

CABINET

The following decisions were taken by the Cabinet on Tuesday, 23 July 2013 and will take effect on Friday 2 August 2013 unless the call-in procedure has been triggered.
CALL-IN DEADLINE: 1/8/13.

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

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

The Cabinet at its meeting on Tuesday, 23 July 2013 considered the following matters and resolved:

Members' Questions (Item 4a)

Three questions had been received from a Member. The questions and responses were tabled and are attached as Appendix 1.

Public Questions (Item 4b)

Six questions had been received for the meeting from members of the public. The questions and responses were tabled and are attached as Appendix 2.

Adult Social Care Select Committee - Social Capital (Item 5a)

The recommendation of the Adult Social Care Select Committee was circulated with the agenda. The Cabinet response was tabled at the meeting (Appendix 3).

Communities Select Committee - Magna Carta Anniversary (Item 5b)

The recommendations of the Communities Select Committee were tabled at the meeting. The Cabinet considered the recommendations under agenda item 12 and agreed that a written response would be provided after the meeting.

• **AMENDMENT TO WASTE CONTRACT TO DELIVER THE WASTE STRATEGY (Item 15)**

1. The Waste Contract be varied to reflect the changes necessary to deliver our Waste Strategy including the Eco Park, subject to relevant conditions being met (as described in paragraphs 23 and 24 of the report submitted).
2. The Council enter into a Direct Agreement with SITA Holdings Ltd for the purpose of the Waste Contract and provides a Local Government (Contracts) Act Certificate in relation to the Direct Agreement.
3. The Strategic Director (Environment and Infrastructure) be authorised to agree any subsequent changes to the proposed variation to the Waste Contract to deliver the Waste Strategy including the Eco Park, in consultation with the Leader and the Cabinet Member for Transport, Highways and the Environment, and advised by the Head of Legal and Democratic Services and the Chief Finance Officer.

Reason for decisions

To provide proper authority to deliver the Waste Strategy, including the Eco Park which represents a corporate priority for the Council, enter into contractual commitments and provide assurance to contractual and funding partners to the Council.

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

• **MEDIUM TERM FINANCIAL PLAN 2013-18, QUARTER ONE 2013/14 REVIEW** (Item 6)

1. The potential implications of Spending Round 2013 (SR2013) on the county council's budget position be noted.
2. The proposed MTFP 2013-18 budget assumption changes in light of new information available since February 2013 (paragraphs 13 to 22 of the report submitted) be noted
3. The MTFP 2013-18 be revised to:
 - a). amend the capital programme to include an additional £95m in relation to school basic need and short stay schools for 2013-18 and £0.7m provisional expenditure in relation to the 800th anniversary of the Magna Carta.
 - b). reflect additional revenue budget spend from 2014-18 for:
 - revenue costs of additional capital programme items (£7.4m)
 - unachievable savings targets included in existing MTFP of £0.8m and
 - additional Surrey Fire & Rescue Service spending pressures (£2.0m)
 - the provisional contribution to celebrate the 800th anniversary of the Magna Carta (£0.3m in 2014/15 only)
 - c). add the level of additional savings that services have identified, which can realistically be delivered for 2014-18 (£56.0m in 2014-18, £19.5m in 2014/15)
 - d). agree the predicted scale of currently unallocated savings required in 2014-18 if recommendations 3a-3c above are supported (£52.6m for 2014-18 and £25.6m for 2014/15).
 - e). recognise that the remaining currently unallocated savings (£52.6m in 2014-18, £25.6m in 2014/15) would need to be met through further savings and/or increased income to ensure a balanced and sustainable budget could be prepared for 2014/15 onwards.
4. That officers continue to work to identify realistic options for discussion with stakeholders and members during the next phase of the budget planning process for preparing a balanced and sustainable budget for 2014/15 onwards.

Reason for decision

In setting the MTFP 2013-18, the Cabinet agreed to undertake a review in the first quarter of 2013/14 to take account of the need to revise any of the budget assumptions in the light of progress with efficiencies and spending reductions, any impact of the revised Corporate and Directorate Strategies and implications of SR2013.

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

Committee]

- **INVESTMENT STRATEGY (Item 7)**

1. The Investment Strategy including the proposed process that will determine which investment opportunities come forward for decision by Cabinet be approved.
2. The governance arrangements be approved and an Investment Advisory Board be established comprising four Cabinet Members supported by appropriate officers (including the Monitoring Officer and the Chief Finance Officer) who will consider individual investment opportunities and provide advice to Cabinet on investment decisions.
3. The commencement of the procurement process for the appointment of an Investment Advisor or Advisors to provide advice to the Council be approved, with contract award being approved in line with the standard process.
4. The development by the Strategic Director for Business Services of a full business case for the establishment of a Property Investment Company to be wholly owned by the County Council be approved for consideration at a future Cabinet meeting.

Reason for decisions

The Investment Strategy will provide a framework for investing in innovative solutions and opportunities that enable the council to maintain its financial resilience and increase income whilst providing effective services.

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

- **THE COUNCIL'S APPROACH TO INNOVATION: UPDATE REPORT (Item 8)**

1. The good progress made so far to strengthen the Council's innovation capacity and capability, including the achievements and learning from the first six months of the Council's approach - called "Shift" - to accelerate and systematise innovation be acknowledged.
2. It be agreed to continue developing and implementing the "Shift" approach to innovation over the medium term planning period.
3. Following the review by the Investment Panel on 24 June 2013, the use of up to £0.3m from the Invest to Save Fund in 2013/14 and up to a maximum of £0.6m per year until 2016/17 to fund the "Shift" programme be approved.
4. The Strategic Director for Business Services, in consultation with the Leader and Cabinet Member for Business Services, continue to develop and implement the "Shift" approach using Invest to Save Funding as required to support this, reviewing progress and plans six monthly.

Reason for decisions

To further refine and strengthen the Council's approach to innovation over the medium term so it can exploit new opportunities, navigate significant challenges and achieve improved outcomes and value for money for Surrey's residents.

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

Committee]

- **PUBLIC SERVICE TRANSFORMATION (Item 9)**

1. The Secretary of State for Communities and Local Government's endorsement and recognition of Surrey's approach to public service transformation be welcomed and support for the forward programme of work be confirmed.
2. Officers develop outline business cases for consideration at the October 2013 Cabinet meeting.

Reason for decisions

The Council is working closely with partners to develop its plans for public service transformation in Surrey. Public service transformation will significantly improve services and outcomes for Surrey residents and generate financial savings. By working as "one team" with partners, public service transformation will focus resources away from expensive, high cost responses towards prevention and earlier intervention.

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

- **ANNUAL GOVERNANCE STATEMENT 2012/13 (Item 10)**

1. The 2012/13 Annual Governance Statement (attached as Annex 1 to the report submitted) be approved and signed by the Leader and the Chief Executive for inclusion in the Statement of Accounts and Annual Report.
2. The Audit and Governance Committee continue to monitor the governance environment and report to Cabinet as appropriate.

Reason for decisions

To comply with the statutory duty to annually review and report on governance and meet best practice through a responsive approach to addressing governance and internal control issues identified.

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

- **CHILDREN, SCHOOLS AND FAMILIES DIRECTORATE ANNUAL REPORT (Item 11)**

1. The progress made in the Children, Schools and Families Directorate and achievements over the last year be noted.
2. The publication of the Children, Schools and Families Directorate annual report on the Surrey County Council website and s-net be approved.

Reason for decisions

The publication of the Children, Schools and Families Directorate annual report will demonstrate how the directorate is providing value for money for Surrey residents. It will show how the directorate has performed over the last year, and what has been achieved.

[The decisions on this item can be called in by the Children and Education Select Committee]

- **MAGNA CARTA ANNIVERSARY** (Item 12)

1. The outline Partnership Masterplan be agreed as set out in paragraphs 10 to 19 of the report submitted.
2. Additional project funding support, comprising of £700,000 capital funding for the legacy programme and £300,000 revenue funding for the events programme, be factored into the refresh of the Medium Term Financial Plan.
3. A major bid be made to the Heritage Lottery Fund to contribute to the Magna Carta programme.
4. The financial oversight of the Partnership Masterplan be delegated to the Leader of the Council, with implementation by the Assistant Chief Executive, in consultation with the Leader of the Council and the Cabinet Member for Community Services.

Reason for decisions

To ensure that the significance of the 800th Anniversary is recognised and the benefits are maximised for the area in 2015 with lasting benefits beyond. To achieve these aims, partners are working collaboratively to pool resources and expertise. To fulfil all the ambitions of the report, the partnership will submit an exciting and innovative bid for match funding from the Heritage Lottery Fund.

[The decisions on this item can be called in by the Communities Select Committee]

- **PROPOSED HOLDING OF A SHARE AND DIRECTORSHIP BY SURREY COUNTY COUNCIL IN SURREY HILLS ENTERPRISES** (Item 13)

1. It be agreed that the County Council hold a single share worth £1 in Surrey Hills Enterprises on behalf of the Surrey Hills Area of Outstanding Natural Beauty Board.
2. A Member be appointed to sit as Director on the Surrey Hills Enterprises Board until May 2017 (length of the Council) and that this and future appointments be made by the Chief Executive in consultation with the Leader.

Reason for decisions

To promote the local businesses, the Surrey Hills brand and generate income for Surrey Hills Enterprises to be reinvested in its activities and the community. The aim is to distribute the profits as grants to projects that deliver the Surrey Hills Management Plan.

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

- **REVISION OF PROCUREMENT STANDING ORDERS** (Item 14)

The proposed changes to Procurement Standing Orders (PSOs) be noted and commended to full Council for final approval.

Reason for decision

To progress the adoption of revised Procurement Standing Orders including amendments to reflect changes in legislation and ensuring that the Council maintains a fit for purpose set of guidance and rules to govern the procurement process.

- **CONTRACT AWARD - SUBSTANCE MISUSE AND HOUSING SUPPORT SERVICE FOR ADULTS AND SUBSTANCE MISUSE SERVICE FOR CHILDREN AND YOUNG PEOPLE (Item 18)**

That the contracts be awarded to the Providers on the basis described in the Part 2 Annex (submitted as agenda item 20) to deliver the Adult Substance Misuse and Housing Support Service and the Children and Young Peoples Service.

Reason for decision

The contract awards deliver a saving of 21.5% per annum for the contract periods (3 years + 1 +1). The new services will deliver increased quality in service delivery through a strengthened and outcome focused service specification, ensure enhanced and clearly monitored contract delivery through an incentivised payment model and will provide apprenticeship opportunities to Surrey Young People with an element of the services being delivered through a local provider.

[The decisions on this item can be called in by the Adult Social Care Select Committee, Children and Education Select Committee and the Council Overview and Scrutiny Committee]

- **BUDGET MONITORING REPORT FOR JUNE 2013 AND QUARTER 1 2013/2014 (Item 16)**

1. The following be noted (as set out in the report submitted):
 - forecast revenue budget underspend for 2013/14 (Annex 1, paragraph 1);
 - forecast ongoing efficiencies & service reductions achieved by year end (Annex 1, paragraph 56);
 - forecast capital budget position for 2013/14 (Annex 1, paragraph 60)
 - management actions to mitigate overspends (throughout Annex 1);
 - quarter end balance sheet as at 30 June 2013 and movements in earmarked reserves and debt outstanding (Annex 1, page 18);
2. the following adjustments to the revenue budget be approved:
 - virement of £0.4m from Customer & Communities' Legacy team to Chief Executive's Office to realign budgets and service responsibilities (Annex 1, paragraph 6);
 - virement of £0.7m from Adult Social Care to Public Health to realign health and well-being budgets (Annex 1, paragraph 7);
 - virement of £0.14m from New Homes Bonus funding to Environment & Infrastructure to support planning applications associated with the schools building programme (Annex 1, paragraph 8);
 - virement of £5.0m from the Severe Weather Reserve to repair damage to roads caused during the last winter (Annex 1, paragraph 9);
3. the following adjustments to the capital budget be approved:
 - virement of -£0.4m grant reprofiling of Local Sustainable Travel Fund grant in Environment & Infrastructure (Annex 1, paragraph 60);
 - virement of -£0.5m reprofiling of external funding in Environment & Infrastructure (Annex 1, paragraph 60);
 - virement of £0.6m reprofiling of IT Replacement Reserve (Annex 1, paragraph 60);
 - virement of -£0.6m reprofiling of Adult Social Care Infrastructure grant (Annex 1, paragraph 60);
 - virement of the transfer of responsibility for Basingstoke Canal from

Business Services (-£0.5m) to Environment & Infrastructure (£0.5m) (Annex 1, paragraph 60); and

- virement of the addition of £1.8m for Redhill balanced network as a new scheme (Annex 1, paragraph 60).

Reason for decisions

To progress the actions identified as part of the agreed strategy of monthly budget monitoring reporting.

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

- **LEADER / DEPUTY LEADER / CABINET MEMBER DECISIONS TAKEN SINCE THE LAST CABINET MEETING (Item 17)**

It is recommended that the Cabinet note the decisions taken by the Leader, Deputy Leader and Cabinet Members since the last meeting as set out in Annex 1 of the report submitted.

Reason for decision

To note the decisions taken by Cabinet Members under delegated authority.

- **PROPERTY TRANSACTION: ACQUISITION OF AN OFFICE PROPERTY IN EPSOM (Item 22)**

1. Surrey County Council acquire the freehold interest in the property on the basis set out in the Part 2 report submitted.
2. The actions identified in recommendation 2 of the Part 2 report submitted be agreed.

Reason for decisions

The acquisition will provide the opportunity for the Council to consider the longer term needs of service delivery and office accommodation in the area.

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

- **TREASURY MANAGEMENT ISSUE (SPECIAL URGENCY) (Item 22a)**

1. The Local Government Association and its legal representatives be authorised to represent the Council in negotiations on the basis set out in the Part 2 report submitted with all options and prices to be considered when this information is made available to the Council.
2. Authority be delegated to the Chief Finance Officer, in consultation with the Leader, the Cabinet Member for Business Services and the Monitoring Officer, to make a final decision with regard to the selection of the interested third party and the terms of the deal that is constructed with that party.

Reason for decision

To enable the council to fully consider the available options and secure the best outcome.

[The decisions on this item were taken under the Special urgency procedure as they could not reasonably be deferred and come into immediate effect.]

CABINET – 23 JULY 2013

ITEM 4(a) - PROCEDURAL MATTERS

Members' Questions**Question (1) from Mr Jonathan Essex (Redhill East)**

Please confirm the evidence base for the statement, "exposes SCC to the risk of price increase as they seek to peg their prices to landfill increases (at least in the medium term)" in paragraph 10.

Reply:

This statement is based on the professional judgement of council officers and the council's technical and independent financial advisors and knowledge obtained through historic and current market prices for merchant energy from waste capacity for dealing with Surrey's waste.

Mr John Furey
Cabinet Member for Transport, Highways and Environment
23 July 2013

Question (2) from Mr Jonathan Essex (Redhill East)

Please confirm if the changes proposed impact upon the total tonnage of waste envisaged to be disposed of using EfW by SCC?

Reply:

The changes proposed do not impact on the total tonnage of waste envisaged to be disposed of by the Surrey County Council. After achieving levels of 70% recycling, there remains about 160,000 tonnes of residual waste to be disposed of and the Eco Park will deal with a proportion of this.

Mr John Furey
Cabinet Member for Transport, Highways and Environment
23 July 2013

Question (3) from Mr Jonathan Essex (Redhill East)

Please provide a breakdown of the CO2 emissions noted in paragraph 46 and energy generated noted in paragraph 47, and set out how this compares to the current approved Eco Park waste management process.

Reply:

Given the detailed numerical nature of the Mr Essex's question, my officers have produced a breakdown of the net reduction of greenhouse gas emissions and the energy generation projections that have been modelled (*circulated to Mr Essex at the meeting*). Furthermore, officers would be willing to brief Mr Essex in more detail if that would be helpful.

Mr John Furey
Cabinet Member for Transport, Highways and Environment
23 July 2013

CABINET – 23 JULY 2013

ITEM 4(b) - PROCEDURAL MATTERS

Public Questions**Question (1) from Ms Debbie Pullen, Epsom**

Are you aware of the fiasco regarding Wallace Fields Junior (WFJS) and Infants (WFIS) schools' admissions over the past four years (please refer to letter emailed from Marsha Mclean-Anderson) and that as a result of this several local children (for whom WFJS is their closest school and within 740m) are highly likely to be displaced to their 13th nearest school after they leave WFIS and will be forced to leave the supportive school community that they are a part of? Are these six and seven year olds just expected to pay the price of the mistakes of Surrey Local Authority by jeopardizing their education and well-being or can something be done to help them, for example a guaranteed place in WFJS or a financially supported increase in the pan of WFJS for September 2014?

Reply:

The determination by the Office of the Schools Adjudicator in 2012 related to admission arrangements for 2013.

For 2013, of the 59 children that we have registered at Wallace Fields Infant School, 52 have been allocated a place at Wallace Fields Junior School. Of the remaining 7 children, the following applies:

No application submitted for any school	1
Late application including WFJS	1
Did not apply to WFJS	1
Offered a higher preference school to WFJS	1
Offered a lower preference school to WFJS	1
Offered Danetree - not named as a preference	2

This demonstrates that only two children currently show as having been offered an alternative school that they did not apply for. While it is the case that for one of these families the school offered was the 13th in distance to their home address, only 4 of the schools that were closer admitted children at Year 3. For this family, Danetree was 3.2 km (2 miles) from the home address and this was still considered to be a reasonable distance.

The principles set out in the arrangements for 2013 apply to 2014 onwards and therefore the local authority has not re-visited the decision in order to propose any further changes. The Principal Manager for Admissions has explained the local authority's legal position fully in that regard in a letter to Mrs McLean Anderson.

Currently there are no plans to expand the junior school as the forecast data for school organisational planning indicates that there is no basic need requirement in the area overall. A group of parents have submitted an objection to the Schools Adjudicator regarding the admission arrangements at Wallace Fields Junior School, and we shall await the outcome of that objection.

Mrs Linda Kemeny
Cabinet Member for Schools and Learning
23 July 2013

Question (2) from Mr Chris Netherclift, Sunbury on Thames

We have always said that the Charlton Lane site is too small for an efficient thermal treatment plant. Despite the specification in SiTA's tender advertisements being for a 60,000 tonne per year gasifier the selected design and build company could not come up with a proposal that could match that specification. The site is therefore clearly not large enough to accommodate an efficient ATT plant.

- (i) How small would the throughput of an incinerator on the Charlton Lane site have to be before SCC admitted that they have chosen a site that is too small?
- (ii) Any arguments from such places as Wisley that pollution will harm the plants cannot be considered valid as SiTA contend that there is negligible pollution. Will SCC now re-examine their site selection process to ensure that a site is chosen that is of sufficient size to be able to handle a significant amount of waste on one site using an incinerator that can actually do its job efficiently whilst actually providing heat and power to the local infrastructure?
- (iii) Alternatively, are SCC determined to put an incinerator on the Charlton Lane site no matter how efficient it is?
- (iv) The 2010 JMWMS includes the following "Table 4.3.1 Key Strategic Policies Policy 5 We will adhere to the waste hierarchy, with residual waste treatment preferred to landfill. Recovery and disposal facilities will be delivered to ensure compliance with the Landfill Directive. We will restrict the use of landfill to 0% by 2013/14". How can this Key Strategic Policy fit with the current proposed incinerator which by design will send approximately 8,000 tonnes per year back to landfill?
- (v) If Mott MacDonald's concerns are correct and the incinerator cannot be classified as a gasifier will Surrey County Council accept that they have yet again selected the wrong incinerator for the wrong site?

Reply:

The Council's waste strategy identifies gasification as its preferred technology for dealing with residual waste. The gasification plant at Charlton Lane is sized appropriately to deal with the residual municipal waste that is produced within the local area and the Council's waste strategy does not advocate the use of a single plant to deal with all of Surrey's residual waste in one location. The site selection process was rigorously tested as part of the planning application and through the requirement of the applicant to produce an assessment which looked at the suitability of alternative sites for the development. The planning authority concluded that the Charlton Lane site was the most appropriate location for this development.

SITA has made an assumption that, initially at least, the ash from the gasifier and any non-combustible material that is separated at the fuel preparation stage may have to be sent to landfill. This is in line with ensuring that the risks are adequately dealt with in the financial analysis. However it would be both SITA's and the Council's intention to find or develop recycling markets for some or all of this material, for example in road construction.

The proposed plant at Charlton Lane is designed to operate as a gasification plant with the production of a syngas and its subsequent combustion. The Council's technical advisors Mott MacDonald concur that the plant has been designed to operate as a gasification plant but rightly point out that the contractor constructing the plant will need to demonstrate to Ofgem that the plant qualifies for Renewables Obligations Certificates by measuring the quality of the Syngas produced. Both the building contractor and SITA are confident that this is achievable.

Mr John Furey
Cabinet Member for Transport, Highways and Environment
23 July 2013

Question (3) from Mr Ian Robinson, Sunbury on Thames

Surrey County Council has admitted recently that the latest proposal for a continuous gasification system is more efficient than the earlier proposal for several batch gasification systems. This confirms my concerns that the optimal, proven system may not have been researched and identified yet. This, together with Cllr. Furey's regrettably misleading 24-page report and presentation to your meeting on 25 June 2013, leads me to ask the following Question:-

How can you be fully satisfied that all the many concerns expressed by local residents have been resolved adequately?

It is no good simply saying that your officers and consultants have investigated the scope for optimum solutions "within the SITA contract". For a project life of 25 years, with major implications for local residents, such as my wife and I who live two miles downwind of any toxic emissions from the plant, the investigations should "think outside the box" and include all safe options in the fast-developing "Energy from Waste" industry.

Reply:

The Council commissions regular reviews of advanced thermal treatment processes that are available in the market. The last such review was undertaken by its technical consultant, Mott MacDonald in August 2012 and identified that Outotec as a successful provider of an advanced thermal treatment process within the market.

All elements of the Eco Park, including the gasification plant will have to operate under the terms of an Environmental Permit issued by the Environment Agency. The Permit will control the operation of the plant and any emissions to land, air or water from the plant. The Environment Agency would not issue a permit unless they were satisfied that the plant posed no risk to the environment or to human health.

Mr John Furey

Cabinet Member for Transport, Highways and Environment

23 July 2013

Question (4) from Mr Malcolm Robertson, Charlton Lane Community Liaison Group Member

Contrary to information supplied previously to the Cabinet, the proposed new gasifier fails to accord with the Council's own Waste Strategy.

Public consultation and agreement with Surrey's 11 Boroughs and Districts produced a Waste Strategy specifying a 60,000 tonne capacity Batch Oxidation System gasifier.

What has now been proposed as a replacement is a 45,000 tonne net capacity continuous feed gasifier, which is totally different from the Batch system, has 25% less capacity, and lacks both the agreement of the Boroughs and any consultation with the public. (The gasifier has a gross capacity of 55,000 tonnes, but after removing recyclables and oversized items the capacity drops to 45,000 tonnes).

Surrey's own 'due diligence' mentions that stoppages may occur up to 6 times daily depending on the nature of the wastes being processed, but regrettably the document appears not to address the issue of 'tarring', a particular concern of DEFRA's, and the cause of the demise of the boiler of Surrey's reference plant in Dargavel, Dumfries, after just 4 months normal operation.

Furthermore the due diligence neglects to mention that both gasifiers in the UK burning municipal waste have required major re-engineering and on several occasions emitted

carcinogenic dioxins substantially in excess of National and International limits. Both plants were regulated, but nevertheless these breaches occurred.

Bearing in mind these deficiencies and the failure to comply with the County's own Waste Strategy, should it not be recognised by the County Council that a comprehensive due diligence must be completed first, and the consultation and agreement to a new Waste Strategy obtained before it embarks on colossal expenditure, and yet another adventure into gasification?

Reply:

The Surrey Joint Municipal Waste Management Strategy makes it clear that the detailed arrangements for dealing with residual waste are a matter for the Waste Disposal Authority as part of the Waste Disposal Authority's Action Plan. This plan is updated periodically in the same way as the action plans of the waste collection authorities. The Cabinet report of 25 June, sets out the changes to the Waste Disposal Authority's Action Plan with regard to the waste treatment technologies proposed for the Eco Park and was approved by the Council's Cabinet.

It is correct that the boilers that were initially installed at the Scotgen Dargavel gasification facility suffered from 'fouling'. This was due to the type of boiler which had been fitted to the original plant, which proved to be unsuitable for that particular operation. SITA were well aware of this and had proposed a different type of boiler for this type of gasification process, had it been built at Charlton Lane. There is no evidence that boiler fouling or tarring is a particular characteristic unique to gasification facilities, it can occur in any energy from waste plant if fitted with unsuitable boilers.

The waste management industry is one of the most highly regulated industries in the UK. Emissions are measured and reported and where breaches have occurred, the regulator takes action, including requiring immediate closure of the site. Of the two plants that Mr Robertson may have in mind, one is now operating successfully and the other is under the close scrutiny of the Scottish Environmental Protection Agency who also note that none of the breaches have had any demonstrable significant effect on the environment.

SITA, their parent company SUEZ Environment and the EPC contractor M&W are large, well established and experienced developers of waste facilities. Suez Environment, for its part, is investing significant amounts of its own capital into the development of the Eco Park and M&W are providing substantial guarantees to give comfort that the technology will operate as intended.

Mr John Furey
Cabinet Member for Transport, Highways and Environment
23 July 2013

Question (5) from Mr John Seaman

If residual waste is processed to make RDF (Refuse Derived Fuel) which is then combusted in a fluidised bed gasifier at the proposed Eco Park at Charlton Lane, Shepperton how much material in total will be sent to landfill each year? If the same amount of residual waste was burnt in an Energy from Waste incinerator how much material in total would be sent to landfill each year?

What does this mean for Surrey during the expected operational life of the Eco Park including Surrey County Council's "zero waste to landfill" policy, landfill gate fees, landfill tax, transport costs and continued availability of scarce landfill capacity?

Reply:

An initial assumption has been made that approximately 8000 tonnes per year of material, comprising ash and the inert rejects from the RDF production process, would be sent to landfill. However as discussed in my answer to a previous question, both SITA and the Council would look to find or develop markets for this material over time. The 8000 tonnes of residue amounts to about 15% of the input by weight. A typical energy from waste plant would produce between 25% and 30% bottom ash by weight, which would also be required to be sent to landfill if suitable markets could not be found.

The cost of dealing with all outputs from the gasification process has been considered within the overall cost of developing and operating the Eco Park.

Mr John Furey

Cabinet Member for Transport, Highways and Environment

23 July 2013

Question (6) from Mr Peter Crews, Sunbury

If the Waste PFI Contract is cancelled, how can Surrey County Council deliver Option 3 (waste disposal using existing infrastructure) for £94M less than Option 2 (Surrey builds the plant proposed for Charlton Lane)? If Surrey can deliver Option 3 for £94M less than Option 2, what is to stop SITA delivering an option which is £94M cheaper than Option 1 (SITA builds the plant proposed for Charlton Lane)?

Reply:

Option 2 describes a scenario where the Council terminates its contract with SITA and tenders a contract for waste disposal services including the construction of the Eco Park. Option 3 describes a situation where the Council terminates its contract with SITA and tenders for a contract to operate its existing facilities and exports residual waste to merchant energy from waste facilities. Both options 2 & 3 expose the Council to additional business continuity and cost escalation risk, as it would move away from the relative certainty offered by the contract with SITA.

SITA's contract with the Council is for the provision of services and development of waste infrastructure. If the Council no longer wishes to develop waste infrastructure then from a procurement perspective it would be a different contract and the Council would have to terminate its contract with SITA and re procure a contract in the market place, which is the situation described in Option 3

MrJohn Furey

Cabinet Member for Transport, Highways and Environment

23 July 2013

Questions to receive written answers

Question (7) from Mr Adrian Corti, Shepperton

Regarding the possible variation of the contract for waste between Sita and Surrey CC, have likely changes in plant throughput, EU legislation, UK Government subsidies e.g. ROCs, etc. been taken into account in the financial assessments, especially regarding the new proposed gasification incinerator?

Reply:

The options analysis has identified areas where the Council could be exposed to risk of price uncertainty over time, either through market or legislative changes. In these instances appropriate risk adjustments have been applied in consultation with the Council's independent financial and technical advisors.

Mr John Furey

Cabinet Member for Transport, Highways and Environment

23 July 2013

Question (8) from Mr Brian Catt

At June cabinet I asked if the proposed eco park options would be considered objectively and openly, and was assured they would - limited to within SITA's contract - but verbally that this restriction would not affect the choices, or the selection of best value options. The report now submitted is not consistent with the public data on MSW treatment costs I have sent to Cabinet members, and offers no like for like transparently costed comparison to support its conclusions.

Given Surrey planning officer's ex-ante preference to impose Option 1 stated at public meetings, and the hundreds of Millions of ratepayers money involved, will the comparable costings be made available for public inspection, and for detail verification by independent auditors with the data necessary to make a thorough like for like comparison of value to ratepayers?

Reply:

The assessment supporting the recommendation was designed precisely to ensure a consistent comparison between the options available to the Council, due to the significant and long-term nature of the decision before the Cabinet.

The detailed costings of the options are commercially confidential and therefore are not available for public inspection. However they have been produced in consultation with the Council's independent financial advisor, Deloitte and scrutinised by the Council's Chief Finance Officer who both confirm that option 1, including development of the Eco Park represents value for money to the UK taxpayer. The analysis will be made available for the Council's own external auditor if requested.

Mr John Furey

Cabinet Member for Transport, Highways and Environment

23 July 2013

CABINET RESPONSE TO ADULT SOCIAL CARE SELECT COMMITTEE

ASC BUDGET (considered by Select Committee on 20 June 2013)

SELECT COMMITTEE RECOMMENDATION:

That the Cabinet examine and evaluate the realistic potential for savings via “social capital.”

RESPONSE

It will be September before budget monitoring data can be expected to give a clear indication of how well, and how fast, the new policy is working. It is accepted, though, that the plan to achieve £15m savings through the use of social capital in 2013-14 is both unproven and very ambitious, and that is why it is rated high risk. It is understood that the scale of savings required for ASC (£46m, or 13.5% of the net budget) is such that ambition, innovation and risk are inevitable.

There is a profiled savings plan which will deliver to budget once the policy is fully operative. The current position is that we can afford to spend £19.7m per month on individually commissioned care, the key variable spend area, against an actual spend in April-May of £21.2m per month. It is expected that, as the use of Social Capital becomes more integrated within the service, the monthly expenditure rate will reflect the adoption of this strategy by the assessment teams. But there does remain a high level of risk; and as it has taken time to clarify the new approach and explain it to staff through a county-wide series of events, some slippage will occur, which will need to be covered from other savings.

Mr Mel Few
Cabinet Member for Adult Social Care
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DEMOCRATIC SERVICES – CONTACT LIST

Democratic Services Lead Manager

Rachel Crossley - x419993

rachel.crossley@surreycc.gov.uk

Cabinet and Regulation

Senior Manager

Katie Booth - x417197

katieb@surreycc.gov.uk

Cabinet Business Manager

James Stanton - x419068

james.stanton@surreycc.gov.uk

Cabinet Committee Manager

Anne Gowing - x419938

anne.gowing@surreycc.gov.uk

Regulatory Committee Manager

Cheryl Hardman - x419075

cherylH@surreycc.gov.uk

Committee Assistant

Victoria Lower - x132733

victoria.lower@surreycc.gov.uk

Committee Assistant

Andy Spragg - x132673

andrew.spragg@surreycc.gov.uk

Committee Assistant

Huma Younis - x132725

huma.younis@surreycc.gov.uk

Scrutiny

Senior Manager

Bryan Searle - x419019

bryans@surreycc.gov.uk

Scrutiny Manager

Rachel Yexley - x419133

Rachel.yexley@surreycc.gov.uk

Scrutiny Officer

Damian Markland - x132703

damian.markland@surreycc.gov.uk

Scrutiny Officer

Tom Pooley - x419902

Thomas.Pooley@surreycc.gov.uk

Scrutiny Officer

Jisa Prasannan – x132694

jisa.prasannan@surreycc.gov.uk