant authorities:

18 April 2019	11 October 2019
24 May 2019	22 November 2019
28 June 2019	8 January 2020
26 July 2019	17 February 2020
6 September 2019	16 March 2020

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SURREY COUNTY COUNCIL**TUESDAY 5 FEBRUARY 2019****QUESTIONS TO BE ASKED UNDER THE PROVISIONS
OF STANDING ORDER 10.1****TIM OLIVER, LEADER OF THE COUNCIL****1. MR ROBERT EVANS (STANWELL AND STANWELL MOOR) TO ASK:**

How many staff does Surrey County Council currently have working on Brexit preparation and related issues? What exactly are they doing and how are they getting along?

Reply:

The council established an officer working group to mitigate against potential disruption for the organisation and for residents. Approximately 20 senior officers, as part of their day-to-day work, are directly involved in the working group, spanning numerous services and functions of the council. The main role of the working group is to coordinate the council's Brexit planning to ensure that services are prepared for different outcomes. Officers across the council will also be preparing within their respective service, and the working group is one mechanism for the sharing of advice and guidance between services.

The working group is progressing our preparations and contingency plans for all eventualities, particularly in the following priority areas: emergency planning; the Surrey County Council workforce, including the wider care sector; non-UK EU national Surrey residents; returning UK nationals and businesses in Surrey and the local economy. A report will be going to Cabinet in February which will provide an update on Brexit planning and how the council will mitigate against any implications

SINEAD MOONEY, CABINET MEMBER FOR ADULTS**2. MRS ANGELA GOODWIN (GUILDFORD NORTH) TO ASK:**

- a. Can the lead Member detail how Surrey County Council / Action for Carers Surrey are working with businesses across Surrey to encourage them to improve working conditions / flexibility for people so that they can continue working alongside their caring responsibilities?
- b. How will any improvements made within businesses be measured and monitored to evidence that Carers are being appropriately supported?
- c. Whilst an initiative by the council was started in 2018 to raise awareness of EFC (Employers for Carers) - of which Surrey County Council is a member - what are the long term plans to make this resource available to smaller businesses to benefit both employers and Carers?

Reply:

- a. Adult Social Care, Clinical Commissioning Group (CCG) partners and Action for Carers Surrey have promoted a group membership of Employers for Carers (EfC) over the last year. This enables health and social care organisations, district and borough councils and small and medium size enterprises in Surrey to take advantage of resource materials available from EfC for free.
- b. EfC works through promoting good practice. To help enhance this approach, a new national Employers' Benchmarking scheme "Carer Confident" was launched on 29 January with support from Care Services Minister Caroline Dinenage. Our joint Surrey Carers Commissioning Group will soon be looking at how to actively promote this scheme to employers within our county.
- c. During 2018 the numbers of local employers taking up this offer has increased from 3 to 25. This was an encouraging start but there is much more to be done. Future plans including targeting membership at GP surgeries, more district and borough councils and to work in partnership with the Diocese of Guildford's Community Engagement Team to encourage engagement by local businesses.

We will also be promoting awareness of the new "Carer Confident" benchmarking scheme.

JULIE ILES, CABINET MEMBER FOR ALL AGE LEARNING

3. MR CHRIS BOTTEN (CATERHAM HILL) TO ASK:

What learning has been taken from the Ombudsman report on Children's Services, and what actions are you going to take to ensure families can trust Surrey County Council to support their child's needs?

Reply:

We know that despite spending more than other, similar local authorities, a significant number of children, young people and their families tell us they are often disappointed with the support they receive. They have to wait a long time to access services and this can make things worse and can lead to a lack of trust in us.

The report by the Local Government Ombudsman stemmed from a complaint made by a family in 2016, and reflected concerns with the provision for a child's education, health and care needs. The Ombudsman found that the council had acted appropriately in putting in place the correct support and provision for the child. However, its management of the family's complaint and Ombudsman enquiry had not been effective. The Service has acknowledged this was the case and has taken steps to ensure that complaints are responded to in an accurate and timely manner.

Equally important, there has been a sustained focus on improvement in practice since this complaint was made in 2016. We are conscious that disagreements may occur with families on the provision and placement required to support their children and young people with Special Educational Needs and Disabilities (SEND). To improve communication with families in these instances, staff are now encouraged to take a restorative approach.

We are aware that further improvement is required and have undertaken an extensive consultation on our SEND Strategy with Surrey residents and partners. The consultation was open between 30 October 2018 and 4 January 2019 and the

feedback will be used to help shape our SEND teams and the way they engage with families moving forward.

MIKE GOODMAN, CABINET MEMBER FOR ENVIRONMENT AND WASTE

4. MR JONATHAN ESSEX (REDHILL EAST) TO ASK:

In 2016 this council agreed an Environmental Sustainability Policy, together with a progress and action plan, which agreed 'go beyond minimum obligations through collaboration and partnership'. In 2017 the council set two targets, to achieve a 10% reduction in overall carbon emissions by 2018/19, and for the proportion of Sites of Special Scientific Interest (SSSIs) in 'good' condition to reach 50% by 2020.

- a. Please confirm progress against these two targets, and how they are reflected in the budget and medium term financial plan.
- b. Please confirm the targets and progress against Key Performance Indicators 2–8, which were stated as 'target setting review in progress' in 2017.
- c. Please confirm when the Surrey Energy and Sustainability Partnership, set out on the Council's website (<https://www.surreycc.gov.uk/land-planning-and-development/energy-sustainability/partnership>), last met and how it updates councillors and the public on its actions.

Reply:

- a. The management of SSSIs across the countryside estate falls within the remit of the agreement with Surrey Wildlife Trust (SWT) and the costs associated with achieving this Key Performance Indicator (KPI) is reflected in the funding used to support the long term agreement with the SWT. The implementation of target on CO2 emissions is not solely a function of the council and therefore performance against the target is not directly reflected in the council's medium term financial plan.
- b. We have more work to complete on KPIs 2 – 7. We are relaunching the partnership next week and I have asked the group to review all KPIs and their targets and progress via the relevant mechanisms to all people involved in the partnership.

Carbon emissions:

The latest report from 2017/18 Greenhouse gas emissions from the estate and operational activities of Surrey County Council concludes that after weather correction, net emissions were 41,034 tonnes CO2e. This equates to a 25% (13,886 tonnes) decrease in emissions compared to a baseline year of 2013/14. This comparison takes into account major influencing factors which are the loss of schools from the estate due to academy conversions and the impact of annual weather variations. 2017/18 was 7.2% colder than the baseline year, therefore weather adjusted consumption and emissions are lower than the actual result.

By scope, on a like for like basis accounting from weather correction vs 2013/14, the changes were:

Scope 1 (direct emissions from fuel combustion, such as boilers for heating buildings, transport fuel used by owned or directly leased vehicles and 'fugitive emissions') emissions decreased by 19.0%.

Scope 2 (indirect emissions from the consumption of purchased electricity i.e. from power stations, and heat generated off site i.e. district heating) emissions decreased by 29.9%.

Scope 3 (indirect emissions from the transmissions and distribution of electricity and from many other activities, including products and outsourced services which are bought on behalf of the council. For most organisations, these are the largest area of emissions, but are acknowledged as the most difficult to measure) emissions decreased by 20.1%.

Sites of Scientific Interest:

Favourable and Favourable Recovering are the terms used by Natural England, who are the body responsible for monitoring SSSIs and protecting them.

The County as a whole has 98.71 % of the SSSIs in favourable and favourable recovering condition with a split of 67.15% favourable and 31.56% favourable recovering. When considering the council's countryside estate only, the figures for SSSIs are as follows: 99.84% Favourable and Favourable recovering of which 40.9% of the SSSIs are in favourable condition. We are currently awaiting Chobham Common to be re-assessed and would expect that assessment to increase the favourable percentage to 72.1%

- c. The Surrey Energy and Sustainability Partnership (SESP) is a collaborative group involving the county council, all 11 district and borough councils, Surrey Police and Action Surrey. The officers' partnership group typically meets twice a year to develop, commission, implement and govern partnership initiatives. They last met on 7 November 2018. The council's Public Health Service have now taken on SESP and the next meeting is scheduled for Tuesday 12 February 2019.

The Partnership's Terms of Reference state that they will submit joint biannual reports to meet statutory Department of Energy and Climate Change (DECC) requirements pursuant to the Home Energy Conservation Act (HECA) 1995. In addition to this they will report to the Surrey Leaders' Group and the Surrey Chief Executive Officers' groups, when requested and other groups as appropriate.

MATT FURNISS, CABINET MEMBER FOR HIGHWAYS

5. MR ROBERT EVANS (STANWELL AND STANWELL MOOR) TO ASK: (2nd question)

The Royal Automobile Club Foundation for Motoring (RAC Foundation) recently conducted a survey on dangerous potholes, in particular the threat they pose to cyclists. How quickly are serious defects repaired in Surrey and what is the criteria used to designate a pothole as needing immediate repair?

Reply:

Serious defects are defined as those defects that require immediate attention to secure, guard, warn or make the public safe from the highest risk of harm. These defects will be responded to within two hours of the defect being reported.

In terms of what criteria is used to designate a pothole as needing immediate repair, this will be dependent on a dynamic risk assessment of the defect carried out by Surrey County Council staff when they identify a defect. The risk assessment will include assessing risks to cyclists. Any that are assessed as requiring immediate attention will be responded to within two hours. If a member of the public phones in a report of a high risk pothole they will be asked questions to confirm that the pothole poses an immediate risk and if so this will also be dealt with within 2 hours.

Potholes that are not designated as requiring an immediate repair are responded to within five days if the depth is greater than 40mm on a road or greater than 25mm on a designated cycle lane. While there is no agreed national definition for pothole depth, 40mm is the most commonly used criteria, however some authorities will not respond to a pothole unless the depth is >50mm. Defects that do not require an immediate or imminent repair will be repaired within 20 days.

In Surrey the number of potholes filled is generally between 40,000 and 50,000 per annum.

In summary, defect response times are;

Immediate Response (Priority 1) – Response will be *within 2 hours* of the defect being repaired.

Safety Priority 2 – Defects will be repaired or made safe *within 5 working days*.

Safety Priority 3 – Defects that are not deemed to represent an immediate or imminent hazard will be repaired *within 20 working days*.

Further information on criteria and response times can be found at;

<https://www.surreycc.gov.uk/roads-and-transport/policies-plans-consultations/policies-and-plans/highway-safety-inspections-standards-and-procedures>

JULIE ILES, CABINET MEMBER FOR ALL AGE LEARNING

**6. MRS ANGELA GOODWIN (GUILDFORD NORTH) TO ASK:
(2nd question)**

Following the recent report by the Local Government Ombudsman (18 005 543), what has Surrey County Council done to improve problem solving processes to ensure that families do not have to go to the Local Government Ombudsman to resolve issues, and the council does not incur additional payments as a result of the untimely response?

Reply:

Please refer to my response to question 3.

MIKE GOODMAN, CABINET MEMBER FOR ENVIRONMENT AND WASTE

**7. JONATHAN ESSEX (REDHILL EAST) TO ASK:
(2nd question)**

In October 2018, the Cabinet Member for Place confirmed that investment in enhancing Surrey's cycling infrastructure amounted to £2.05m between 2017 and 2018, whilst an additional £1.49m was invested in shifting journeys from private to public transport between 2017 and 2018. This equates to around £1.75 per person on cycling improvements and £0.73 on public transport improvements per person each year in Surrey.

This compares to an average of £6 per person across England in 2016/17 (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/603527/cycling-walking-investment-strategy.pdf). Meanwhile Sustrans, the national cycling charity, has estimated that to meet the government's ambition to double cycling activity each year by 2025 it requires an investment of £17 per person each year (<https://www.sustrans.org.uk/sites/default/files/images/files/Achieving%20the%20Government%27s%20targets%20for%20cycling%20in%20the%20Cycling%20and%20Walking%20Investment%20Strategy.pdf>).

In light of this, please confirm what plans Surrey has to increase its spending in Surrey so that we can lead the way not just in hosting cycle rides, but incentivising Surrey residents themselves to take up cycling, and confirm that this is not one of the areas of service subject to a recruitment freeze.

Reply:

This council is committed to investing in measures that improve cycle infrastructure and encourage residents to take up cycling.

Our existing programme of major transport schemes covers the period 2014-21. This is the major source of infrastructure funding available to this council. All schemes within the programme include measures for new and improved cycle infrastructure with a range of schemes already in delivery and others awaiting a funding decision from one of our two Local Enterprise Partnerships (LEPs). For growth programmes beyond 2021 we are awaiting news of further government funding. This will be channelled through our two LEPs. Our pipeline of future schemes is being reviewed with partners in readiness for a future funding announcement. This future programme includes cycle infrastructure.

Funding has recently been secured for cycle infrastructure investment from partnership organisations, including Highways England. Several bids are also being finalised to the Housing Infrastructure Fund. These major highways schemes all include provision for cycle infrastructure, alongside packages of passenger transport and other active travel improvements.

Funding secured from the Department for Transport (DfT) is also supporting the development of our Local Cycling and Walking Infrastructure Plans. The first of these pilot schemes will be in Guildford and Woking. This builds on the published Surrey Transport Plan Cycling Strategy. This work forms part of the Government's Cycling and Walking Investment Strategy which adopts a new strategic approach to identifying cycling and walking improvements needed at a local level. This aims to provide for a long-term approach to developing local cycling and walking networks. It forms a vital

part of the Government's overall strategy to increase the number of trips made on foot and by cycle.

Supporting this investment in infrastructure we provide an extensive cycle training service to the National Standard, called "Bikeability". The service is self-financing by a combination of fees and grants. We also promote sustainable travel by encouraging and supporting schools to develop school travel plans. These describe the actions the school will undertake to promote road safety and sustainable travel. Investment in media and publicity campaigns, theatre in education workshops in schools, whilst also encourage sustainable travel all include cycling. A recent campaign aimed to tackle poor air quality near schools and promoting alternative modes of travel was funded through a successful bid to the Department for Environment, Food & Rural Affairs (DEFRA) via the Surrey Air Alliance.

I trust this highlights the council's commitment to helping more of our residents cycle more often.

MIKE GOODMAN, CABINET MEMBER FOR ENVIRONMENT AND WASTE

8. MRS ANGELA GOODWIN (GUILDFORD NORTH) TO ASK: (3rd question)

Given the proposal to keep the companion passes for the time being but review their use in 12 months' time, what possibility is there of introducing a fixed fee to cover admin costs (perhaps a fee along the lines of a disabled train pass, which is currently £54 for three years) in order to enable users to retain their companion passes beyond this point?

Reply:

On 29 January 2019 Cabinet took a number of tough decisions to help us balance the budget. As part of this, Cabinet considered the future of companion bus passes which are an additional council funded concession over and above the England wide scheme. We listened carefully to what residents told us on this issue. One option was to retain and then review companion passes in twelve months. However, Cabinet decided to retain companion passes without a review. Retaining companion passes will protect some of our most vulnerable residents who need support when travelling by bus. This will help these vulnerable residents' access key services, such as essential food shopping and medical appointments whilst helping them to live well and longer in their own home.

CHARLOTTE MORLEY, CABINET MEMBER FOR CORPORATE SUPPORT

9. MR. JONATHAN ESSEX (REDHILL EAST) TO ASK: (3rd question)

Please could you list all the interim directors currently employed across the council, and confirm how many of the current directors were appointed as interim directors before subsequently being confirmed as permanent members of staff, going through the People, Performance, and Development Committee (PPDC)?

Reply:

Director roles currently filled by interims are:

- Director of Commissioning (Adults)
- Executive Director of Adult Social Care
- Executive Director of Finance (and S151 Officer)
- Director of Law & Governance (and Monitoring Officer)

The following roles were originally filled by people on an interim basis who have subsequently been appointed to the staffing establishment by the People Performance and Development Committee:

- Executive Director Customer, Digital & Transformation
- Director for Safeguarding & Family Resilience
- Director for Looked After Children and Leaving Care
- Director of HR & OD