



Agenda and Reports
for the meeting of
THE COUNTY COUNCIL
to be held on
15 OCTOBER 2013

County Hall
Kingston upon Thames
Surrey

4 October 2013

TO THE MEMBERS OF SURREY COUNTY COUNCIL

SUMMONS TO MEETING

You are hereby summoned to attend the meeting of the Council to be held in the Council Chamber, County Hall, Kingston upon Thames, Surrey KT1 2DN, on Tuesday, 15 October 2013, beginning at 10.30 am, for the purpose of transacting the business specified in the Agenda set out overleaf.

DAVID McNULTY
Chief Executive

Note 1: *For those Members wishing to participate, Prayers will be said at 10:25am. Revd Calvert Prentis, Team Rector of the Horley Team Ministry, has kindly consented to officiate.*

If any Members wish to take time for reflection, meditation, alternative worship or other such practice prior to the start of the meeting, alternative space can be arranged on request by contacting Democratic Services.

There will be a very short interval between the conclusion of Prayers and the start of the meeting to enable those Members and Officers who do not wish to take part in Prayers to enter the Council Chamber and join the meeting.

Note 2: *This meeting may be filmed for live or subsequent broadcast via the Council's internet site - at the start of the meeting the Chairman will confirm if all or part of the meeting is being filmed. The images and sound recording may be used for training purposes within the Council.*

Generally the public seating areas are not filmed. However by entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes.

If you have any queries regarding this, please contact the representative of Legal and Democratic Services at the meeting.

If you would like a copy of this agenda or the attached papers in another format, e.g. large print or braille, or another language please either call Democratic Services on 020 8541 9122, or write to Democratic Services, Surrey County Council at Room 122, County Hall, Penrhyn Road, Kingston upon Thames, Surrey KT1 2DN, Minicom 020 8541 9698, fax 020 8541 9009, or email anne.gowing@surreycc.gov.uk

This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Anne Gowing on 020 8541 9938

1 APOLOGIES FOR ABSENCE

The Chairman to report apologies for absence.

2 MINUTES

To confirm the minutes of the meeting of the Council held on 16 July 2013.

(Note: the Minutes, including the appendices, will be laid on the table half an hour before the start of the meeting).

(Pages 1
- 14)

3 CHAIRMAN'S ANNOUNCEMENTS

The Chairman to report.

4 DECLARATIONS OF INTEREST

To receive any declarations of disclosable pecuniary interests from Members in respect of any item to be considered at the meeting.

NOTES:

- Each Member must declare any interest that is disclosable under the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, unless it is already listed for that Member in the Council's Register of Disclosable Pecuniary Interests.
- As well as an interest of the Member, this includes any interest, of which the Member is aware, that relates to the Member's spouse or civil partner (or any person with whom the Member is living as a spouse or civil partner).
- If the interest has not yet been disclosed in that Register, the Member must, as well as disclosing it at the meeting, notify the Monitoring Officer of it within 28 days.
- If a Member has a disclosable interest, the Member must not vote or speak on the agenda item in which it arises, or do anything to influence other Members in regard to that item.

5 LEADER'S STATEMENT

The Leader to make a statement.

There will be an opportunity for Members to ask questions.

6 MEMBERS' QUESTION TIME

The Leader of the Council or the appropriate Member of the Cabinet or the Chairman of a Committee to answer any questions on any matter relating to the powers and duties of the County Council, or which affects the county.

(Note: Notice of questions in respect of the above item on the agenda must be given in writing, preferably by e-mail, to Anne Gowing in Democratic Services by 12 noon on Wednesday 9 October 2013).

7 STATEMENTS BY MEMBERS

Any Member may make a statement at the meeting on a local issue of current or future concern.

(Note: Notice of statements must be given in writing, preferably by e-mail, to Anne Gowing in Democratic Services by 12 noon on Monday 14 October 2013).

8 ORIGINAL MOTIONS

Item 8(i)

Mrs Fiona White (Guildford West) to move under Standing Order 11 as follows:

National figures announced by the Coalition Government have brought welcome news on the large number of “Troubled Families” being turned around by councils across the country.

Troubled families are those that have problems and cause problems to the community around them, putting high costs on the public sector. Government funding is provided to help turn round troubled families.

The scheme, aims to:

- get children back into school
- reduce youth crime and anti-social behaviour
- put adults on a path back to work
- reduce the high costs these families place on the public sector each year.

This is achieved by:

- joining up local services
- dealing with each family’s problems as a whole rather than responding to each problem, or person, separately
- appointing a single key worker to get to grips with the family’s problems and work intensively with them to change their lives for the better for the long term
- using a mix of methods that support families and challenge poor behaviour

Nationally, out of 118,000 families, 14,000 had been turned around by the end of July 2013, a 12% success rate.

Council notes that the Leader announced on his taking office that the County’s children are his number one priority. Council further notes that in Surrey, out of 1,000 families, only 12 had been turned around in the same period, a success rate of only 1.2%.

Council requests the Chairmen of the Adult Social Care and Children & Education Select Committees to convene a joint meeting to scrutinise reports from officers as to why Surrey is underachieving by a factor of 10 below the national average and to make recommendations to Cabinet as to how a rapid turnaround in performance in this crucial area of the Council’s business can be achieved.

Item 8(ii)

Mrs Hazel Watson (Dorking Hills) to move under Standing Order 11 as follows:

Council notes that:

1. The County Council appears to be implementing policies on the use of social media and filming in Council, Cabinet, Select Committees and Local Committees even though no policies have been approved by Members. Policies which should be promoting openness and transparency have not been set in an open and transparent way.
2. Legislation [S.I 2012 No. 2089 The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012] and guidance by the DCLG have been issued on the role of social media and filming to promote openness and transparency in decision making.
3. The policies being applied by Surrey County Council place unnecessary obstructions to the use of social media and filming. For example, limiting the use of social media in meetings to breaks in business at the end of items and requiring written applications to film meetings.

Council agrees that:

- a) the use of social media and the filming of meetings shall be permitted at all times, without written permission, in the public part of meetings provided it does not disturb the business of the meeting and there is sufficient space.
- b) it will follow the spirit of recent legislation and guidance in ensuring openness and transparency in decision making and scrutiny of decisions.

Item 8(iii)

Mr Robert Evans (Stanwell and Stanwell Moor) to move under Standing Order 11 as follows:

This Council opposes moves to erase Stanwell Moor from the map of Surrey.

Item 8(iv)

Mr Jonathan Essex (Redhill East) to move under Standing Order 11 as follows:

Hydraulic Fracturing (Fracking) of Shale Type Rock

Surrey County Council notes that:

1. New sources of energy supply that involve controversial technologies and methods should be subject to careful scrutiny and regulation. One such process is Hydraulic Fracturing (Fracking) of shale type rock to release entrapped gas in commercial quantities.

2. Unfortunately there are no specific onshore exploration or extraction regulations for natural gas and the offshore regulations developed in the 1990s are not sufficient to address all the issues that arise from moving the process onshore, such as in the heavily populated and unspoilt environment of Surrey.

In particular, large amounts of water needed for hydraulic fracturing to extract shale gas (as well as the well-documented risk of groundwater contamination as a result of fracking where well integrity has been compromised) would put further pressure on limited water supplies in Surrey, and may put residents and local agriculture at risk;

Surrey County Council shall:

- (i) Review whether any economic benefits for Fracking would not be outweighed by costs to others sectors such as tourism; and
- ii) Call on the Secretary of State for Energy and Climate Change to introduce Industry Specific regulation of hydraulic fracturing for the UK shale gas industry, as there are still no specific onshore exploration or extraction regulations for natural gas (and the offshore regulations developed in the 1990s are not sufficient to address all the issues that arise from moving the process onshore).

9 REPORT OF THE CABINET

(Pages
15 - 42)

To receive the report of the meeting of the Cabinet held on 23 July and 24 September 2013 and to agree a recommendation in respect of:

The Revision of Procurement Standing Orders

10 REPORT OF THE AUDIT AND GOVERNANCE COMMITTEE

(Pages
43 - 66)

To receive the report of the Audit and Governance Committee and to agree recommendations in respect of:

- (i) Risk Management & Strategy
- (ii) Code of Corporate Governance

11 SURREY PAY POLICY STATEMENT 2013 / 2014

(Pages
67 - 72)

- (a) Report of the People, Performance and Development Committee.
- (b) Report of the Head of Human Resources and Organisational Development in relation to the amendments to Surrey Pay Policy Statement 2013/14.
- (c) Report of the Head of Legal and Democratic Services in relation to amendments to the Scheme of Delegation.

12 INTERIM REPORT OF THE INDEPENDENT REMUNERATION PANEL (Pages 73 - 76)

To receive the interim report of the Independent Remuneration Panel and to agree the following recommendation:

'That, without prejudice to any recommendations to be made by the Independent Remuneration Panel in its final report in March 2014, an exceptional one-off payment of £5,000 for the financial year 2013/2014 be made to Cabinet Associates with immediate effect.'

13 MINUTES OF THE MEETINGS OF THE CABINET (Pages 77 - 128)

Any matters within the minutes of the Cabinet's meetings, and not otherwise brought to the Council's attention in the Cabinet's report, may be the subject of questions and statements by Members upon notice being given to the Democratic Services Lead Manager by 12 noon on Monday 14 October 2013.

MOBILE TECHNOLOGY – ACCEPTABLE USE

Use of mobile technology (mobiles, BlackBerries, etc.) in meetings can:

- Interfere with the PA and Induction Loop systems
- Distract other people
- Interrupt presentations and debates
- Mean that you miss a key part of the discussion

Please switch off your mobile phone/BlackBerry for the duration of the meeting.

If you wish to keep your mobile or BlackBerry switched on during the meeting for genuine personal reasons, ensure that you receive permission from the Chairman prior to the start of the meeting and set the device to silent mode.

Thank you for your co-operation

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COUNTY COUNCIL MEETING
TUESDAY 16 JULY 2013

MINUTES of the meeting of the Council held at the Council Chamber, County Hall, Kingston upon Thames, Surrey KT1 2DN on 16 July 2013 commencing at 10.30 am, the Council being constituted as follows:

Mr Munro – Chairman
Mrs Marks – Vice-Chairman

Mrs Angell	*	Mr Ivison
Mr Barker OBE		Mr Jenkins
Mrs Barton		Mr Johnson
Mr Beardsmore		Mrs Kemeny
* Mr Beckett		Mr Kemp
Mr Bennison		Mr Kington
Mrs Bowes		Mrs Lake
Mrs Bramhall		Mrs Lallement
Mr Brett-Warburton		Mrs Lay
Mr Carasco		Ms Le Gal
Mr Chapman		Mrs Lewis
Mrs Clack		Mr Mahne
Mrs Coleman		Mr Mallett MBE
Mr Cooksey		Mr Martin
Mr Cosser		Mrs Mason
Mrs Curran		Mrs Moseley
Mr Ellwood		Mrs Mountain
Mr Essex		Mr Norman
Mr Robert Evans	*	Mr Orrick
* Mr Tim Evans		Mr Page
Mr Few		Mr Pitt
Mr Forster		Mrs Ross-Tomlin
Mrs Frost		Mrs Saliagopoulos
* Mr Fuller (am only)		Mr Samuels
Mr Furey		Mrs Searle
* Mr Gardner		Mr Selleck
Mr Goodman		Mr Skellett CBE
Mr Goodwin	*	Mr Sydney
* Mr Gosling		Mr Keith Taylor
* Dr Grant-Duff		Ms Thomson
Mr Gulati		Mr Townsend
Mr Hall		Mr Walsh
Mrs Hammond		Mrs Watson
Mr Harmer		Mrs White
Mr Harrison		Mr Wilson
Ms Heath		Mrs Windsor
Mr Hickman		Mr Witham
* Mrs Hicks	*	Mr Young
Mr Hodge	*	Mrs Young
Mr Hussain		

*absent

50/13 APOLOGIES FOR ABSENCE [Item 1]

Apologies for absence were received from Mr Beckett, Mr Evans, Mr Fuller (am only), Mr Gardner, Mr Gosling, Dr Grant-Duff, Mrs Hicks, Mr Ivison, Mr Orrick, Mr Sydney, Mr Young and Mrs Young.

51/13 MINUTES [Item 2]

The minutes of the meeting of the County Council held on 21 May 2013 were submitted, confirmed and signed.

52/13 CHAIRMAN'S ANNOUNCEMENTS [Item 3]

The Chairman made the following announcements:

- That Her Majesty The Queen's Birthday Honours List 2013 was included within the agenda.
- The official opening of Walton Bridge took place on 10 July 2013 and was attended by three Cabinet Ministers: the Secretary of State for Transport, the Secretary of State for Defence and the Chief Secretary to the Treasury.
- The lunchtime speaker was Peter Milton, Head of Cultural Services who spoke about the forthcoming World War 1 commemorations.
- Stop Smoking Film competition for young people – sponsored by Trading Standards. The five shortlisted films were shown in the Chamber during the lunch break and Members were encouraged to watch them.

53/13 DECLARATIONS OF INTEREST [Item 4]

There were none.

54/13 LEADER'S STATEMENT [Item 5]

The Leader made a statement. A copy of his statement is attached as Appendix A.

Members were invited to make comments, ask questions and made the following points:

- The investment in superfast broadband was welcomed, as was the creation of 500 additional apprenticeships next year. However, he was asked what steps were in place to address Surrey's skill shortages.
- Project Horizon was a welcome investment for Surrey Highways but it was a long term programme and residents may consider that it was too long to wait for their road improvements.
- Surrey County Council was the only county council in the UK that was increasing its road maintenance budget this year.
- A need to engage Members in the Innovation programme, as had happened in the previous Administration with the Public Value Review programme.
- Concern that the A244 road could not absorb any increased traffic flow.
- The opening of Wellbeing Centres – Surrey now had four, including the centre in Walton which had opening on 15 July.

- The importance of partnership working, particularly with Boroughs and Districts.

55/13 SURREY COUNTY COUNCIL PROGRESS REPORT: JANUARY - JUNE 2013
[Item 6]

The Leader presented the Surrey County Council Progress Report – January - June 2013, the eighth of the Chief Executive’s six monthly reports to Members. He stressed the importance of recognising the progress that the County Council had made in recent years and drew attention to the case studies in the report.

RESOLVED:

- (1) That the report of the Chief Executive be noted.
- (2) That the staff of the Council be thanked for the progress made during the last six months.
- (3) That the support for the direction of travel be confirmed.

56/13 MEMBERS' QUESTION TIME [Item 7]

Notice of 20 questions had been received. The questions and replies are attached as Appendix B.

A number of supplementary questions were asked and a summary of the main points is set out below.

(Q1) Mr Taylor referred to the recently opened micro-library in Shere (in his division) and asked the Cabinet Member for Community Services to provide an update on any further micro-libraries. The Cabinet Member said that the service was looking for other opportunities and invited Members’ suggestions for suitable locations for more micro-libraries.

(Q2) Mrs White made reference to the vacancy rate given in response to question 15 which she considered would impact on providing information to ‘self-funders’. The Cabinet Member for Adult Social Care referred to the various ways that information was provided and highlighted the user hubs. He also said that a particular challenge was to reach people who did not approach Adult Social Care to ensure that they had the necessary information to meet their needs.

(Q5) Mr Kington considered that it was important to have a debate when electing a new Council Leader, particularly when the Authority was dominated by one party. The Leader of the Council said that there had not been any nominations for this position from any of the opposition groups and that the rules and regulations as laid down in Standing Orders had been followed.

(Q6) Mrs Coleman asked the Cabinet Member for Adult Social Care to provide hearing loops in all Surrey County Council buildings and also to widely publish a phone number that could be used, by the hard of hearing, for texting. The Cabinet Member noted her request and agreed to report back to her in due course.

(Q8) Mrs White asked whether the views of People, Performance & Development Committee (PPDC) would be presented to a future County Council meeting. The Leader of the Council referred to the tabled response and said that there was currently no reason to bring the decision made at PPDC relating to chief officers pay to County Council.

(Q9) Mr Forster asked the Leader of the Council to go further and block other inappropriate payday lender websites from Surrey County Council networks. The Leader noted this request and said that he would refer it to the IMT service for consideration.

(Q10) Mr Hall said that only 10% of Surrey residents read local newspapers and asked the Cabinet Member for Business Services if there was a more effective and cost effective way to advertise Public Notices. The Cabinet Member advised him that there were some proposed changes but it would require Government legislation to alter the current arrangements.

(Q11) Mr Robert Evans referred to Surrey County Council's job vacancy website, which currently had several jobs advertised at less than £8 per hour. He asked the Deputy Leader for his views and was advised that he would be willing to discuss this with him outside the meeting.

(Q12) Mr Hickman objected to the stickers on the green Broadband cabinets and said that it was similar to flyposting and should not be encouraged. The Deputy Leader disagreed – he considered that it was a good way of communicating the service to residents. However, he would check if they required planning permission.

(Q13) Mrs Lallement asked the Cabinet Member for Schools and Learning about the purpose of the current school place planning process which she considered did not give sufficient time for objections to be properly considered. The Cabinet Member said that the Authority undertook a huge amount of forecasting. However, it was not a precise science and applications were still being received for school places, which made predictions difficult. She also said that this year the council was providing 3000 additional places.

(Q14) Mr Harrison requested that the Cabinet Member continued to keep Members informed of any developments of the Better Services, Better Value programme. In the absence of the Cabinet Member for Public Health and Health and Wellbeing, the Cabinet Member for Adult Social Care agreed to this request.

(Q15) Mrs White referred to the budget difficulties of Adult Social Care in the last financial year and asked the Cabinet Member for Adult Social Care whether the service would be using the large number for unfilled vacancies as one option to reduce any possible budget overspend. The Cabinet Member confirmed that this was not the case and that the service did not have a policy to keep vacancies unfilled to fulfil budget requirements.

(Q16) Mrs Watson asked the Cabinet Member for Schools and Learning what action would be taken if there was a shortfall between provision and demand for the free school meals for 2 year olds in September. As the figures currently available were only an indication, it was difficult for the Cabinet Member to comment.

(Q17) Mr Harrison considered that the fitting of sprinklers in Anchor and Care UK Homes should be progressed as soon as possible. The Cabinet Member for Adult

Social Care agreed and said that he would monitor the progress and would encourage care providers to install fire sprinklers.

(Q18) Mrs Watson asked the Leader to confirm whether the Cabinet Associate posts would receive a Special Responsibility Allowance. The Leader said that the Independent Remuneration Panel had not yet completed their work and therefore he was unable to comment.

(Q20) Mrs Watson requested that the guidance was made available to all Members and published on the county council website. The Leader of the Council considered that it had all been fully covered in this written response.

57/13 STATEMENTS BY MEMBERS [Item 8]

There were no statements by Members.

58/13 ORIGINAL MOTIONS [Item 9]

ITEM 9(i)

Under Standing Order 12.3, the Council agreed to debate this motion.

Under Standing Order 12.1, Mrs Hazel Watson moved the motion which was:

'In the Coalition Agreement, the Government made a commitment to strengthen councillors' powers to vote on large salary packages for council officers. In addition, the Government has taken necessary steps to increase transparency about how taxpayers' money is used, including in the pay and reward of public sector staff.

The Code of Recommended Practice for Local Authorities on Data Transparency published on 29 September 2011 enshrines the principles of transparency in rewarding senior staff. Sections 38 - 43 of the Localism Act 2011 place a legal obligation on Local Authorities to publish an annual Pay Policy Statement with specific requirements regarding Chief Officers pay and other benefits.

The Surrey County Council Pay Policy Statement 2013 - 14 presented to this Council in March 2013 by the Leader states:

Chief Officers' and Chief Executive's Remuneration

Chief officers are on all-inclusive single status Surrey Pay contracts i.e. there are no variable pay salaries or bonuses paid. The council has not provided any grade related benefits in kind, such as Annual Leave, Private Medical Insurance or Lease Cars since 2007. Chief Officers receive the same allowances as other members of staff and access to the same voluntary benefits scheme, while any expenditure on business travel is reimbursed at the same rate for all grades.

The Chief Executive is on a contract which is like Chief Officers i.e. he is on an all-inclusive single status Surrey Pay contract and there is no variable pay or bonuses made. He is however paid a specific additional allowance for duties carried out in support of the Lord Lieutenant of the County.

This Council reaffirms this policy without any exceptions.'

The motion was formally seconded by Mrs Fiona White.

Mrs Watson referred to the Surrey County Council Pay Policy Statement approved by the County Council in 2012 and updated and approved by County Council in March 2013. She considered that only the full Council could debate this issue. Her motion was not about individuals, it was about fairness, transparency and the need for all staff to be treated equally. She hoped that the whole Council would support her motion.

After a short debate in which four Members spoke on the motion, it was put to the vote with 64 Members voting for it and no Member voting against it. There were no abstentions.

Therefore, it was:

RESOLVED:

That this Council reaffirms this Pay Policy Statement without any exceptions.

ITEM 9(ii)

Under Standing Order 12.3, the Council agreed to debate this motion.

Under Standing Order 12.1, Mr Peter Martin moved the motion, which was:

'This Council recognises the crucial role of the airports at Heathrow and Gatwick in supporting employment for Surrey residents, generating investment in the Surrey economy and in attracting and retaining major businesses to locate in the county.

Given the vital importance of these airports for the continued success of the Surrey economy, this Council opposes any proposals that would serve to reduce their capacity or the role of Heathrow as a hub airport.

This Council remains of the view that expansion at either airport would require the environmental and surface access issues involved to be satisfactorily addressed.

This Council calls on Government and the aviation industry to prioritise investment in road and rail connections to the airports to reduce congestion and overcrowding.'

Mr Martin began by saying that the economy of Surrey was growing and that the residents of Surrey enjoyed living in such a vibrant county, which had good schools, jobs and businesses. There was easy access to London and two international airports adjoining the county. He also said that the top 200 companies are clustered within 25 miles of Heathrow. He provided detailed statistics, including the number of Surrey residents directly employed at Heathrow and acknowledged that the airport factor had a catalytic effect on jobs at both Heathrow and Gatwick. He considered that both airports were essential to Surrey's success and made reference to the Davies report on aviation and its interim report, due in December 2013. He believed that if Heathrow lost its 'hub' status it would be catastrophic for Surrey's economy. Any uncertainty was bad for jobs and businesses and therefore, he urged Members to support his motion.

The motion was formally seconded by Mr Furey, who made the following points:

- Airport capacity was one of the most difficult questions for the county, with strong feelings on all sides.
- Residents who lived close to the airports were rightly concerned about noise and air pollution, the impact on the environment and land being taken for building new runways.
- Surrey's economy would be devastated if the Government decided to invest in a Thames Estuary airport or Stansted.
- Successive Governments had not made a decision on the future of aviation in the UK – this was damaging for Surrey's economic competitiveness and disconcerting for residents.
- The Government must act to: (i) make a rapid and clear decision, (ii) maintain the capacity of Heathrow and Gatwick and to support the role of Heathrow as a hub airport.
- Better road and rail links to both Heathrow and Gatwick, such as a southern rail access to Heathrow from Surrey and electrification of the North Downs link to Gatwick.
- Airport development, roads and railways must be co-designed with businesses and residents working together in partnership.

Mr Essex moved an amendment at the meeting (formally seconded by Mr Robert Evans), which was to add the following sentence to Mr Martin's motion:

'However, this Council is concerned that any new runways at either Heathrow or Gatwick would have seriously detrimental effects to many Surrey residents and the environment.'

Mr Essex made the following points:

- He considered that his amendment did not alter the main thrust of Mr Martin's motion.
- Most freight was brought to the airports by road
- All airports were due to submit their proposals to the Davies Commission within the week.
- There was a need for one hub airport for London.
- Surrey already had a robust economy and the success of Heathrow and Gatwick was a reflection of Surrey rather than the other way round.

Eight Members spoke on the amendment, with the following points being made:

- Concern re. infrastructure problems, and in particular the A244 road.
- That the debate was about hub changes and not about airport expansions.
- Concern for residents living near Heathrow and the stacking system for aeroplanes.
- Reference to the Environment and Transport Select Committee's May 2013 meeting, where Members debated airports including hub options and advocated examining future options for Gatwick.
- The effect of expansion at Gatwick on Charlwood village and recognition that Mole Valley District Council would have difficult decisions to make if / when they had to consider a planning application for airport expansion.
- Residents would appreciate the rail improvements to airports but would not support their further expansions.
- Stanwell Moor could be demolished if Heathrow expanded.

- It was behoven on this Council to look for and consider sensible solutions for the airports.
- A blanket approach was not appropriate – there was a need to wait for the actual proposals and then develop a formal response to them.

The amendment was put to the vote, with 21 Members voting for and 42 Members voting against it. There were two abstentions.

Therefore the amendment was lost.

Returning to the original motion, on which a further five Members spoke, making the following points:

- For the last 20 years, the UK had no airport strategy and was in danger of being left behind by other countries.
- Areas close to Heathrow airport were being blighted.
- Heathrow was the biggest hub airport in the world with 80 airlines using it and 1000 young people undertaking training there.
- Surrey had good relationships with businesses but they wanted better access links to Heathrow.
- Recognition of the importance of Heathrow airport and the huge number of residents from north Surrey that were dependent on it – either directly or indirectly.
- A desire for Surrey County Council to develop a robust aviation policy.
- A need to understand the importance of airports on the economy and that the size of Heathrow and Gatwick airport was critical to Surrey's economy.

The original motion was put to the vote, with 59 Members voting for and 3 Members voting against it. There were three abstentions.

Therefore, it was:

RESOLVED:

This Council recognises the crucial role of the airports at Heathrow and Gatwick in supporting employment for Surrey residents, generating investment in the Surrey economy and in attracting and retaining major businesses to locate in the county.

Given the vital importance of these airports for the continued success of the Surrey economy, this Council opposes any proposals that would serve to reduce their capacity or the role of Heathrow as a hub airport.

This Council remains of the view that expansion at either airport would require the environmental and surface access issues involved to be satisfactorily addressed.

This Council calls on Government and the aviation industry to prioritise investment in road and rail connections to the airports to reduce congestion and overcrowding.

ADJOURNMENT

The meeting adjourned for lunch at 12.50pm and resumed at 2.05pm with all those present who had been in attendance in the morning session except for Mrs

Coleman, Mr Robert Evans, Mr Hodge, Mrs Kemeny, Mr Mallett, Mrs Moseley, Ms Thomson and Mr Witham.

ITEM 9(iii)

Under Standing Order 12.3, the Council agreed to debate this motion.

Under Standing Order 12.1, Mr Will Forster moved the motion, which was:

'Whilst the average age for leaving home is 24, only one in 20 young people in foster care stay with their carers beyond their 18th birthday. Many young people leaving foster care end up homeless and in a crisis that could be avoided.

This Council:

1. Asks the Cabinet to support the "Don't Move Me" campaign to persuade the Government to change the law and provide funding to ensure that all young people in foster care can stay with their foster families when they turn 18, if both parties agree
2. Until such time as the Government provides funding, asks Cabinet to do all it can to help young people in foster care to stay with their foster families when they turn 18, if both parties agree.'

In support of his motion, Mr Forster said that young people were generally staying at home longer than before but this change had not been reflected in the foster care system. He considered that it was critical for the Council to support its obligation to children in foster care and to provide them with a better chance for success. He urged all Members to vote for this motion and to think of it as an 'Invest to Save' option.

The motion was formally seconded by Mr Ian Beardsmore.

Mrs Mary Angell tabled both the Department for Education's 'Charter for Care Leavers' and an amendment at the meeting (formally seconded by Mrs Curran) which was:

(N.B. Using the original motion, any additional words were underlined and the deletions crossed through)

'Whilst the average age for leaving home is 24, nationally only one in 20 young people in foster care stay with their carers beyond their 18th birthday. In the UK many young people leaving foster care end up homeless, and in a crisis that could be avoided.

In Surrey we have worked hard to address these issues, and currently our Fostering Service is supporting 47 young people, who are 18 plus, to remain in family-based care.

This Council:

1. Asks the Cabinet to support the "Don't move me Campaign" aimed at persuading to persuade the Government to change the law, and to provide adequate funding that will ensure young people, for whom it is appropriate,

can ~~remain stay~~ with their foster families when they turn 18, provided all if all parties agree.

- ~~2. Until such time as the Government provides funding, asks Cabinet to do all it can to help young people in foster care to stay with their foster families when they turn 18, if both parties agree.~~
2. Asks the Council to acknowledge that the Cabinet is both committed to supporting the National Charter for Care Leavers, and active in supporting the Corporate Parenting Board in ensuring that all young people leaving care have a statutory plan (pathway plan) in place, which will support them as they move into adulthood. This will include the choice to remain with their foster family after they turn 18, provided this is the right option for them.
3. Asks all members in their role as Corporate parents to continue their endorsement and support of the Corporate Parenting Board's innovative workstream launched in May 2013 entitled "Moving On ... from the Council's care to Independent Living", which was facilitated by the Shift Team.
4. Asks the Council to congratulate the Children in Care Council for their exemplary commitment and hard work in partnership with the Corporate Parenting Board and Care Leavers' Service to ensure that the opinions of young people are both listened to and acted upon to shape services.

Both Mr Forster and Mr Beardsmore (the seconder) agreed to support the amendment to his motion.

The Cabinet Member for Children and Families spoke to the amended motion and acknowledged the difficult issues that these young people needed to resolve when they left foster care. She confirmed that Surrey County Council was committed to them remaining with their carers until they had completed their education and said that currently 47 young people were being supported by the council. She also referred to paragraph 4 of the amended motion, in which the Council was asked to congratulate the Children in Care Council for their exemplary commitment and hard work.

Six more Members spoke on the motion as amended, making the following points:

- That the County Council continued to provide free school meals and a free travel card for foster children.
- Assistance was given to ensure that they had access to good housing and developed good housekeeping skills.
- Reference to the matched funding savings scheme for children in care.
- Praise for the fostering panels and Surrey's processes and the way that the council took its responsibilities seriously.
- That no children in care had been excluded from school or entered the youth justice system during the last two years.
- A desire to build on the achievement to date and provide opportunities for these young people to move into higher education and lead independent lives.

- That supporting this motion was a long term investment with enormous benefits.

The amended motion was put to the vote and agreed, with no Member voting against it.

Therefore, it was:

RESOLVED:

Whilst the average age for leaving home is 24, nationally only one in 20 young people in foster care stay with their carers beyond their 18th birthday. In the UK many young people leaving foster care end up homeless, and in a crisis that could be avoided.

In Surrey we have worked hard to address these issues, and currently our Fostering Service is supporting 47 young people, who are 18 plus, to remain in family-based care.

This Council:

1. Asks the Cabinet to support the “Don’t move me Campaign” aimed at persuading the Government to change the law, and to provide adequate funding that will ensure young people, for whom it is appropriate, can remain with their foster families when they turn 18, provided all parties agree.
2. Asks the Council to acknowledge that the Cabinet is both committed to supporting the National Charter for Care Leavers, and active in supporting the Corporate Parenting Board in ensuring that all young people leaving care have a statutory plan (pathway plan) in place, which will support them as they move into adulthood. This will include the choice to remain with their foster family after they turn 18, provided this is the right option for them.
3. Asks all Members in their role as Corporate parents to continue their endorsement and support of the Corporate Parenting Board’s innovative workstream launched in May 2013 entitled “Moving On ... from the Council’s care to Independent Living”, which was facilitated by the Shift Team.
4. Asks the Council to congratulate the Children in Care Council for their exemplary commitment and hard work in partnership with the Corporate Parenting Board and Care Leavers’ Service to ensure that the opinions of young people are both listened to and acted upon to shape services.

59/13 REPORT OF THE CABINET [Item 10]

The Deputy Leader presented the reports of the Cabinet meetings held on 28 May and 25 June 2013.

(1) Statements / Updates from Cabinet Members

Libraries Changes Lives Award - the Cabinet Member for Community Services tabled a statement advising Members that the Surrey Libraries Service had won the 2013 CILIP Libraries Change Lives Award. (Appendix C)

(2) Recommendations on Policy Framework Documents

A *Confident in Our Future – Corporate Strategy 2013/2018*

The Deputy Leader presented the report and commended it to Council.

RESOLVED:

That *Confident in our Future – Corporate Strategy 2013 – 2018, Annex 1 to the submitted report, be agreed.*

(3) Reports for Information / Discussion

The following reports were received and noted:

- Quarterly Report on Decisions taken under Special Urgency Arrangements – 1 April 2013 to 30 June 2013

RESOLVED:

That the report of the meetings of the Cabinet held on 28 May and 25 June 2013 be adopted.

60/13 CHANGES TO THE CONSTITUTION - CABINET ASSOCIATES [Item 11]

In the absence of the Leader, the Deputy Leader presented the report and informed Members that the Leader had announced the appointment of four Cabinet Associates at the County Council meeting on 21 May 2013 and that this report set out the changes required to the Constitution to ensure clarity of the role.

Concern was expressed by some Members both about the possible additional cost of these roles to the Council and also that no limit had been set for the number of Cabinet Associate posts.

Mr Kington said that he would be voting against the recommendations and requested a recorded vote.

The following Members voted for:

Mrs Angell, Mr Bennison, Ms Bowes, Mrs Bramhall, Mr Brett-Warburton, Mr Chapman, Mrs Clack, Mr Cosser, Mrs Curran, Mr Few, Mrs Frost, Mr Fuller, Mr Furey, Mr Goodman, Mr Gulati, Mr Hall, Mrs Hammond, Mr Harmer, Miss Heath, Mr Hussain, Mr Kemp, Mrs Lake, Mrs Lay, Ms Le Gal, Mrs Lewis, Mr Mahne, Mrs Marks, Mr Martin, Mrs Mountain, Mr Munro, Mr Norman, Mr Page, Mr Pitt, Mrs Ross-Tomlin, Mrs Saliagopoulos, Mr Samuels, Mr Skellett, Mr Taylor, Mr Walsh, Mr Wilson.

The following Members voted against:

Mr Barker, Mrs Barton, Mr Beardsmore, Mr Cooksey, Mr Essex, Mr Forster, Mr Goodwin, Mr Harrison, Mr Hickman, Mr Jenkins, Mr Johnson, Mr Kington, Mrs Lallement, Mrs Mason, Mrs Searle, Mr Selleck, Mr Townsend, Mrs Watson, Mrs Windsor

Therefore it was:

RESOLVED:

- (1) That amendments to Article 6, as outlined in Annex1 of the submitted report, be approved.
- (2) That the role profile for Cabinet Associates, attached as Annex 2 of the submitted report, be included in the appendix to the Member / officer protocol.

61/13 AMENDMENTS TO THE SCHEME OF DELEGATION [Item 12]

RESOLVED:

That the amendments, agreed by the Leader, to the Scheme of Delegation be noted.

62/13 MINUTES OF THE MEETINGS OF THE CABINET [Item 13]

No notification had been received from Members wishing to raise a question or make a statement on any of the matters in the minutes, by the deadline.

[Meeting ended at: 2.50pm]

Chairman

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County Council Meeting –15 October 2013

REPORT OF THE CABINET

The Cabinet met on 23 July and 24 September 2013.

In accordance with the Constitution, Members can ask questions of the appropriate Cabinet Member, seek clarification or make a statement on any of these issues without giving notice.

The minutes containing the individual decisions for both 23 July and 24 September 2013 meetings are included within the agenda at item 13. Cabinet responses to Committee reports are included in or appended to the minutes. If any Member wishes to raise a question or make a statement on any of the matters in the minutes, notice must be given to Democratic Services by 12 noon on the last working day before the County Council meeting (Monday 14 October 2013).

For members of the public all non-confidential reports are available on the web site (www.surreycc.gov.uk) or on request from Democratic Services.

1. STATEMENTS/UPDATES FROM CABINET MEMBERS

The Cabinet Member Schools and Learning will table a statement at the meeting in relation to the Services for Young People transforming the lives of Surrey's young people.

2. RECOMMENDATIONS ON POLICY FRAMEWORK DOCUMENTS

23 July 2013

A REVISION OF PROCUREMENT STANDING ORDERS

1. The Procurement Standing Orders (PSOs) set out how the Council governs spending by Officers on goods, works and services. The PSOs (as set out in Annex 1) have been revised to take account of recent changes in the law and to ensure that they reflected best practice and Council priorities.

2. The Cabinet RECOMMENDS:

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

3. REPORTS FOR INFORMATION / DISCUSSION

A INVESTMENT STRATEGY

1. The Council's MTFP (2013-18) set out the challenges facing the council in terms of financial resilience and its long term financial position. In addition to considering the scope for improving the efficiency of service delivery and for making substantial savings in existing budgets, the Council is examining new approaches to generate additional income that can be used to support its functions and the delivery of services. The Budget report to Council in February 2013 identified the need to enhance income and in March 2013 the Cabinet also approved arrangements for the development of trading vehicles. The paper considered in March identified that trading would improve the delivery of services but could also generate income for the council to help deliver longer term financial resilience.
2. The development of a portfolio of investments, covering investment in property and assets and in new models for service delivery, supports the Council's stated intentions of enhancing financial resilience in the longer term and will be delivered through:
 - the adoption of an Investment Strategy; and
 - the establishment of appropriate governance arrangements, including the creation of an Investment Advisory Board within the Council to provide advice to Cabinet on the implementation of the Investment Strategy.
3. In addition, these arrangements would also allow for investment in schemes that will support economic growth in Surrey provided that these schemes are consistent with the agreed Investment Strategy
4. Decisions on taking forward investment opportunities will be taken by Cabinet. However, the development of the Investment Strategy is likely to mean more decisions coming forward for consideration and an Investment Advisory Board will be established to provide advice to Cabinet.
5. The objective for the Investment Strategy is to help ensure that the Council has a sustainable financial position over the medium to long term. The Investment Advisory Board will consider and provide advice to Cabinet on all opportunities that require an initial investment, including property, assets and service delivery vehicles. Each investment opportunity will be assessed through a two stage (or gateway) process.
6. Gateway One comprises a number of criteria to determine whether there is an opportunity to consider and take forward. Gateway One establishes whether the opportunity can be recommended to Cabinet for in-principle agreement or full agreement, or that the opportunity does not meet the decision criteria and therefore proceeds no further. Gateway Two involves the development of a much more detailed business case to be considered by the Investment Advisory Board, and for approval by Cabinet as appropriate.

7. To comply with legislation to operate property investment on a commercial basis, the Council would need to establish a property investment company. Section 1 of the Localism Act 2011 (the power of general competence) enables local authorities to do anything that a private individual is empowered to do, subject to certain statutory limitations.

8. The Cabinet AGREED that:

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 the contract award being approved in line with the standard process.
4. A full business case for the establishment of a Property Investment Company to be wholly owned by the County Council be developed by the Strategic Director for Business Services and be presented for consideration at a future Cabinet meeting.

B PUBLIC SERVICE TRANSFORMATION

1. The Chancellor's Budget Statement in March 2013 referenced the Government's four whole place community budget pilots and announced that further support would be provided for areas interested in developing the community budget approach through the creation of a new Public Service Transformation Network.
2. Following this announcement, local authorities were invited by the Department for Communities and Local Government (DCLG) to put forward an expression of interest to become one of the areas to work intensively with the Network on Public Service Transformation. The Leader of the Council submitted an expression of interest on behalf of all key public sector partners in Surrey on 12 April 2013.
3. At the LGA Conference on 3 July 2013 the Secretary of State for Communities and Local Government announced that Surrey has been successful and is one of nine areas that would receive support. The types of support that the Network is likely to offer include access to learning, tools and expertise from the existing four pilots, facilitating discussions with government departments, and some resource to support the development of the proposals. There is an

expectation that the county council and its partners will also contribute resources, and share learning with other areas as part of the Network as the programme develops.

4. The six strands of focus for Surrey's Public Service Transformation programme are set out below:
 - Emergency Services Collaboration
 - The Surrey Family Support Programme
 - Dementia Friendly Communities
 - Better Use of Public Sector Assets
 - Increasing Youth Participation
 - Transforming Justice
5. All the strands offer important development opportunities for Surrey which will improve services and outcomes for residents as well as optimising use of resources. Partners have endorsed the proposals and have been involved in developing them further since the original expression of interest in April 2013.
6. Programme arrangements are being developed by officers to support this work. The next stage will involve the development of outline business cases for each of Surrey's public service transformation strands with partners.
7. Work will begin with the Network over the course of the summer to develop a Joint Statement of Intent, setting out key objectives, milestones and responsibilities across partners including what support the Network will provide. The support will be bespoke to Surrey and, in the early stages, will be aimed at developing the proposals alongside partners.
8. **The Cabinet AGREED that:**
 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.

C SURREY RAIL STRATEGY

1. The development of a Surrey Rail Strategy, which made recommendations for immediate active engagement with the rail industry and government, and proposed the development of an implementation plan to be integrated with the Surrey Transport Plan is welcomed.
2. Good rail services are vital for maintaining and growing Surrey's economy. They provide fast links to jobs, education and leisure and reduce the number of car journeys adding to congestion. A good rail network is also a key factor in

businesses and residents choosing to live and work in the county. Therefore, whilst the council has no statutory role in planning or delivering rail services or rail projects, active engagement with the rail industry is important to ensure that the council's priorities are reflected in medium and long term rail planning.

3. While the county has a generally comprehensive rail network and a large number of rail stations, many services are at capacity and suffer from peak time overcrowding. Not all parts of Surrey are well served by rail. Some towns have no direct connections to London and some rail connections to Heathrow and Gatwick airports are unsatisfactory within Surrey.
4. The objective for the Surrey Rail Strategy is to identify proposals for strategic investment that the county council could work with others to deliver. Many of these proposals are long term but to secure investment in Surrey the county council needs to actively engage with the rail industry now.
5. The Surrey Rail Strategy includes high-level actions but does not list all the detailed activity needed to deliver investment in infrastructure and an improved rail service for Surrey residents. This will need to be developed through further engagement with the rail industry and other partners.
6. Consultants (Ove Arup & Partners Ltd) were appointed in November 2012 to write this Surrey Rail Strategy (the strategy), as part of the Surrey Future initiative, which brings together Surrey's local authorities and business leaders, to agree the investment priorities to support the county's economy over the next few decades and establish a list of long term infrastructure priorities.
8. It also provides an opportunity to review Surrey's position on rail services. It replaced the outdated Rail Services Strategy in Local Transport Plan 1 (2001/02 – 2005/06) and will be part of the Surrey Transport Plan (LTP3). The strategy is closely linked to the Congestion Programme, a parallel work stream of Surrey Future.

9. The Cabinet AGREED that:

1. That the Surrey Rail Strategy and five suggested priorities: Crossrail 2 (regional route), the North Downs Line, access to airports, access to stations (car parking) and access to London from Camberley, Bagshot and Frimley be noted.
2. That the list of schemes on which Surrey County Council should immediately begin active engagement with government and the rail industry, including on Crossrail 2 (regional route) and the electrification of the North Downs Line (paragraph 13 of the submitted report) be approved. Also, that further work be conducted to quantify car parking problems at certain stations around the county and if appropriate, further action be considered, in consultation with the rail industry.
3. That officers work with the Cabinet Member for Transport, Highways and Environment on developing options for Surrey County Council involvement

in specific projects and initiatives. These will be reflected in an implementation plan to be integrated with the Surrey Transport Plan. As part of the Surrey Transport Plan, the implementation plan will need to be approved by Cabinet and Full Council. Proposals which progress specific schemes, including business cases, will be brought back to Cabinet.

D QUARTERLY REPORT ON DECISIONS TAKEN UNDER SPECIAL URGENCY ARRANGEMENTS – 1 JULY 2013 TO 30 SEPTEMBER 2013

1. The Cabinet is required under the Constitution to report to Council on a quarterly basis the details of decisions taken by the Cabinet and Cabinet Members under the special urgency arrangements set out in Article 6.05(f) of the Constitution. This occurs where a decision is required on a matter that is not contained within the Leader's Forward Plan (Notice of Decisions), nor available 5 clear days before the meeting. Where a decision on such matters could not reasonably be delayed, the agreement of the Chairman of the appropriate Select Committee, or in his/her absence the Chairman of the Council, must be sought to enable the decision to be made.

There has been one such decision during the last quarter, as follows:

Treasury Management Issue

Reason for Urgency:

A response to the Local Government Association (LGA) on whether the Council wished the LGA, on Surrey County Council's behalf, to enter into negotiations, was required by 23 July 2013.

**Mr David Hodge
Leader of the Council
4 October 2013**

Procurement Standing Orders

Rules to be followed when buying on behalf of the council

September 2013

Version 0.9

Contents

1	Introduction	3
1.1	Key Principles	3
1.2	Compliance	3
1.3	Scope	3
1.4	Roles and Responsibilities	4
1.5	Transparency	5
1.5.1	<i>Publication of Contract Opportunities, Spend and Contracts</i>	5
1.5.2	<i>Freedom of Information</i>	5
1.5.3	<i>Developing Surrey suppliers</i>	5
1.5.4	<i>Conflict of Interest</i>	6
2	Buying via existing contracts	6
2.1	Using the Product Directory to find an existing supplier	6
2.2	Service-specific arrangements	7
2.2.1	<i>Ordering using Service-based systems</i>	7
2.2.2	<i>Buying Direct Care</i>	7
3	Finding and contracting with new suppliers	8
3.1	Overview and summary table	8
3.1.1	<i>Summary table – Process for finding new suppliers at each threshold level</i>	9
3.2	Collaboration and the use of frameworks and collaborative agreements	10
3.3	Deciding when to use a grant or a contract	10
3.4	Using Purchasing Cards	11
3.5	Approval for Consultant/Contractor engagements	12
3.5.1	<i>Definition</i>	12
3.5.2	<i>Approval for Consultant/Contractor engagements</i>	12
3.6	New suppliers for spend up to £9,999	13
3.7	New suppliers for spend £10,000 to £99,999	13
3.8	New suppliers for spend £100,000 or over	14
3.8.1	<i>Procurement Strategic Sourcing Gateway Process</i>	14
3.8.2	<i>Procurement Review Group</i>	15
3.8.3	<i>Sustainability and Social Value</i>	15
3.9	Waivers and emergencies	16
3.10	Liability and Security	17
3.10.1	<i>Insurance Liability</i>	17
3.10.2	<i>Financial Security</i>	17
3.10.3	<i>Document Retention periods</i>	17
4	Awarding and Managing Contracts for best value	18
4.1	Evaluation	18
4.2	Mobilisation of new contracts	18
4.3	Who must sign contracts, amendments and extensions?	18
4.4	Remedies Directive	19
4.5	Contract Extensions / Amendments	19
4.6	The management of critical and strategic contracts	19
5	Paying our suppliers	19
5.1	Invoice Payments	19
5.2	Payment Terms	20
6	Disposing of surplus goods	20
7	Legal status of these Procurement Standing Orders	20
8	Glossary of terms	21

Version History

Issue 2 April 2007

Issue 3 April 2009

Issue 4 December 2010

2013 draft v0.8 version for Cabinet approval

1 Introduction

Note: In these Orders, 'You' means anyone who needs to buy from an external supplier.

1.1 Key Principles

These Procurement Standing Orders are based on these key principles:

- To get good **value for money** through appropriate market competition for contracts, so that we offer best value for services to Surrey residents.
- To be **transparent** to our residents about how we spend their money.
- To make sure we spend public money **legally and fairly**, and to **protect** us from undue criticism or allegation of wrongdoing.
- To support **sustainability** and **social value** objectives, and our public sector **equality** duty, encouraging local small businesses in Surrey.

1.2 Compliance

All Officers, and any external contractors empowered to form contracts on behalf of the council, must comply with these Orders at all times. If you breach them, you are breaching the council's Constitution and this will lead to disciplinary action.

You must not artificially separate contracts or spending to avoid these orders applying at any level, except insofar as this is necessary to enable small or medium-sized enterprises to compete, whilst remaining compliant with the law.

Where there is a difference between current legislation governing procurement and these Orders, the legislation prevails and you must comply with it.

Where these Orders appear to conflict with other council-determined rules the Head of Procurement and Commissioning determines which takes precedence.

The Procurement & Commissioning Service reports breaches of these Orders to the Procurement Review Group (PRG) see section 3.6.2), which has the option of two courses of action:

Informal Notice – Where the non-compliance was as a result of lack of information or beyond your control, the PRG makes recommendations to ensure future compliance.

Formal Warning – Where there is evidence of deliberate non-compliance the PRG advises the Head of Human Resources of a formal breach of your terms and conditions for appropriate action to be taken and recommendations made to ensure future compliance.

1.3 Scope

These Orders set out how the council authorises spending by Officers. This includes all types of goods, works and services, as well as non-permanent workforce such as temporary and agency staff and consultants.

Apart from the exceptions listed below, these Orders cover all spend with external suppliers regardless of how they are funded (for example, revenue, capital, grants, ring-fenced government money and/or any third party funding).

These Orders do not apply to the following items, which are managed by separate policies:

Exclusion	Relevant Policy/Law
Contracts for the acquisition or lease of land and/or real estate	Managed via Property Services
Contracts for permanent or fixed-term employment	HR/Recruitment Policies
Works or Orders placed with utility companies (eg re-routing pipe-work)	This is carried out as part of larger construction contracts
Direct payments to customers following care assessment (for example, payments under Self-Directed Support or Individual Budgets)	Dept of Health Community Care Assessment Guidance 2004
Non-trade mandatory payments to third parties, such as insurance claims, pension payments, payments to public bodies	These are not subject to competition due to their nature
Fees for external auditors	These are appointed by the Audit Commission under the Local Govt Finance Act 1982
A declared emergency authorised by the Emergency Planning Officer	The Civil Contingencies Act 2004

1.4 Roles and Responsibilities

The Head of Procurement and Commissioning is responsible for the complete process from procurement through to ordering and paying suppliers (known as 'Procure-to-Pay') across all Services and local systems. Any developments in the design of the process require the approval of the Head of Procurement and Commissioning or authorised delegate.

The Procurement and Commissioning Service is responsible for:

- (a) Providing expert market knowledge to help you find the best supplier to meet specified needs
- (b) Managing and executing all tenders and contract awards over £100,000
- (c) Engaging colleagues from Finance, Legal and HR in all contract strategies and awards
- (d) Developing strategic action plans for each category of spend
- (e) Taking a commercial lead on all strategic or critical contracts and relationships with suppliers
- (f) Ensuring that good practice contract and supplier management is written in to agreements with our strategic and critical suppliers
- (g) Developing our supply chain to deliver performance improvements
- (h) Ensuring transparency over spend, contracts and contract opportunities
- (i) Embedding social value across the supply chain

- (j) Working closely with Shared Services to manage a master database on SAP of suppliers that you may use
- (k) Working closely with Shared Services to ensure effective purchasing practice

Anyone who buys from external suppliers is responsible for:

- (a) Following these Orders
- (b) Using suppliers on the Product Directory or via consultation with Care Sourcing teams
- (c) Checking there is adequate budget available
- (d) Involving Procurement and Commissioning at the earliest opportunity when you need a new supplier
- (e) For new purchases of £50,000 and over, consulting with and obtaining approval from your Finance Manager
- (f) Ensuring technical specifications meet your requirements
- (g) Ensuring specifications take into account equality and diversity as well as social value implications, and carrying out Impact Assessments where appropriate
- (h) Putting in place effective monitoring of the performance and management of contracts

1.5 Transparency

This section sets out how we meet our obligations to be transparent in our procurement, and maintain proper accountability to the public.

1.5.1 Publication of Contract Opportunities, Spend and Contracts

We publish details of all spend with suppliers over £500 on our website, in accordance with current government requirements, as well as a list of current contracts.

We also publish all opportunities for contracts over £10,000 via our website, and on the national Contracts Finder website. Contracts over the current EU threshold are advertised via the Official Journal of the European Union (OJEU).

1.5.2 Freedom of Information

Under the Freedom of Information Act 2000, we have an obligation to publish specific information in the public domain on request. However, the FOIA enables certain confidential information and commercially sensitive material to be withheld. You must therefore ensure tender information is kept confidential at all stages, especially during tender evaluation and after the contract is awarded. Suppliers must also be given the opportunity to highlight in their tender any information that they would not wish disclosed under FOIA.

1.5.3 Developing Surrey suppliers

The Council is committed to encouraging businesses in the county to compete for contract opportunities in order to support the development of the local economy, and provides information and support via dedicated websites and through supplier events. For purchases under £100,000 we actively encourage the use of Surrey-based suppliers where they can offer best value for money.

1.5.4 Conflict of Interest

Our market searches, procurement and purchasing must be carried out free from any conflict of interest to support our transparency objectives. An 'interest' means any consideration or anything of economic value, including future consideration.

Conflicts of interest can arise when someone who is involved in these processes has a close connection with another party who is also involved which may mean they could influence, or be influenced by, the outcome of a buying decision.

Conflicts of interest can arise in the procurement process in a number of ways, including:

- a. Where someone who is actually buying goods or services for the council, or giving budgetary approval for the purchase, has an interest in the supplier's business
- b. Where someone with an involvement in a tender or other sourcing process has an interest in the a potential supplier's business
- c. Where Suppliers bidding for a contract with the council have an interest which could enable them to influence unfairly the outcome of a sourcing process

If you are a council employee you must follow the [HR Policy on Conflicts of Interest](#), ensure they are declared appropriately, and ensure you do not participate in any buying activity where these Conflicts of Interest could arise.

Temporary & agency staff, and other consultants or contractors must abide by the terms of their contract with the council and follow the council's HR policy on Conflicts of Interest and on Equalities and Diversity.

Staff may supply goods, works and services as long as the policy has been followed, and any interests declared at the time a contract is agreed. Staff who become suppliers must not have access to systems to raise Shopping Carts or other Purchase Orders, or to view spend reports. There must be demonstrable transparency and fairness in any transactions of this nature.

Suppliers bidding for contracts with the council are required to declare any conflict of interest.

2 Buying via existing contracts

2.1 Using the Product Directory to find an existing supplier

To buy goods, works or services from external suppliers you must use the Product Directory, which is a searchable A-Z list of products and suppliers maintained by Procurement and Commissioning on S-Net.

Once you have found the right supplier, you must not make verbal commitments but must raise a Purchase Order (via a SAP SRM Shopping Cart or equivalent service-specific system). This must be approved according to the council's Financial Regulations before it is sent to the supplier.

You must not raise the order retrospectively (that is, once the invoice has already arrived from the supplier). This is to ensure that the purchase is properly approved in advance and that the commitment against the budget is clearly visible to the budget-holder. Failure to raise an order in advance is a breach of these orders.

2.2 Service-specific arrangements

2.2.1 Ordering using Service-based systems

Several Council Services use local systems to send orders to suppliers, for example: Adults Social Care, Transport, Highways, Property and Libraries. All such systems must support financial approval of orders in accordance with the Financial Regulations. Shared Services will maintain all supplier master data on these systems to ensure it is of high quality and consistent with the master database of suppliers kept in accordance with section 1.3 of these orders.

2.2.2 Buying Direct Care

Direct Care is defined as 'services commissioned to directly support the well-being and health of an individual'. Procurement ensures that only suppliers pre-qualified according to external regulation and insurance liabilities (referred to as Approved Suppliers) are permitted to provide services for Direct Care. All Approved Suppliers are published on the Product Directory on S-Net.

Anyone buying Direct Care, regardless of value, must use the Product Directory. Once you have identified the approved supplier, you must have a care instruction financially approved and issued to the supplier. Approval, as with all orders, must be in accordance with the council's Financial Regulation

2.2.2.1 Where a suitable Approved Supplier is available

The council provides Care Sourcing teams to advise and order certain types of Direct Care. These are identified on the Product Directory, and where they exist you may not engage any other supplier unless Care Sourcing team has first approved them in writing.

When buying Direct Care via a Care Sourcing team, you must submit a completed Care Plan (confirming the individual's needs and approved budget) to the appropriate Team who review and recommend the most appropriate supplier(s). You must then update the Care Plan and provide a care instruction to the approved supplier.

2.2.2.2 Where no suitable Approved Supplier is yet available

Where the Care Sourcing team or Product Directory cannot identify a suitable approved supplier for a named individual, then you may propose an alternative via a request to Shared Services using the appropriate on-line form, who will issue a Pre-Qualification Questionnaire to the identified supplier to assess their suitability. Where the conditions are satisfied, the supplier will be contracted and logged. You will then be authorised to raise a care instruction to the supplier.

Procurement rejects new requests where there is a suitable approved supplier that can meet the individual's needs as defined within the Care Plan, or where the proposed supplier does not fulfil minimum safeguarding / social care requirements

You may not engage any supplier not already pre-qualified by Procurement unless it is defined as an Emergency Placement, where it can be demonstrated an individual's health or well-being is at risk. Only the individuals below may authorise an Emergency Placement:

- *Business Hours (0700 – 1900)* The Adults Sourcing Manager may authorise a placement prior to the return of the pre-qualification questionnaire as long as an emergency placement letter is signed and returned by the supplier and the full questionnaire is subsequently completed.
- *Out of business hours (1900 – 0700)* the Emergency Duty Manager may authorise the use of a non-approved supplier; all such requests must be communicated to Procurement the next working day.

3 Finding and contracting with new suppliers

3.1 Overview and summary table

Whenever it is necessary to contract with a new supplier, you must take into account the 'aggregate' spend forecast. That is, the total amount you expect to spend with a supplier for the duration of the contract. This value is used to determine the approach to be used to find a supplier and put a suitable contract in place.

If you are discussing developments with new suppliers you should take care to ensure that you do not inadvertently share key commercial information such as budgets, existing pricing from other suppliers, or suggestions for improvements unless you have a non-disclosure agreement in place. This protects the council's interests and our intellectual property. Procurement and Commissioning are responsible for putting these agreements in place where appropriate, and can provide commercial advice in dealing with suppliers.

A summary table overleaf sets out these different approaches for each threshold aggregate value, and is followed by more detail of each.

3.1.1 Summary table – Process for finding new suppliers at each threshold level

Aggregate value	Purchase Card permitted?	How many quotes are required?	How should you approach the market?	Who approves the Market Search?	Who leads Market Search?	Should the contract be formally advertised?	What type of contract is required?	Who must approve the contract award?	Who signs the contract on our behalf?	What is the minimum sourcing time?
£0 to £9,999	Yes, within individual card transaction/ credit limits	One	Email / Call Supplier. Use a Surrey supplier if they offer best value.	Shared Services Buying Solutions Team (contact My Helpdesk)	Service Officer	No	SCC Standard Terms (see SCC website)	Service Officer	Not Required	n/a
£10,000 to £99,999 Page 29	Only in formal emergency cases	Minimum of Three	Send the Request For Quotation to the Buying Solutions Team Seek at least one quote from a Surrey supplier if available.	Shared Services Buying Solutions Team (contact My Helpdesk)	Shared Services Buying Solutions Team	Yes, via Contracts Finder, or via mini-competition against a framework. Suppliers must be given 7 working days to respond	SCC Standard Terms, or if via tender, a specific contract approved by Legal Services	Shared Services Buying Solutions Team	Head of Service or delegated manager	7 Days, or 30 days if via tender
£100,000 to £499,999	No	(via tender process)	Issue Tender via Procurement	Procurement and PRG	Procurement	Yes, via Contracts Finder & OJEU for 30 days or as determined by Procurement and regulations	Specific contract approved by Legal services	PRG	Chair of PRG & Head of Service	80 Days (when over EU procurement threshold)
£500,000 and over	No	(via tender process)	Issue Tender via Procurement	Procurement and PRG	Procurement		Specific contract approved by Legal services	PRG and Cabinet	Sealed as a deed via Legal Services	85 Days (to include cabinet call-in)

3.2 Collaboration and the use of frameworks and collaborative agreements

The council enters into collaborative agreements with other public bodies wherever possible. The council may also chose to award framework agreements, or make use of framework agreements awarded by other public sector bodies. A framework agreement is a general term for an agreement with suppliers that sets out terms and conditions, under which specific purchases, or call-offs, can be made throughout the life of the agreement. The procurement activity to establish a framework agreement is subject to the EU procurement rules. There are different mechanisms for placing call-off orders under a framework agreement and at all times the council must ensure transparency and non-discrimination.

There are a number of established central purchasing bodies, such as the Government Procurement Service and the 'Pro5' organisations, who establish framework agreements which the council can use via a 'mini-competition' to select the best value supplier from the framework.

Use of these contracts remains subject to the internal approval procedures and requirements. Legal Services must be instructed to satisfy themselves that to the best of their knowledge the original agreement:

- (i) was tendered for in accordance with the Public Contracts Regulations 2006 for the potential use by the council,
- (ii) is in the interests of the council and
- (iii) contains conditions of contract acceptable to the council.

Procurement & Commissioning can provide advice on all aspects of the operation and use of collaborative and framework agreements.

3.3 Deciding when to use a grant or a contract

A grant is a sum of money given to an individual or organisation for a specific project or service. A grant usually covers only part of the total costs involved in the project or service.

A grant is usually given on the basis that if it is not used for the purposes for which it is given the funder can ask for all or part of the money back and maybe able to take legal action for breach of the terms of the Grant Agreement for sums paid.

The grant process involves an applicant submitting a proposal (or submission) to a potential funder, either on the applicant's own initiative or in response to a Request for Proposal from the funder. A procedure is provided on S-Net, which must be followed to decide if a project or service should be delivered via a grant or by a contract.

If, having followed this procedure, your requirement can be delivered through a **grant** then you must follow the grant process on S-Net.

If, having followed this procedure, your requirement can be delivered through a **contract** then follow the instructions at sections 3.6 to 3.8 below.

If you are not clear, then contact My Helpdesk.

3.4 Using Purchasing Cards

You may only use a Purchase Card where there is no suitable supplier available on the Product Directory and the spend value is below £10,000, unless otherwise agreed in writing by Procurement, or in life-critical circumstances (see also section 3.9)

Shared Services monitor all Purchase Card expenditure to ensure new suppliers are only used when no existing supplier is available.

Purchase Cards are only issued to permanent council employees and are allocated according to OM position.

- Heads of Service and above are issued with a Purchase Card as standard.
- Other Officers may be issued with a Purchase Card following completion of an application form (details available on “S” Net), with the approval of the Budget Holder or Head of Service.

Except in the case of a declared emergency, Purchase Cards **must not** be used for the following types of spend:

- Where a suitable supplier is available on the Product Directory
- Direct Care
- Cash
- Consultants
- Agency Staff
- Construction work
- Stationery for SCC office use
- Alcohol
- IT equipment or consumables for SCC Office use and/or connected to the network
- To settle outstanding invoices
- Travel and subsistence. This must be claimed via the expenses system.
- For any personal spend

Key Responsibilities

All Card-holders must:

- Comply with the ‘Purchase Card Rules and Guidance’ maintained on S-Net.
- Complete the available e-learning prior to a card being issued, and signify their agreement to comply with the rules.
- Ensure that all transactions are both promptly and properly reconciled on the system provided in accordance with the Rules and Guidance.
- Complete transaction reconciliation within the monthly deadline.
- Retain physical evidence of all purchases, eg receipts.
- Ensure their card is returned when they leave the Council.

Budget holders:

- Are responsible for monitoring and approving expenditure via Purchasing Cards in accordance with the Rules and Guidance
- Must ensure best value is being obtained.
- Must approve (or challenge) all transactions in a timely way – at least every month.

Shared Services are:

- Responsible for maintaining a database of authorised Card-holders.
- Responsible for monitoring compliance
- Storing monitored data and logging consequent actions. Responsible for informing Audit department of any misuse.

Accountability

Everyone involved in using and monitoring Purchase Cards is accountable to the Council and Surrey residents for proper use, in line with the Council's Code of Conduct. Any misuse may result in a Card being suspended or withdrawn and disciplinary action being taken.

3.5 Approval for Consultant/Contractor engagements

3.5.1 Definition

A consultant/contractor is defined by HR as a person or company that advises on organisational change and/or provides subject matter expertise on technical, functional and business topics during development or implementation.

- No contract of employment is involved, even if one individual consultant is retained, but there is a contract for services that is defined as being 'self-employed'.
- This should be made clear in all documentation and payment made for the service on the basis of a fee, not a salary.
- Ordinarily consultants / contractors will be VAT registered; subject to Schedule D tax, and have professional indemnity insurance.

All external legal opinion and advice as required by the Head of Legal Services is exempt from the provisions of this section and is classified as goods, works and services.

3.5.2 Approval for Consultant/Contractor engagements

If you are contemplating using consultants/contractors you must refer to the processes and limits in section 3.1.1 of these Orders. You must raise all requests for consultants via My HelpDesk, who will pass them on to Procurement. At least three quotes must be sought for **all** engagements under £100,000, with one being from a Surrey-based supplier if possible.

You must refer all engagements of an aggregate value of £50,000 per annum *pro rata* for approval from the Leader of the Council and the Chief Executive before the contract can be started. Engagements of £100,000 or over must be referred to procurement, who will decide the appropriate approach to market subject to the approval of the Procurement Review Group. Under no circumstances may this approval be sought retrospectively.

Consultant/Contractors must have clearly defined project objectives and performance targets. You should also evaluate the use of a consultant/contractor in terms of delivery against these.

You should include a requirement for skills transfer to internal staff where appropriate.

Consultants/Contractors must have the appropriate level of professional indemnity insurance – see para 3.10.1.

You must source all other interim staff covering OM positions, and all temporary or agency staff by reference to the Product Directory and the appropriate contract.

3.6 New suppliers for spend up to £9,999

If you need to use a new supplier and the aggregate value is under £10,000 you should search the market for a suitable supplier, and you must get a written quotation. However, to ensure best value, it is advisable to seek further quotations. If they offer best value, you should use a Surrey-based supplier. Note the separate arrangements for consultancy engagements at para 3.5.2 above.

If you are a Purchase Card-holder, you may use it within your assigned limits to pay the supplier. Otherwise you must raise a 'Describe Requirement' Shopping Cart and the Shared Services Buying Solutions team will set the supplier up on the system and process the order. If the supplier is to be used regularly then they will be added to the online catalogue and Product Directory on S-Net. If the supplier is a 'one-off', this must be indicated in a note on the Shopping Cart.

In the case of purchases relating to Service-specific ordering systems, you must request the setup of the supplier via Shared Services.

Note: If the aggregate spend with the supplier is expected to exceed a higher threshold over time then you must use the appropriate sourcing approach as set out in the table above (3.1.1).

3.7 New suppliers for spend £10,000 to £99,999

Note: for new consultancy engagements, see para 3.5.2 above.

If you need to use a new supplier and the aggregate value is between £10,000 and £99,999, you must first contact My Helpdesk to confirm that the Product Directory cannot meet your requirements. If you do need to find a new supplier there are two main options – a Request for Quotation, or a mini-competition under an existing framework agreement. The Shared Services Buying Solutions team will carry out these activities for you.

My Helpdesk can supply a Request for Quotation form, which you complete and attach to a Describe Requirement Shopping Cart. This sets out your requirement for the purchase, and you can propose a preferred vendor to be included in the market search.

The Shared Services Buying Solutions team then decide the most appropriate approach to the market to get you the best value. Where a framework agreement exists and offers best value, they will carry out a mini-competition exercise to select an included supplier. This is normally done via the agreement owner's website. The Buying Solutions team will check with Legal Services before starting a mini-competition, in order to ensure the council can legally access the agreement

Otherwise, they will advertise the opportunity to the market. All such opportunities are also advertised to Surrey suppliers via the Supply2Surrey website. If practicable, at least one quote should be sought from a Surrey-based supplier.

Prior to contract award you must confirm budget availability with the appropriate Finance Manager. Once a suitable supplier has been accepted, the Buying Solutions team will add them to the online catalogue and Product Directory.

All purchases must be delivered under a form of contract approved by Legal Services and Procurement & Commissioning. Where a standard contract cannot be used, the Buying Solutions team will inform Legal Services as early as possible in order for the appropriate legal resources to be made available. Documents such as a specification and tender submissions may also be sent to Legal Services to assist with the contract drafting.

Note: If the aggregate spend with a supplier is expected to exceed a higher threshold over time then you must use the appropriate sourcing approach as set out in table 3.1.1.

3.8 New suppliers for spend £100,000 or over

3.8.1 Procurement Strategic Sourcing Gateway Process

If the aggregate value is £100,000 or over Procurement and Commissioning must lead the sourcing exercise. This exercise and the subsequent contract award follows the Procurement Strategic Sourcing Gateway Process. This ensures we

- follow proper legal procedure, where the value exceeds the current threshold under EU/UK law.
- manage the progress of our projects,
- maintain a record of the sourcing decisions made on behalf of the council.

The process has five gateways that must be completed by a project as it progresses from stage to stage:

Gateway Zero: Used internally in Procurement & Commissioning to identify pipeline projects agreed at a strategic level with senior Service managers as part of the business planning process.

Gateway One: Initiate, where the requirement is confirmed and work begins on the Strategic Procurement Plan (Project Brief section)

Gateway Two: Formal Approval, where the PRG reviews the Strategic Procurement Plan and approves those that are acceptable

Gateway Three: Implement, where the resulting contract is awarded

Gateway Four: Handover & close, where the contract is mobilised and ongoing responsibilities are identified and implemented, including contract and supplier management

Note that the acceptance, opening and evaluation of formal tenders must be carefully controlled to ensure fairness to all bidders. This process is managed within Procurement and Commissioning and is controlled by the electronic tendering system.

Because we must comply with EU and UK law on procurement, we must observe certain minimum timescales for delivery that are designed to ensure that fair competition is maintained at each stage. When planning for procurement projects, you need to allow several months for this, depending on the exact process that is to

be used. Procurement Category Specialists can advise you about the detailed timescales relevant to your particular project.

3.8.2 Procurement Review Group

The Procurement Review Group (PRG) is mandated to control expenditure, ensure best value and monitor compliance for all procurement activity for an aggregate value of £100,000 or more. The PRG approves the procurement strategy and contract awards as set out in a Strategic Procurement Plan document and in accordance with the Procurement Gateway process. The PRG also enforces compliance with these Orders and advises Human Resources of any areas of deliberate disregard. Procurement keeps a record of all submissions to the PRG, which is cross-referenced to contract documents in the contract management system.

To be approved, you must obtain both written budget approval from the appropriate Finance Manager and the unanimous consent of all of the managers listed below who are present at the meeting. There must be a minimum of 2 representatives present, of which one must be from Procurement:

- Head of Procurement and Commissioning, or delegated substitute
- Section 151 Officer, or delegated substitute
- Head of Legal Services, or delegated substitute

The PRG is chaired by Procurement. Any delegated substitute is responsible and has the authority as if the Officer themselves had attended. The PRG meets regularly; all submissions must be provided at least 3 working days prior to the meeting.

Whilst awaiting PRG approval you may take no further action regarding your purchase.

3.8.3 Sustainability and Social Value

The Social Value Act 2012 places an obligation on us to consider the economic, social and environmental well-being of our area when we award services contracts over the EU threshold. We apply this informally to all procurement over £100,000 as well.

The council has adopted a Sustainability Framework, which commits us to sustainable economic development for Surrey, minimises the impact on the environment and supports social cohesion. Our procurement approach covers these areas:

- (i) Economic Sustainability – we aim to purchase goods, works and services which enhance the local economy of Surrey. We recognise the importance of Small & Medium Enterprises to the local community and ensure every effort is made to make our contract opportunities and tender processes accessible to them.
- (ii) Social Sustainability - we aim to purchase goods, works and services which promote community well-being, and that supply chain partners operate fair and ethical working practices.
- (iii) Environmental Sustainability – we aim to purchase goods, works and services which minimise our carbon footprint, encourage a positive impact on the local environment, and have the best value costs and benefits taking into account their whole life cycle from origination to disposal.
- (iv) Equalities & Diversity - we only purchase goods, works and services from suppliers who meet our standards of equality of employment and service

delivery, and we ensure that the tender process is free from discrimination or perceived discrimination in accordance with the council's Equality Policy

- (v) Surrey Compact – where we are purchasing from the voluntary, community and faith sector you must comply with the [Surrey Compact](#) best practice code.

Procurement & Commissioning must consider Social Value when planning tenders for all contracts over £100,000. A Social Value Assessment must be carried out and the results recorded in the Strategic Procurement Plan. Procurement & Commissioning ensures that our practice is aligned with the council's policies in this area, for example in driving apprenticeship opportunities and increasing local spend.

3.8.3.1 Sourcing of sustainable timber

The EU Timber Regulation 2013 prohibits anyone from placing illegally sourced timber on the EU market. To support and encourage compliance, the council has signed up to the WWF Gold Pledge in relation to the purchase of forest products, which commits us to using only products which are legally and sustainably sourced and establishes a monitoring system in Property Services to record such purchases. Further information is available on S-Net and via My Helpdesk.

3.9 Waivers and emergencies

These Orders are mandatory and must be adhered to at all times, so **Waivers** are only granted in exceptional circumstances and cannot be given if they would contravene the Public Contracts Regulations 2006 or any other applicable legislation.

In any remaining exceptional circumstances you must obtain approval in writing prior to progressing with your purchase, as follows:

Where the aggregate purchase value is for less than £100,000 a Procurement Category Manager or above may grant a waiver to these Orders. This will be very much the exception; opportunities must normally be advertised to the market via the Buying Solutions Team in Shared Services.

Where the aggregate value of the purchase is for £100,000 or more the Procurement Review Group (PRG) must ratify the waiver. In certain circumstances the PRG may refer the waiver request to the Cabinet for further approval. **No** waiver is granted retrospectively; this is viewed as non-compliance with these Orders and is reported to PRG.

It is important to note that a waiver can only be made with respect to these Orders. A waiver cannot be made with respect to the council's obligations under the Public Contracts Regulations 2006 or any other legislation.

Procurement maintains a log of all waivers approved by Procurement and by PRG.

An **emergency** purchase is only allowed in the case of life-critical requirements for purchasing outside the hours 9am to 5pm. You can use a Purchasing Card, within your allocated limits, to pay. If the supplier does not accept Purchase Cards then you may give a verbal order and raise a formal purchase order the following working day. You must also inform My Helpdesk of any emergency purchases on the following working day.

3.10 Liability and Security

3.10.1 Insurance Liability

To protect the Council, the following insurance liability criteria should be applied:

- All procurements where there is a direct advice and/or design service provided by a contractor, including all consultancy arrangements, must have and maintain Professional Indemnity insurance.

For contracts up to £499,999 cover of £1 million or higher is required,

For contracts £500,000 and over cover of £5m is required.

- All suppliers of works (and designated services) must have and maintain Public Liability insurance and Employers' Liability insurance.

For contracts up to £499,999 cover of £5 million or higher is required,

For contracts £500,000 and over cover of £10m is required, in addition to any other insurance recommended by the Insurance Section. (Sole traders with no employees are not required to have Employers' Liability insurance.)

The Head of Procurement and Commissioning may agree other insurance values for public liability and professional indemnity cover. All variations to agreed levels must be made in discussion with the Principal Insurance Officer or Litigation and Insurance Group Manager. All variations must be recorded in writing and stored on the contract management system.

3.10.2 Financial Security

Procurement and/or Finance must confirm that suppliers are financially robust prior to contract award.

If either the total aggregate value of the contract exceeds £2m within twelve months, or there is doubt as to the financial credibility of a supplier but the council has decided to accept the level of risk, then additional forms of security to a level determined between Legal and Financial Services are required, for example:

- a Parent Company, Ultimate Company or Holding Company guarantee where their finances prove acceptable;
- a Director's Guarantee or Personal Guarantee where finances prove acceptable;
- a Performance Bond, retained funds or cash deposit;
- any other security as determined by Finance and/or Legal Services.

All documents inviting tenders must contain a statement that the supplier needs to provide security of performance and the level of security needed.

Additional documentation, where required, should be stored on the electronic tendering system.

3.10.3 Document Retention periods

The retention of tenders and contractual documentation is prescribed in the Limitation Act 1980 and the Public Contracts Regulations 2006

- All received Tenders & PQQs must be retained for a minimum of eighteen months following the issue of the Contract Award Notice.
- All signed contracts under £499,999 (including all tender documentation) must be retained for a minimum of six years following contract expiry.
- All signed contracts signed over £500,000 (including all tender documentation) must be retained for a minimum of twelve years following contract expiry.

Procurement must maintain an online record confirming location of contract/tender and scheduled date of destruction.

4 Awarding and Managing Contracts for best value

All purchases must be delivered under a form of contract approved by Legal Services and Procurement & Commissioning. The council manages the process of awarding contracts via its e-tendering and contract management systems, to ensure that contracts are properly filed and documented.

Where contract funding is received by the council from a third party (for example, an incoming grant), the contract terms must include a provision for the termination of the contract should that funding cease to be available.

4.1 Evaluation

Tenders over £100,000 are evaluated by Procurement based on the identification of the 'Most Economically Advantageous Tender (MEAT)'. This takes price into account, alongside quality and social value considerations, but does not require the tender to be awarded to the lowest priced bidder.

4.2 Mobilisation of new contracts

All contracts, including any variations or amendments, must be registered and maintained by Procurement & Commissioning. The Council's contract management system can be used to store both scanned copies and summary data relating to all contracts over £10,000.

All original signed contracts must have a completed summary contract certificate and be stored in a secure fireproof location. Contract certificates are supplied by the Category Specialist, who ensures the signed contract is submitted for scanning and safe storage.

All contracts over £100,000 must have a designated Contract Manager, recorded on the contract certificate and on the contract management system. This role is agreed as part of Gateway Four Handover and Close.

In the case of suppliers where spend is via Purchase Order rather than a specific signed contract, the council's standard terms and conditions apply. The suppliers are logged on the SAP system as part of the vendor approval process, and their availability listed on the Product Directory.

4.3 Who must sign contracts, amendments and extensions?

The arrangements for contract signature are shown in table 3.1.1. All contracts over £500,000 must be sealed as a deed, via Legal Services. These arrangements include amendments and extensions and the aggregate value of the contract determines the signatory requirement.

4.4 Remedies Directive

Should a successful challenge be made after a contract has been awarded the Court could order the contract to be ineffective. This means that the contract will be cancelled and an alternative method of delivering the service will have to be found. This could result in significant costs to the council, but if the appropriate standstill periods are correctly applied the council will be able to minimise the risk of any challenge. Procurement Category Managers are responsible for ensuring the correct contract award processes are followed, including observing a standstill period and publishing an Award Contract Notice for all contracts over OJEU thresholds.

4.5 Contract Extensions / Amendments

A contract may only be amended (or varied) if the contract permits such a variation and is allowable under the Public Contract Regulations, which state that any variation may only be up to 50% of the original advertised value of the contract. The agreement of Legal Services and the Head of Procurement and Commissioning is also required. The amendment (or variation) must be evidenced in writing and signed by the Authorised Officers as detailed in table 3.1.1 The amendment must then be recorded and retained with the original contract.

Requests to extend or amend contracts must be discussed with the relevant Procurement Category Specialist. Such variations must be planned in a timely way, and not be used as a way to avoid the proper tender procedures. Variations must also take into account any requirement for supplier diversity in the specification and consider if this needs updating to meet current needs.

4.6 The management of critical and strategic contracts

The Procurement Service identifies the strategic and critical contracts (based upon value, business and reputational risk) required to deliver key council services in consultation with the relevant Service. Procurement takes responsibility for the commercial relationships with these suppliers, working with the designated contract managers who lead on the operational performance of the contract. For all other remaining contracts, the Service is responsible for contract management. Training for contract managers is available via S-Net. Procurement will provide second line support where performance failure is demonstrated and ensure best practice guidance and frameworks are communicated.

All identified strategic and critical contracts must have a written business continuity plan, to be held on the contract management system. Commercial discussions about the development of products/services provided via these contracts must be led by Procurement and Commissioning..

5 Paying our suppliers

5.1 Invoice Payments

Suppliers must issue all invoices direct to the address provided by Shared Services. No invoice may be received or processed directly by the Service unless it is agreed as a payment exception by the Head of Procurement and Commissioning, who may agree general exceptions where Service-specific systems are in use – for example, Swift for Adult Social Care. Shared Services are responsible for maintaining a register of all agreed payment exceptions.

All invoices received in Shared Services must include a purchase order number. Invoices without a PO number will be returned to the supplier.

In the case of certain pre-defined Goods, Works and Services, (usually non-fixed price category items) the supplier cannot be paid until you have confirmed that the requirement has been satisfactorily delivered. It is the 'shopper's' responsibility to ensure all purchases are receipted to the appropriate value and in a timely fashion.

5.2 Payment Terms

Payments to suppliers are normally made 30 days in arrears, from the invoice date, via BACS (electronic bank transfer). You must obtain the agreement of the Category Specialist for the spend category concerned for any deviation from the standard payment terms. This must be in writing as a Payment Exception. The council discourages paper invoices and suppliers are expected to provide electronic invoices.

The Late Payment of Commercial Debt Regulations 2013 require us to pay interest and fixed charges if we pay suppliers late. The council is a signatory of the Government/ICM Prompt Payment Code, and aims to pay all invoices within the agreed terms.

6 Disposing of surplus goods

The same competitive process for buying supplies, services and works is also applied to the disposal of surplus goods, though separate procedures apply to the sale of land and/or property. In principle:

£0 - £9,999	A minimum of 1 bid is required
£10,000 - £99,999	A minimum of three bids must be invited;
£100,000 and over	A minimum of three sealed bids must be invited

You must seek advice from Procurement & Commissioning when making valuations and the book value of the asset will be primarily used to calculate value. In most cases, it is anticipated that the highest bid received will be accepted.

Care must be taken to ensure that environmental sustainability as well as security and other associated issues are considered when arranging for the disposals of goods.

7 Legal status of these Procurement Standing Orders

The council is required by section 135 of the Local Government Act 1972 to maintain these Orders as part of our Constitution.

The Head of Procurement and Commissioning is the custodian of these Orders and is responsible for keeping them under review. If the EU Directives or any other law is changed in a way that affects these Orders then the Head of Procurement and Commissioning will issue a bulletin and the change must be observed until the Orders can be revised.

8 Glossary of terms

Term	Description
Aggregate value	The total spend with a supplier over the period of a contract, or the proposed period for new contracts. Individual or annual costs are irrelevant where goods, services or works are of the same type or have similar characteristics. The total cost of the contract (including any extensions available) must be used when deciding which process to use to find a new supplier
Collaborative agreement	A contract tendered by a group of authorities acting together, which can usually then be accessed by other authorities through a simple form of access agreement.
Consortium	A grouping of two or more organisations who agree to work together in order to deliver goods, works or services to the council.
Consultant	A person or company that advises on organisational change and/or provides subject matter expertise on technical, functional and business topics during development or implementation
Contract	An agreement having a lawful objective entered into voluntarily by two or more parties, each of whom intends to create one or more legal obligations between them. The elements of a contract are "offer" and "acceptance" by "competent persons" having legal capacity, who exchange "consideration" to create "mutuality of obligation."
Contract Management	The monitoring and development of the performance of a contract during its lifetime
Framework Agreement	An agreement or other arrangement between one (or more) contracting authorities and one or three or more suppliers which establishes the terms (in particular the terms as to price and, where appropriate, quantity) under which the supplier will enter into one or more contracts with a contracting authority in the period during which the framework agreement applies. Generally framework agreements do not have any guaranteed minimum volumes of spend. Contracts awarded via a framework can be via a direct award to a supplier on the framework or by holding a secondary (mini-competition) process that specifies the specifics of the actual contract being procured.
Gateway (in project)	A milestone in a project where formal approval is given to move to the next stage
Grant	A non-repayable sum of money given to an individual or organisation for a specific project or service, usually covering only part of the total costs.
Purchase Card	A credit card which can be used by authorised people to buy low-value goods or services for the council. The bill for the card is settled centrally in Shared Services, once the card-holder has assigned all transactions to the appropriate cost codes
Purchase Order	A formal order to a supplier for goods or services. This can refer to an order generated by a service-specific system such as

	PAMS or Swift, as well as from SAP.
Request for Quotation	A formal request to a supplier to provide a price for specified goods or services. The RFQ will also indicate how the quote will be evaluated in comparison with others to decide best value
Shopping Cart	A preliminary request in SAP SRM to buy goods or services, which, once approved financially, is turned into a purchase order to the supplier
Social Value	Those aspects of a contract which support a) community well-being, fair and ethical working practices by the supply chain, b) the local economy and local businesses, and c) improvements to the environment
Supplier Management	The process of driving improvements from contracts by developing robust performance plans with the supplier
Supply chain	The chain of suppliers and customers of all the component goods and services that go into delivering a given finished good or service
Tender	The procurement process of inviting and evaluating sealed bids from people and organisations to provide goods, works or services

County Council Meeting – 15 October 2013

REPORT OF THE AUDIT & GOVERNANCE COMMITTEE

- *Mr Nick Harrison (Chairman)
- *Mr W D Barker OBE (Vice Chairman)
- *Mr Tim Evans
- *Mr Will Forster
- *Denis Fuller
- * Tim Hall

* = Present
A = Apologies

A. RISK MANAGEMENT ANNUAL REPORT

1. The Committee considered the Risk Management Annual Report for 2012/13 and, following a robust discussion, confirmed that it was satisfied with the risk management arrangements.
2. The Audit & Governance Committee **COMMEND** the Risk Management Policy Statement and Strategy (Annex A) for inclusion in the Constitution.

B. CODE OF CORPORATE GOVERNANCE

1. The Local Government Act 2000 places a reliance on local authorities to review their governance arrangements and operate through a local governance framework which brings together requirements, governance principles and processes.
2. The Audit & Governance Committee considered and approved updates to Surrey County Council's Code of Corporate Governance. The Committee **COMMEND** the updated Code of Corporate Governance (Annex B) for inclusion in the Constitution.

Nick Harrison
Chairman of the Audit and Governance Committee
June 2013

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One County One Team, Risk Management Policy Statement

Introduction

The vision for risk management is to maximise opportunities and minimise exposure to ensure the residents of Surrey remain healthy, safe and confident about the future.

How successful the council is in dealing with the risks it faces can have a major impact on the achievement of our key priorities, goals and service delivery to the community. The Risk Management Strategy supports and underpins the council's Corporate Strategy: One County One Team, and the six key areas of focus - residents, value, partnerships, quality, people and stewardship.

The focus of good risk management is the identification and treatment of risks and opportunities. It increases the probability of success and reduces the likelihood of failure and the uncertainty of achieving objectives. Risk management should be a continuous and evolving process, which runs throughout the council's strategies and service delivery.

Learning lessons from past activities helps inform current and future decisions by reducing threats and optimising the uptake of opportunities. Celebrating and communicating successful risk management in turn encourages a more bold but calculated approach.

Risk Management principles

The council's approach to risk management is built on the following principles:

- **Alignment with objectives**
Enhancing opportunities for success and eliminating or minimising the threat of failure will enable the council to determine risk appetite and tolerance levels to support the achievement of objectives.
- **Clear guidance**
Effective management of risk is encouraged through an open and transparent approach that is suitably resourced and consistently applied.
- **Informs decision making**
Risk information is used to objectively inform decision-making and the achievability of desired outcomes.
- **Achieves measurable value**
Benchmarks and measures are used to monitor and report on how risk management contributes added value to the organisation.
- **Facilitates continuous improvement**
Significant events and incidents are reviewed to ensure lessons are learnt and actions for improvement are identified and implemented.

Benefits

The following benefits are realised through the above principles:

- Improved organisational resilience
- Proactive management
- Improved identification of threat and opportunity events
- Enhanced health and safety performance
- Improved governance
- Stakeholder confidence and trust

Realisation

The realisation of the principles and benefits will be achieved through the operation of the council's risk approach and arrangements.

The Risk Framework contains specific information on the council's risk arrangements and the risk process and procedures.

Compliance with these documents will ensure that the council achieves excellence in its approach to and management of risk.

Risk Management Strategy

1. Introduction

- 1.1 Risk management is an integral part of good management practice and a key part of corporate governance. This strategy outlines the arrangements put in place to ensure the council identifies and deals with the key risks it faces.
- 1.2 The council has adopted proactive risk management arrangements to enable decisions to be based on comprehensively assessed risks, ensuring the right actions are taken at the right time.
- 1.3 How successful the council is in dealing with the risks it faces can have a major impact on the achievement of its key strategies, priorities and service delivery to the community. The Risk Management Strategy helps to support and underpin the council's corporate strategy, One County One Team.

2. Objectives

- 2.1 The objectives of this strategy are to:
 - Fully integrate risk management into the culture of the Council and its strategic and service planning processes;
 - Ensure that the risk management framework is implemented and understood by all staff who have a direct operational responsibility for managing risk;
 - Communicate the Council's approach to risk management to stakeholders;
 - Ensure the benefits of risk management are realised through maximising opportunities and minimising threats;
 - Ensure consistency throughout the Council in the management of risk.

3. Risk Management

- 3.1 The focus of good risk management is the identification and treatment of risks. It increases the probability of success and reduces the likelihood of failure and the uncertainty of achieving objectives. Risk management should be a continuous and evolving process, which runs throughout the Council's strategies and service delivery.
- 3.2 Learning lessons from past activities helps inform current and future decisions by reducing threats and optimising the uptake of opportunities. Celebrating and communicating successful risk management in turn encourages a more daring but calculated approach.

4. Integrated Risk Management

- 4.1 In order to create an integrated risk management culture that is embedded into medium term planning, a collaborative approach to risk is undertaken. Service plans, financial budgets and risk registers are developed using a five-year business planning cycle and these are regularly reviewed using an iterative process.

4.2 There are a number of levels of risk register:

- Leadership risk register – owned by the Chief Executive
- Directorate risk registers – owned by individual Strategic Directors
- Service risk registers – owned by individual Heads of Service.

5. Roles and responsibilities

5.1 All employees and members involved in managing risk should be aware of their risk management responsibilities. However, the ultimate responsibility for risk management lies with the Leader of the Council and the Chief Executive.

5.2 Responsibilities for risk management are shown in the table below.

ROLE	RESPONSIBILITIES
The Cabinet	<ul style="list-style-type: none"> • Overseeing effective risk management across the council. • Ensuring that key risks are identified, effectively managed and monitored. • Appointing a member risk champion.
Portfolio Holders	<ul style="list-style-type: none"> • Ensuring that risks within their portfolio are identified and effectively managed through discussions with Strategic Directors and Heads of Service. • Facilitating a risk management culture across the council. • Contributing to the Cabinet review of risk and being proactive in raising risks from the wider Surrey area and community.
Members of Select Committees	<ul style="list-style-type: none"> • Monitoring and challenging key risk controls and actions. • Facilitating a risk management culture across the council.
Audit & Governance Committee	<ul style="list-style-type: none"> • Providing independent assurance to the council on the effectiveness of the risk management arrangements.
Corporate Leadership Team (CLT)	<ul style="list-style-type: none"> • Ensuring effective implementation, monitoring and review of the council's Risk Management Strategy. • Identifying and managing the key risks facing the council and owning risks and action on the Leadership risk register • Ensuring regular review of the Leadership risk register as part of wider council performance
Strategic Directors	<ul style="list-style-type: none"> • Ensuring that risk management within their directorate is implemented in line with the council's Risk Management Strategy. • Ensuring that risks within their directorate are identified and effectively managed by owning their Directorate risk registers • Ensuring regular review of directorate risk registers as part of wider council performance. • Challenging Heads of Service on relevant risks relating to their services. • Proactively raising risks issues at CLT and with Portfolio Holders
Heads of Service	<ul style="list-style-type: none"> • Ensuring that risk management within their service is implemented in line with the council's Risk Management Strategy. • Owning their Service risk register and identifying risks arising from their areas of responsibility and prioritising and initiating action on them. • Ensuring regular review of their Service risk register as part of wider Council performance. • Reporting to Strategic Directors on any perceived new risks or failures of existing control measures. • Supporting and having a regular dialogue with their dedicated risk champion. • Challenging risk owners and actions to ensure that controls are being put in place and monitored.

Managers	<ul style="list-style-type: none">• Communicating the risk management arrangements to staff.• Co-operating and liaising with the risk champion.• Taking accountability for actions and reporting to their Head of Service.• Reporting any perceived new risks or failure of control measures to their manager.
Staff	<ul style="list-style-type: none">• Assessing and managing risks effectively in their job and reporting risks to their manager.
Risk and Governance Manager	<ul style="list-style-type: none">• Co-ordinating and facilitating the implementation of the risk management arrangements.• Moderating and challenging risks across the organisations.• Providing training and communication.• Centrally holding and publishing all council risk registers.• Facilitating the review and challenge of the Leadership risk register.
Strategic Risk Forum	<ul style="list-style-type: none">• Reviews Directorate risk registers through challenge and moderation;• Makes recommendations to the Corporate Board on changes to the Leadership risk register and key Health & Safety considerations;• Identifies and escalates common themes and risk management issues across the council;• Promotes the sharing of learning and best practice on risk management;• Considers information and recommendations from the Council Risk and Resilience Forum.
Internal Audit Team	<ul style="list-style-type: none">• Auditing the Council's risk management process.• Using risk information to inform the annual internal audit plan.• Ensuring that internal controls are robust.

5.3 Other officer groups deal with specific areas of risk management and these include the Health & Safety operations team and the Council Risk and Resilience forum. These groups are represented on the Strategic Risk Forum so that their work can be coordinated with the overall management of the risks facing the council.

6. Risk Management framework

6.1 Effective risk management requires an iterative process of identifying, measuring, managing and monitoring risks.

Risk Identification

6.2 Cabinet Members, the CLT, Heads of Service and managers continually undertake risk identification as part of strategic and service planning and delivery. Focus for risk identification should be at a level that is material to strategic / service objectives, targets and service sustainability.

Risk Assessment

6.3 Risk assessment ensures that risks are judged on a uniform scale across the organisation, enabling risks to be objectively scored and compared across services.

6.4 The outcome of service level risk assessment is the categorisation of risks according to their impact (financial, service level, reputation) and likelihood. It

assesses the relative importance of the identified risks so as to allow risk owners, where necessary, to prioritise action to mitigate them.

- 6.5 The output from the risk assessment is a consolidated risk register. The total risk scores are assigned into bands (red, amber or green) according to the severity of the risk.

Risk Control and reporting

- 6.6 Actions to address significant risks need to be specified and regularly reviewed. These mitigating actions should be focused on reducing the impact or likelihood of risks.

Code of Corporate Governance

CONTENTS

PAGE

Commitment to good governance	2
Good governance principles	2
Supporting governance documents	4
Governance review	5
Roles and responsibilities	6
Glossary	7
<u>Annexes</u>	
A Supporting governance documents	9
B Governance document custodians	10
C Governance review process	11
D Governance Panel terms of reference	12

COMMITMENT TO GOOD GOVERNANCE

- 1 The One County, One Team Corporate Strategy 2013-18 sets out the council's overall purpose to ensure good quality public services for the residents of Surrey so they remain healthy, safe and confident about the future.
- 2 Good corporate governance underpins confidence in public services and should be transparent to all stakeholders. The council is committed to demonstrating it has sound corporate governance and this Code of Corporate Governance sets out the way the council meets that commitment. This in turn promotes adherence to the council's values that guide the behaviour of all officers and Members:



Listen



Responsible



Trust



Respect

- 3 Corporate governance is the manner through which the council directs and controls its functions and relates to its communities. A robust governance code provides assurance that Surrey is meeting best practice in protecting its assets and serving the community.
- 4 The council must review at least annually the effectiveness of its governance arrangements and produce an Annual Governance Statement (AGS), which recognises and records the governance framework and environment. The AGS must be signed by the Chief Executive and the Leader of the Council and be included within the Statement of Accounts, as required by the CIPFA / SOLACE framework, the Statement of Recommended Practice (SORP) 2007 and the Accounts and Audit Regulations (2011).
- 5 The Code of Corporate Governance sets out the mechanisms for monitoring and reviewing the corporate governance arrangements, which enables the council to identify good governance practice and also areas for improvement.

GOOD GOVERNANCE PRINCIPLES

Principles of Public Life

- 6 The council has made a commitment to ensuring that good governance is in place and that it is serving the local community in accordance with the seven principles of public life as defined by the Nolan Committee in 1994. These principles apply to everyone working in the public services and should be incorporated into all codes of conduct and behaviour to ensure residents and service users receive a high quality service.
- 7 The principles are as follows:
 - **Selflessness**
Officers and members should act solely in terms of the public interest. They should not act in such a way in which to gain financial or other benefits for themselves, their family or their friends.
 - **Integrity**
Officers and members should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.
 - **Objectivity**

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, officers and members should make choices on merit.

- **Accountability**

Officers and members are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their role.

- **Openness**

Officers and members should be as open as possible about all decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

- **Honesty**

Officers and members have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the people of Surrey.

- **Leadership**

Officers and members should promote and support the principles by leadership and example.

Core Governance Principles

- 8 The council has adopted six core governance principles, which ensure good governance, compliance with the principles of public life and support the achievement of the Corporate Strategy.

	Core Governance Principle	Corporate Strategy strand
1	<p>Surrey County Council will focus on its purpose and will implement a vision for both Surrey and its local communities to achieve the intended outcomes for the community.</p> <p>It will meet this by:</p> <ul style="list-style-type: none"> • Continuously developing and clearly communicating its purpose and vision; • Ensuring users receive a high quality of service; and • Making best use of resources. 	Quality
2	<p>The council’s members and officers will work together to achieve a common purpose with clearly defined functions and roles.</p> <p>It will meet this by:</p> <ul style="list-style-type: none"> • Ensuring there is a constructive working relationship between members and officers; • Ensuring responsibilities of members and officers are carried out to a high standard; and • Having clear relationships between the council, its partners and the public. 	Partnerships
3	<p>Surrey County Council will promote values and demonstrate good governance by upholding high standards of conduct and behaviour.</p> <p>It will meet this by:</p> <ul style="list-style-type: none"> • Requiring members and officers to maintain high standards of 	People

	<p>conduct; and</p> <ul style="list-style-type: none"> Continuing to ensure that its values are promoted. 	
4	<p>Surrey County Council will take informed and transparent decisions that promote value for money and are subject to effective scrutiny and risk management.</p> <p>It will meet this by:</p> <ul style="list-style-type: none"> Promoting decision making that is rigorous and transparent; Having good quality information, advice and support; Ensuring that effective risk management and performance management systems are in place; and Using its legal powers to the full benefit of residents and communities. 	Stewardship
5	<p>Surrey County Council will seek to develop the capacity and capability of members and officers to be effective.</p> <p>It will meet this by:</p> <ul style="list-style-type: none"> Aiming to ensure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles; Engaging effectively with all sections of the community; and Making best use of human resources through consulting and involving staff in decision-making. 	Value
6	<p>Surrey County Council will engage with Borough, District and Parish Councils, residents associations and other stakeholders as appropriate to promote robust public accountability.</p> <p>It will meet this by:</p> <ul style="list-style-type: none"> Promoting leadership through a robust scrutiny function; Involving local people, partners, business and other stakeholders in the early development of policy; and Taking an active and planned approach to dialogue with and accountability to the public. 	Residents

SUPPORTING GOVERNANCE DOCUMENTS

- 9 The Code of Corporate Governance contains 31 council policies and processes that are of key importance in maintaining good governance, supporting the achievement of the Corporate Strategy and underpin compliance with the core governance principles. The documents are shown at Annex A against the six Corporate Strategy strands.
- 10 Responsibility for each governance document ultimately rests with the Chief Executive or one of the strategic directors, aside from statutory functions that fall within the personal responsibility of the Section 151 Officer or the Monitoring Officer. Cabinet Members must also demonstrate ownership within their individual portfolios.
- 11 Below those officers and members, the Code of Corporate Governance identifies, where appropriate, those officers who have a material input and control over governance documents. These officers are referred to as Policy Custodians and they are shown in Annex B.

GOVERNANCE REVIEW

12 The annual review of governance assesses the level of compliance with each of the core governance principles. A flowchart showing the process is shown at Annex C. The review consists of a number of parts as follows.

PART 1 – CUSTODIAN ASSURANCE

13 Policy Custodians are required to complete an annual Custodian Assurance Statement. A summary report is presented to the Governance Panel, which makes recommendations on the policies to be included in the annual Control Risk Self Assessment (CRSA) exercise outlined below.

PART 2 – POLICY COMPLIANCE (CRSA) AND REPORT ON INTERNAL CONTROL

14 Following agreement by the Governance Panel on the policies to be tested, questionnaires are sent out by the Internal Audit Team to a sample of staff and members. Audit reports are sent to Policy Custodians who then complete a management action plan for any improvement areas identified. A summary report is also presented to the Governance Panel and any significant areas included in the AGS.

15 The Chief Internal Auditor uses information gathered from internal audit reviews carried out as part of the annual audit plan, to report on the adequacy of the internal control environment. This report is presented to the Governance Panel and any significant areas included in the AGS

PART 3 – ASSESSMENT OF THE CORE GOVERNANCE PRINCIPLES

16 The Risk and Governance Manager carries out the annual assessment of the core governance principles. The review consists of:

- interviews with key officers,
- reviewing existing procedures, and
- assessing existing governance arrangements against best practice.

17 A summary report is then presented to the Governance Panel and any significant findings will be included in the AGS.

PART 4 – ADDITIONAL GOVERNANCE INFORMATION

18 In order to pull together a full picture of governance across the organisation, the Governance Panel also look at any relevant reports and findings from other inspectorates and groups, along with any self-assessments that the council has completed within the relevant year. Any significant issues are then included in the AGS and the information includes the following:

- External audit reports
- External inspection reports
- Annual review of the effectiveness of the system of internal audit
- Member task group reports and findings

PART 5 - AGS

19 Taking all the above information into account, the draft AGS is developed and agreed by the Governance Panel. The Chair of the Governance Panel consults with Corporate Board before the AGS is presented to the Audit and Governance Committee and the Cabinet.

PART 6 - MONITORING

20 The Governance Panel monitors progress on any improvement actions identified and update reports are presented to Corporate Board and Audit and Governance Committee as appropriate.

ROLES AND RESPONSIBILITIES

21 All staff and members have a role in ensuring good governance but specific responsibilities are set out below:

ROLE	RESPONSIBILITIES
The Cabinet	<ul style="list-style-type: none"> • Approve the AGS for publication with the Statement of Accounts • Monitor any governance improvements required, as appropriate
Portfolio Holders	<ul style="list-style-type: none"> • Demonstrate ownership of individual policy areas • Approve governance policies as appropriate
Audit & Governance Committee	<ul style="list-style-type: none"> • Review the draft AGS and advise the Cabinet as appropriate • Monitor the effectiveness of the governance arrangements • Monitor compliance with the Code of Corporate Governance • Approve governance policies as appropriate
Corporate Board	<ul style="list-style-type: none"> • Commission remedial action to address issues • Review related reports en route to the Cabinet e.g. AGS
Governance Panel	<ul style="list-style-type: none"> • Refer to the Terms of Reference – Annex D
Heads of Service and Assistant Directors	<ul style="list-style-type: none"> • Appoint Policy Custodians as required • Promote the delivery of policies within their service • Participate in the governance review and ensure that officers under their charge cooperate within the given timescales • Ensure governance improvements required within their service are acted upon in a timely manner and reported as necessary
Policy Custodians	<ul style="list-style-type: none"> • Maintain and regularly review policies to ensure they reflect legislative changes, best practice and organisational changes • Ensure policies are communicated effectively • Operate a standard process of version control on all policies • Ensure actions identified through the corporate governance review are acted upon in a timely manner and reported as necessary
Risk and Governance Manager	<ul style="list-style-type: none"> • Coordinate the corporate governance review • Carry out the annual assessment of core principles • Annually review the Code of Corporate Governance • Ensure provision of Corporate Governance training for staff and members
Internal Audit Team	<ul style="list-style-type: none"> • Conduct the annual review of policy compliance • Provide information on the internal control environment to inform the AGS

REVIEWING AND REVISING THE CODE

22 This Code of Corporate Governance will be reviewed annually to reflect any changes. For any queries or comments on this document please contact:

Cath Edwards, Risk and Governance Manager, Change and Efficiency

GLOSSARY

Annual Governance Statement (AGS)	A statement required by the Accounts and Audit Regulations (Amendment) (England) 2006 explaining how the council has
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	complied with the code of corporate governance. It is signed by the Chief Executive and Leader of the Council and published as part of the annual Statement of Accounts.
Chartered Institute of Public Finance and Accountancy (CIPFA)	The leading accountancy body for public services.
Constitution of the Council	Sets out how the Council operates, how decisions are made and the procedures that are followed to ensure efficiency, transparency and accountability.
Control Risk Self Assessment (CRSA)	An annual self assessment undertaken using questionnaires to ascertain the levels of compliance with governance policies.
Corporate Governance	How local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
Custodian Assurance Statement (CAS)	An annual submission from each Policy Custodian providing assurance that each policy is up to date and detailing any work that has been undertaken throughout the year.
Effectiveness review	A requirement of the Accounts and Audit Regulations 2006 for the council to annually conduct a review of the effectiveness of its system of internal audit.
External Audit	An external annual review of the Council's accounts.
Governance Panel	Chaired by the Head of Legal and Democratic Services, the panel ensures that the council has a robust appraisal of governance. It advises Corporate Board, Audit & Governance Committee and Cabinet on the adequacy of the governance arrangements and proposes areas for improvement through the Annual Governance Statement.
Internal Audit Team	An independent appraisal function that objectively examines, evaluates and reports on the adequacy of internal control. They are part of the Policy and Performance Service within Chief Executives Office.
Monitoring Officer (Head of Legal and Democratic Services)	The statutory officer in accordance with section 5 of the Local Government and Housing Act 1989 with responsibility for: <ul style="list-style-type: none"> • Maintaining the Constitution • Ensuring lawfulness and fairness of decision making • Receiving reports • Receiving and dealing with allegations of misconduct • Access to information • Advising whether executive decisions are within the budget and policy framework • Providing advice
Policy Custodian	Officer(s) with oversight for a governance document. They have responsibility for ensuring that it is up to date and promoted across the authority.

Corporate Board	Chaired by the Chief Executive, it ensures effective self-regulation, oversight and assurance of governance.
Section 151 Officer (Chief Finance Officer and Deputy Director for Business Services)	The statutory officer with responsibility for: <ul style="list-style-type: none"> • the proper administration of the Council's affairs under section 151 of the Local Government Act 1972 • Ensuring lawfulness and financial prudence of decision making • Contributing to corporate management • Providing advice • Giving financial information
Society of Local Authority Chief Executives and Senior Managers (SOLACE)	The representative body for senior strategic managers working in local government, promoting effective local government.

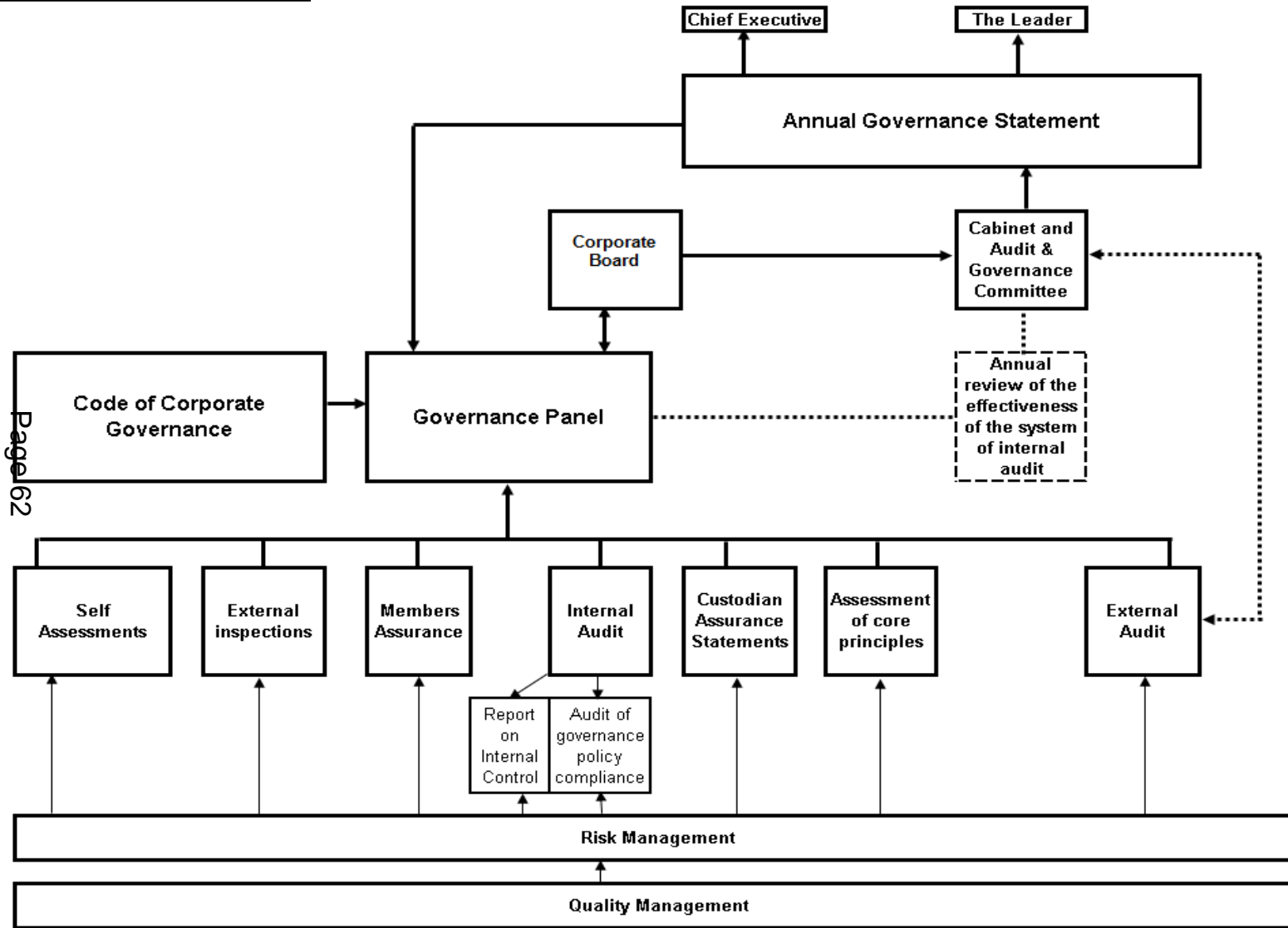
Supporting Governance documents

<p><u>RESIDENTS</u> Actively involving local people and stakeholders</p>	<p><u>QUALITY</u> Ensuring a high quality service</p>
<p>Our Commitment to Public Involvement Fairness and Respect</p>	<p>Complaints Freedom of Information</p>
<p><u>VALUE</u> Taking informed and transparent decisions that promote value for money</p>	<p><u>PEOPLE</u> Maintaining high standards of conduct</p>
<p>Procurement Standing Orders Cabinet Forward Plan Scheme of Delegation Standing Orders</p>	<p>Capability Grievance Change Management Safer Recruitment Codes of Conduct (officers and Members) Member/Officer Protocol Arrangements for dealing with complaints about Members Disciplinary Ending Harassment, Bullying and Discrimination</p>
<p><u>PARTNERSHIPS</u> Having clear relationships</p>	<p><u>STEWARDSHIP</u> Ensuring effective risk and performance management systems</p>
<p>Surrey Compact Voluntary, Community and Faith Sector (VCFS) Framework Partnership Framework and Principles:</p> <ul style="list-style-type: none"> • Memorandums of Understanding • Joint Working Arrangements 	<p>Data Protection Financial Regulations IT Security Risk Management Premises Security Health and Safety Strategy Against Fraud and Corruption Whistleblowing Regulation of Investigatory Powers Act (RIPA) Emergency Management and Business Continuity</p>

Governance Custodians**Annex B**

Document	Custodian
Arrangements for dealing with complaints about Members	Head of Legal and Democratic Services
Cabinet Forward Plan	Cabinet Business Manager
Capability	Deputy Head of Human Resources
Change Management	Deputy Head of Human Resources
Code of Conduct	Deputy Head of Human Resources
Code of Conduct for Members	Head of Legal and Democratic Services
Complaints	Customer Services Improvement Manager
Data Protection	Corporate Information Governance Manager
Disciplinary	Deputy Head of Human Resources
Emergency Management and Business Continuity	Head of Emergency Management
Ending harassment, bullying and discrimination	Equality Inclusion and Wellbeing Manager
Fairness and Respect	Senior Policy Manager
Financial Regulations	Chief Finance Officer
Freedom of Information	Freedom of Information Officer
Grievance	Deputy Head of Human Resources
Health and Safety	Senior Health and Safety Manager
IT Security	Head of IMT
Member / Officer Protocol	Head of Legal and Democratic Services
Our Commitment to Public Involvement	Senior Performance and Research Manager
Partnership Framework and Principles	Strategic Director for Change and Efficiency
Premises Security	Area Delivery Manager
Procurement Standing Orders	Head of Procurement and Commissioning
Regulation of Investigatory Powers Act (RIPA)	Community Protection Manager
Risk Management Strategy	Risk and Governance Manager
Safer Recruitment	Deputy Head of Human Resources
Scheme of Delegation	Head of Legal and Democratic Services
Standing Orders	Democratic Services Lead Manager
Strategy against Fraud and Corruption	Chief Internal Auditor
Surrey Compact	Lead Manager, Policy and Strategic Partnerships
VCFS Framework	Lead Manager, Policy and Strategic Partnerships
Whistle blowing	Deputy Head of Human Resources

Governance Review Process



Page 62

Governance Panel - terms of reference

Scope

The Governance Panel (the panel) ensures that the Council has a robust method of scrutiny and appraisal of Governance. The panel advises Corporate Board¹, Audit & Governance Committee (A&GC) and Cabinet on the adequacy of the arrangements and proposes areas for improvement through the Annual Governance Statement (AGS).

The panel reviews reports from Internal Audit, Risk & Governance, External Audit and other relevant documents.

The Role of the Governance Panel

The Governance Panel collectively, is responsible for:

- Reviewing reports from Internal Audit, Risk & Governance, External Audit and other relevant inspectorates
- Agreeing the sample of governance policies to be tested
- Approving changes to the Code of Corporate Governance
- Reviewing significant changes to governance policies
- Reporting on significant governance improvements and weaknesses to the Audit and Governance Committee
- Being a key point of escalation to Corporate Board
- Monitoring improvement plans and reporting to the Audit & Governance Committee
- Reporting progress and key concerns to members

Membership

The following officers form the Governance Panel:

Chair	-	Head of Legal and Democratic Services (Monitoring Officer)
Standing members	-	Chief Finance Officer (Section 151 Officer)
	-	Senior representative from HR & Organisational Development
	-	Chief Internal Auditor
	-	Senior representative from Policy and Performance Risk & Governance Manager
Advisors	-	Policy custodians
	-	Representatives from Internal Audit

¹ Consisting of the Chief Executive, Assistant Chief Executive, Strategic Directors, Chief Finance Officer, Head of HR and Organisational Development and Head of Policy and Performance

Individual Roles and responsibilities

Chair

- Proactively chair panel meetings, ensure meetings are effective and actions have been completed
- Present panel reports to Corporate Board, A&GC and Cabinet and feed back to the rest of the panel members
- Report back to the panel on key issues from other governance meetings as appropriate, including partnerships

Panel members

- Proactively participate at panel meetings
- Report back to the panel on key issues from other governance meetings as appropriate, including partnerships

Risk and Governance Manager

- Provide reports to the panel on areas of risk and governance, including strategic and significant service risks, annual governance review reports and progress reporting
- Prepare panel reports for Corporate Board, A&GC and Cabinet
- Report key issues from external audit and inspection reports including the Annual Audit Letter and the Annual Governance Report
- Undertake the annual review of the Code of Corporate Governance and recommend changes to the panel

Chief Internal Auditor

- Provide reports to the panel on internal control and Control Risk Self Assessment (CRSA) findings

Policy Custodians

May be required to attend any panel meetings at the request of the Chair

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County Council Meeting – 15 October 2013

REPORT OF THE PEOPLE, PERFORMANCE AND DEVELOPMENT COMMITTEE

*Mr David Hodge (Chairman)
*Mr Peter Martin (Vice Chairman)
*Ms Denise Le Gal
*Mr Stewart Selleck
*Mr Richard Walsh
*Mrs Hazel Watson

* = Present
A = Apologies

A. PAY POLICY REPORT SEPTEMBER 2013

1. The Committee considered the Pay Policy Exceptions Report. It was noted that the pay policy did not give the Committee the necessary flexibility to agree all the recommendations in the report and that, if the Committee were minded to do so a change to the policy would be required. This would require County Council approval. The Committee was minded to support all the recommendations, subject to Council agreeing a change to the policy. The Chairman of the Committee therefore requested that the Head of HR&OD reports to Council proposing any required changes.

David Hodge
Chairman of the People, Performance and Development Committee
September 2013

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OFFICER REPORT TO COUNCIL

AMENDMENT TO SURREY PAY POLICY STATEMENT 2013/2014

KEY ISSUE / DECISION:

The approval of an amendment to the 2013/14 Pay Policy Statement.

BACKGROUND:

1. To comply with Section 40 of the Localism Act 2011, all local authorities are required to agree and publish an annual Pay Policy Statement. The Council's current pay policy statement was approved by Council on 19 March 2013 and is published on the Council's website. Pay policy statements may be amended during the course of the financial year to reflect changes or developments in an authority's pay policy.

RECENT DEVELOPMENTS

2. The 2013/2014 pay policy reflects the current period of pay restraint and does not include any pay progression arrangements for staff. During the course of this year it has become apparent that this blanket approach is not sufficiently flexible to allow the Council to respond to factors that impact significantly on the efficient discharge of its services, such as market information, market forces and staff retention/recognition. A small number of individual cases have been reported as exceptions to the People, Performance and Development Committee (PPDC).
3. The Chairman of PPDC has requested that the Council considers an amendment to the policy to reflect this recognised need for more flexibility and enable approval of individual pay progression arrangements within grade limits, where there are compelling management reasons for doing so. It is recognised that the discretion would only be exercised on an exceptional basis and that with regard to senior pay grades, there would be appropriate oversight by PPDC. Council is therefore asked to consider the proposed amendment to the policy that is set out below.

RECOMMENDATION:

That Council agrees the following amendment to the Surrey Pay Policy Statement 2013-2014 (additional text in italics):

Surrey Pay

The council's total reward strategy is based on the local negotiation of "single status" Surrey Pay terms and conditions of service. This means that the majority of staff are on consistent terms and conditions of services, except for teachers and fire fighters. Pay, including terms and conditions, is reviewed annually with any changes agreed by the PPDC normally made with effect from 1 April. The council recognises two trades unions, the GMB and UNISON, for the purposes of negotiating Surrey Pay. *Salary progression for individual members of staff may be awarded exceptionally during the current period of pay restraint and must be approved by the PPDC for all staff on senior pay or by the appropriate head of service and the Head of HR&OD for staff on salaries below senior pay.*

Lead / Contact Officer:

Carmel Millar, Head of Human Resources and Organisational Development.
Tel: 020 8541 9824

Sources / Background papers:

Surrey County Council Pay Policy Statement 2013/2014



OFFICER REPORT TO COUNCIL

AMENDMENTS TO THE SCHEME OF DELEGATION

KEY ISSUE/DECISION:

The Council has been invited to amend the Pay Policy Statement. To give effect to those amendments it is further recommended that the Council:

1. amends the terms of reference of the People, Performance and Development Committee to include determining pay progression for individual staff on senior pay.
2. delegates to the appropriate head of service and the Head of Human Resources and Organisational Development the additional responsibility for determining pay progression of staff on salaries below senior pay.

DETAILS:

The relevant amendment to the Pay Policy Statement reads:

Salary progression for individual members of staff may be awarded exceptionally during the current period of pay restraint and must be approved by the People, Performance and Development Committee for all staff on senior pay or by the appropriate head of service and the Head of HR&OD for staff on salaries below senior pay .

The terms of reference for the People, Performance and Development Committee are set out in Part 3 of the Constitution at 6.12. This currently includes responsibility for determining policy on pay, terms and conditions of employment of all staff but does not extend to determinations about individual officers' pay and conditions.

In order to give effect to the relevant provision of the Pay Policy Statement it is necessary to amend the Constitution to reflect the People, Performance and Development Committee's new responsibility. The proposed addition reads:

To determine pay progression for individual staff on senior pay in accordance with the Pay Policy Statement

Likewise the Head of Human Resources and Organisational Development currently has delegated power in Section 3 of Part 3 of the Constitution in relation to Human Resources policy but not individual pay. To give effect to the amended Pay Policy Statement, it is recommended that the following function be delegated to the appropriate head of service and the Head of Human Resources and Organisational Development:

To determine pay progression for individual for individual Officers who are not on senior pay in accordance with the Pay Policy Statement.

RECOMMENDATIONS:

The Council agrees:

- To amend the terms of reference for the People, Performance and Development Committee to include “*To determine pay progression for individual staff on senior pay in accordance with the Pay Policy Statement.*”
- To amend the scheme of delegation to officers to include the following:

TITLE OF POSTHOLDER	FUNCTIONS DELEGATED
Head of HR &OD with relevant Head of Service	To determine pay progression for individual for individual Officers who are not on senior pay in accordance with the Pay Policy Statement.

REASONS FOR RECOMMENDATIONS:

To formalise and give effect to the amendments to the Pay Policy Statement.

LEAD/CONTACT OFFICER: Ann Charlton, Head of Legal & Insurance Services
TELEPHONE NUMBER: 020 8541 9001

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REVIEW OF MEMBERS' ALLOWANCES

Interim Report of the Independent
Remuneration Panel

October 2013

1 INTRODUCTION

- 1.1 Under the Local Authorities (Members' Allowances)(England) Regulations 2003, the County Council is required to establish and maintain an Independent Remuneration Panel (IRP) to make recommendations to the Council about the allowances to be paid under its Scheme of Allowances. Whilst it is ultimately for the County Council to decide its Scheme, under the Regulations it must have regard to the advice of the Panel before making any changes.
- 1.2 Surrey's IRP consists of three members, Katherine Atkinson, Janet Housden and Cathy Rollinson, who between them have considerable experience in the areas of public and private sector management, human resources, consultancy services, education and charity work. They all live in Surrey, have no connections with Surrey County Council and are independent of any political party.
- 1.3 The IRP is currently undertaking a detailed review of the County Council's existing Members' Allowances Scheme, with a view to submitting its full report and recommendations to the Council in March 2014. In the coming months the IRP will undertake further consultation with Members which will help inform its final recommendations. The results of the South East Employers' annual allowances survey will also be published shortly, which will provide up-to-date data on the allowances paid by relevant comparator councils.
- 1.4 The purpose of this interim report is to make a recommendation specifically in relation to the role of Cabinet Associate.

2 CABINET ASSOCIATES

- 2.1 Four Cabinet Associates were appointed by the Leader in May 2013, and the role profiles were agreed by the County Council at its meeting in July 2013. As the Scheme of Allowances has not been amended since 2010, this role is not currently recognised within the Scheme and the Cabinet Associates do not receive a Special Responsibility Allowance (SRA). As part of its on-going review, the IRP is planning to hold discussions with each of the Cabinet Associates early in the New Year, by which time they will have been in post long enough for a realistic assessment of their workload and level of responsibility to be made. The IRP will also interview the relevant Cabinet Members as part of this process.
- 2.2 The guidance on the Regulations for Local Authority Allowances, published by Central Government states that *'Special responsibility allowance (SRA) may be paid to those Members of the council who have **significant** additional responsibilities, over and above the generally accepted duties of a councillor. These special*

responsibilities must be related to the discharge of the authority's functions.'

- 2.3 When considering the level of the SRA which is appropriate for the Cabinet Associate role, the IRP wishes to take into account the responsibility levels of all the roles within the Scheme which attract an SRA, so that the Scheme as a whole is seen as coherent and fair. The IRP did not, therefore, feel that it was appropriate to make a definitive recommendation about the level of the SRA at this stage, prior to the completion of its review in early 2014 and before sufficient time had elapsed to allow an evidence-based assessment of the role to be made. However, the IRP recognises that Members have been undertaking the roles since May 2013 and would not, in the absence of a formal recommendation from the IRP, receive any financial recognition prior to March 2014 when the review of the Scheme has been completed.
- 2.4 From the findings of its review so far, it is clear that the role of Cabinet Associate does involve significant additional responsibility, and the IRP will be recommending payment of an SRA when it reports in March 2014. In the light of this, the IRP feels that it is fair, pending the outcome of the full review, to recommend that a one-off payment of £5,000 for the financial year 2013/2014 be made to Cabinet Associates with immediate effect, to recognise the workload and responsibility involved with the role. However, it should be stressed that this interim payment is made by exception and without prejudice to the IRP's subsequent recommendations. It should not be seen as a likely indicator of the level of the SRA which will be recommended at that time.

RECOMMENDATION:

That, without prejudice to any recommendations to be made by the Independent Remuneration Panel in its final report in March 2014, an exceptional one-off payment of £5,000 for the financial year 2013/2014 be made to Cabinet Associates with immediate effect.

Katherine Atkinson
Janet Housden
Cathy Rollinson (Chair)

3 October 2013

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MINUTES OF THE MEETINGS OF CABINET

Any matters within the minutes of the Cabinet's meetings, and not otherwise brought to the Council's attention in the Cabinet's report, may be the subject of questions and statements by Members upon notice being given to the Democratic Services Lead Manager by 12 noon on Monday 14 October 2013.

**MINUTES OF THE MEETING OF THE CABINET
HELD ON 23 JULY 2013 AT 2.00 PM
AT ASHCOMBE SUITE, COUNTY HALL, KINGSTON UPON THAMES,
SURREY KT1 2DN.**

These minutes are subject to confirmation by the Cabinet at its next meeting.

Members:

*Mr David Hodge (Chairman)	*Mr John Furey
*Mr Peter Martin (Vice-Chairman)	Mr Michael Gosling
*Mrs Mary Angell	*Mrs Linda Kemeny
*Mrs Helyn Clack	*Ms Denise Le Gal
*Mr Mel Few	*Mr Tony Samuels

Cabinet Associates:

Mr Steve Cossar	*Mrs Kay Hammond
Mrs Clare Curran	*Miss Marisa Heath

* = Present

**PART ONE
IN PUBLIC**

85/13 APOLOGIES FOR ABSENCE [Item 1]

Apologies for absence were received from Mr Michael Gosling and from Cabinet Associates Mr Steve Cossar and Mrs Clare Curran.

86/13 MINUTES OF PREVIOUS MEETING: 25 JUNE 2013 [Item 2]

The minutes of the meeting held on 25 June 2013 were confirmed and signed by the Chairman.

87/13 DECLARATIONS OF INTEREST [Item 3]

There were no declarations of interest.

88/13 PROCEDURAL MATTERS [Item 4]

(a) MEMBERS' QUESTIONS [Item 4a]

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

Mr Jonathan Essex (Redhill East) asked a supplementary question relating to the evidence base on which council officers had based their professional judgement on this matter. It was agreed that the Assistant Director, Environment would provide a response in writing, noting that any commercially sensitive information would not be included.

(b) 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 to these Minutes**.

The following supplementary questions were asked:

- Mr Malcolm Robertson stated concerns about air pollution and potential risk of fire and asked that the plans for an Eco Park be abandoned. The Chairman advised that the points raised would be covered in the discussion on the Waste Contract item in the main part of the meeting.
- Mr John Seaman asked a supplementary question in relation to whether the proposals before the Cabinet would address the amount of waste going to landfill over the next 25 years and about the use of bottom ash from the Eco Park, noting that the London Eco Park used bottom ash as aggregate replacement material rather than sending it to landfill. The Cabinet Member for Transport, Highways and Environment noted that he had received a number of questions prior to the meeting, including in relation to bottom ash, and that these would receive written responses. The Waste Strategy addressed the 160,000 tonnes currently going to landfill, of which gasification would account for 45,000 tonnes. The council would continue to invest time and effort into reducing waste and increasing recycling, this would include looking at potential uses of bottom ash.
- Mr Peter Crews asked a supplementary question as to the value for money provided by Option 1 in the report to Cabinet on the Waste Contract and whether the Cabinet was satisfied with the assessment provided. The Chairman advised that the points would be covered in the discussion on the Waste Contract item in the main part of the meeting.
- Mr Ian Robinson had submitted a supplementary question in relation to the council's ability to evaluate best value and alternatives within the context of its current Waste Contract. The Chairman noted that a written response would be sent following the meeting.

(c) PETITIONS [Item 4c]

No petitions had been received.

(d) REPRESENTATIONS RECEIVED ON REPORTS TO BE CONSIDERED IN PRIVATE [Item 4d]

No representations had been received.

89/13 REPORTS FROM SELECT COMMITTEES, TASK GROUPS, LOCAL COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL [Item 5]

(a) ADULT SOCIAL CARE SELECT COMMITTEE - SOCIAL CAPITAL [Item 5a]

The recommendation of the Adult Social Care Select Committee had been circulated with the agenda. The response of the Cabinet Member for Adult Social Care was tabled at the meeting and is attached as **Appendix 3 to these Minutes**.

(b) 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.

90/13 AMENDMENT TO WASTE CONTRACT TO DELIVER THE WASTE STRATEGY [Items 15 and 21]

The County Council, along with all Surrey waste authorities, had adopted a Joint Municipal Waste Management Strategy. The Strategy sets out a plan for managing household waste in Surrey until 2026, with a series of ambitious targets for Surrey's local authorities relating to reducing household waste, increasing recycling and diverting household waste from landfill. As part of the delivery of the strategy, and following extensive consultation, planning and waste site permissions had been granted for an Eco Park at Charlton Lane, Shepperton.

The Cabinet, having been updated on significant developments in the approach to waste and having previously been advised of the current status of the Eco Park and grant support from DEFRA to the waste contract, had agreed technology changes at its previous meeting on 25 June 2013. Council officers had also been instructed to continue to progress work to vary the Waste Contract between the Council and SITA Surrey to reflect the changes necessary to deliver the proposed waste solutions.

An assessment of the financial, legal, procurement and affordability aspects of the options supported an amendment to the Waste Contract with SITA Surrey to deliver the Waste Strategy including the Eco Park. Cabinet Members considered the value for money presented by the options, the points raised during public question time and heard representations from Mr Richard Walsh (Laleham and Shepperton) regarding value for money, pollution concerns and requesting that the matter be given further consideration. During the discussion on this item, the following points were made:

- The options before the Cabinet were felt to be full and fair. An enormous amount of work had been put into developing Waste Strategy proposals, including the employment of expert advice and consultation with thousands of households.
- Cabinet Members confirmed that the evidence provided, including the detailed financial information contained in the confidential annex

circulated with Part 2 of the agenda, supported Option 1 as affordable and the best value for money for Surrey and UK taxpayers.

- The evidence showed Options 2, 3 and 4 to terminate the Waste Contract were less affordable, open to increased risk from changing market conditions or would not meet reductions in the amount to be sent to landfill leaving the Council risking an increasing landfill tax burden on Surrey residents.
- Option 1, including the delivery of an Eco Park, would provide multiple benefits including enabling 45,000 tonnes to be diverted from landfill, reducing carbon emissions by 20,000 tonnes and would generate power for 8,000 homes in the process.
- Surrey had taken enormous strides in reducing waste and had outperformed many authorities in this area. The Council took this duty seriously and officers would continue to examine ways of reducing both the amount of waste created and the amount sent to landfill. This would include examining markets for materials that might otherwise end up in landfill.
- The technological aspects of the proposals had been considered at the previous meeting. The Council had performed the necessary due diligence in relation to the environmental and safety aspects of the waste infrastructure and would continue to do so. Work had already taken place in securing the relevant planning and waste permissions and this would continue with any revised applications. The Council would also continue to look to DEFRA, the Environment Agency and other government agencies and regulators for the most rigorous safety assessments.
- Cabinet Members noted the conditions which had been set out in paragraphs 23 and 24 of the report and would need to be satisfied before the final commitment to the contract and the construction of the Eco Park. These included confirmation of financial, legal and contractual acceptability, variation to the existing planning permission, the fulfillment of outstanding conditions and amendment to the environmental permit.
- Cabinet Members were assured of the worldwide reputation of the Council's contractual partner and the quality of the parent company guarantee provided.
- It was noted that there were no equalities implications arising from the proposed variation of the Waste Contract. All planning and safety requirements for infrastructure would be complied with in full, including risk assessments and evacuation plans as necessary.

The Leader noted that council officers would need to ensure that any changes to the contract did not affect the economic balance between the Council and SITA, including avoiding the Council taking on any new risk. The financial assessment from the S151 Finance Officer had been provided and this analysis would need to be updated following the completion of negotiations. Officers would also continue to work closely with the Department for Environment, Farming and Rural Affairs.

RESOLVED that:

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.

91/13 MEDIUM TERM FINANCIAL PLAN 2013-18, QUARTER ONE 2013/14 REVIEW [Item 6]

The Chairman introduced the review of the Council's financial plan and accompanying reports on the agenda relating to the further development and implementation of the corporate strategy for the next five years. This followed on from the Chief Executive's 6 month report and discussion of the Corporate Strategy at the County Council meeting on 16 July 2013. These documents demonstrated the significant progress that had already been achieved and set out plans to ensure that the future of Surrey was secure. The Council's success had been based on three pillars – taking a long term approach to financial planning and service delivery, being innovative in facing difficult challenges and working as One Team with partners, businesses and residents. Taken together, the reports before Cabinet set out the financial conditions faced by the authority following the recent Government Spending Round and the way Surrey County Council proposed to build on its previous successes to address these challenges and deliver the Corporate Strategy.

The Council faced stark choices in the coming months with demand for its services rising continually. Surrey would receive £24m less in government grant this year, with a further £16m reduction predicted next year as a result of the Government Spending Round 2013. At the same time, the increasing birth rate and service demand meant that a further £93m was needed for school places and £113m for adult social care over the next four years. Savings would only meet part of this gap. One potential alternative would be to spend less, however this would mean difficult decisions on services for older people, the provisions of classrooms and improvements to roads, all of which residents valued and supported the local economy.

It was too early to set out what would be done in response, however officers would be instructed to develop realistic options for the budget planning process. The figures provided by the Government showed an expectation that council tax would need to rise. The Cabinet noted that the government figures did not align with central government requests for local tax freezes and that, in the circumstances, such a freeze would represent a reduction in the funding of services provided for the residents of Surrey.

Sir Merrick Cockell had noted that local government was by far the most efficient section of the public sector, however the further 10% cut in grant meant that it had again been the hardest hit. Surrey had consistently shown that it had the skills and ability to deliver public services efficiently and in accordance with local wishes, however it had to be realistic in the choices it now faced. Savings and reserves could only be spent once and had to be used sensibly.

The Cabinet noted key recent successes achieved by the Council. These included national recognition by the Employers Network in the area of equality and inclusion. Surrey employee Mr Abid Dhar had won the Equality Champion of the Year Award, ahead of competition from 300 national employers such as BT, EDF, IBM and the BBC. This had been a huge endorsement of the individual, the team and the council and showed the trust, leadership and commitment to equality displayed. The Council had also won a 'Libraries change lives' award, including work on tackling domestic abuse, and had also been recognised with awards in the economic arena. The Cabinet congratulated all staff on the achievements. The Chairman noted the key role played by Mrs Kay Hammond as the Cabinet lead on equality and diversity and thanked her for her work over recent years.

Cabinet Members provided updates on the pressures within their respective service areas and work being done both locally and in making the case to central government. It was noted that the demand led pressures in Surrey, for example in terms of social care, were not always appreciated by those outside the county and this lack of understanding always needed to be actively challenged.

The Chairman noted the limit to savings that could reasonably be made. A reduction of £280million out of £1.8billion of costs meant that tough decisions needed to be faced and the Government's figures pointed to more money being raised from business rates and council tax.

RESOLVED that:

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 decisions

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.

92/13 INVESTMENT STRATEGY [Item 7]

The Council is committed to the importance of innovation in the delivery of services in the interests of Surrey residents and businesses. The Investment Strategy would support the development of a portfolio of investments, covering investment in property and assets and in new models for service delivery. This would generate additional income to enhance financial resilience in the longer term and be used to support the council's functions and the delivery of services. In addition these arrangements would also allow for investment in schemes that would support economic growth in Surrey in accordance with the Investment Strategy.

The Cabinet noted the steps already taken to enhance income and change ways of working. The use of shared premises with other authorities had already created savings of £3.5m and it was important to ensure that every asset was similarly fully utilised. An Investment Advisory Board would advise Cabinet on implementation of the Investment Strategy and, subject to consideration of a full business case, a Property Investment Company could be established following future consideration by the Cabinet.

RESOLVED that:

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. A full business case for the establishment of a Property Investment Company to be wholly owned by the County Council be developed by the Strategic Director for Business Services and be presented 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.

93/13 THE COUNCIL'S APPROACH TO INNOVATION: UPDATE REPORT [Item 8]

On 27 November 2012 the Cabinet approved the development of a strategic framework to achieve a strong "One Team" approach to innovation ("ideas into action to improve lives in Surrey"). This recognised that over the coming years the Council would need to continue to strengthen its capacity and capability to innovate in order to continue improving outcomes and value for money for Surrey's residents. A subsequent update on 26 March 2013 set out progress on establishing the overall strategic innovation framework, encompassing the leadership, culture, skills and tools required to support innovation over the long term.

The Cabinet considered the impact of an "innovation hub" approach (called "Shift"), designed to accelerate and systematise innovation capacity and capability within the Council. Key lessons had been learnt from the first six months of the initiative and Cabinet Members expressed their support for the continued implementation and development of this approach over the medium term. The Chairman noted the success of the Shift room in supporting innovative thinking and advised that the investment had proved to be great value.

RESOLVED that:

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.

94/13 PUBLIC SERVICE TRANSFORMATION [Item 9]

The Council is working closely with partners to develop its plans for public service transformation in Surrey. This includes a shared expressed ambition to develop a community budget approach in Surrey. At the LGA Conference on 3 July 2013 the Secretary of State for Communities and Local Government announced that Surrey had been successful in being appointed as one of the areas to work intensively with the new Public Service Transformation Network on public service transformation. The Network will aim to disseminate the learning from the Government’s whole place community budget pilots and encourage application of the principles to a larger number of areas.

The six strands of focus for Surrey’s Public Service Transformation programme were:

- Emergency Services Collaboration - transforming the way the emergency services in Surrey work together
- The Surrey Family Support Programme - improving the effectiveness and efficiency of partnership working and early interventions with families, as Surrey’s response to the Government’s ‘Troubled Families’ initiative
- Dementia Friendly Communities - improving outcomes for people with dementia and reducing reliance on acute care, by providing a greater level of support for individuals, both within and by their communities
- Better Use of Public Sector Assets - giving additional impetus to existing work on rationalisation of the public estate in Surrey to reduce its overall size and cost,
- Increasing Youth Participation - building on the success in reducing the number of young people who are not in education, employment or training (NEETs) in the county
- Transforming Justice - focusing on more integrated working and case coordination to reduce offending and reoffending, reducing costs to the police and criminal justice system.

The Cabinet noted that the proposals were a way of both saving public money and making things work better for the benefit of all residents. Ministers and senior civil servants had been very impressed with what they had seen in Surrey and this had been represented in the success of the bid.

RESOLVED that:

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.

95/13 ANNUAL GOVERNANCE STATEMENT 2012/13 [Item 10]

Surrey County Council has a statutory duty under the Accounts and Audit (England) Regulations 2011 to publish an Annual Governance Statement (AGS). The AGS provides a comprehensive assessment of governance arrangements and the internal control environment. Once signed by the Leader of the Council and the Chief Executive, the AGS is incorporated into the Statement of Accounts and the Annual Report.

The Chairman advised that he and the Chief Executive had attended the Audit & Governance Committee to answer questions and that the Chairman and the Committee had been satisfied with the Annual Governance Statement. Council’s focus would always be on providing taxpayers with maximum value for money. Robust governance arrangements were important as the organisation looked to achieve further efficiencies through difficult decisions.

RESOLVED that:

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.

96/13 CHILDREN, SCHOOLS AND FAMILIES DIRECTORATE ANNUAL REPORT [Item 11]

The Children, Schools and Families Directorate Annual Report summarised the key achievements and progress made over the past financial year. The report was themed under the four areas of priority, which are set out in the directorate’s children and young people’s strategy 2012-17: prevention, protection, participation and potential.

The Cabinet Members for Children and Families and Schools and Learning gave examples of how the directorate was working towards the vision that 'Every child and young person will be safe, healthy, creative, and have the personal confidence, skills and opportunities to contribute and achieve more than they thought possible'. The Council provided services to each of the 272,800 children and young people aged under 19 in the county. The Children, Schools and Families Directorate did this in a child focus way, striving to give each the very best start in life. The additional investment in school improvement had created increased parental choice in school admissions, with 95% being placed in one of their preferred primary schools and with an overall satisfaction rate of 97%.

The Cabinet Associate for Fire and Police Services highlighted the significant achievements with regard to the restorative justice approach to youth justice. This had led to a 90% reduction in first time entrants to the youth justice system in the last 5 years (the lowest per capita in England), only 15 young people receiving custodial sentences and a 43% reduction in youth crime over the past three years. The Youth Support service and successful apprenticeship scheme meant that young people were well served in the county. This was an achievement for both the young people and those who worked with them.

The Cabinet acknowledged the hard work of all staff and the leadership within the directorate which had contributed to the significant successes over the past year.

RESOLVED that:

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.

97/13 MAGNA CARTA ANNIVERSARY [Item 12]

In June 2015, the world will celebrate the 800th Anniversary of the sealing of the Magna Carta at Runnymede. Through clear strategic leadership, Surrey had been working with the Magna Carta 800th Committee, the Houses of Parliament and all other Charter Towns to provide a co-ordinated plan of activities across the nation and to promote the area to national and international visitors.

The Cabinet considered an outline of the plans for a Partnership Masterplan, which comprised a legacy and programme of events, and the wider benefits that would accrue to the area. The proposals for the Magna Carta Anniversary in Surrey would look to create a lasting legacy in terms of tourism and resources for the Runnymede area. Historic Egham would be promoted as

the gateway to “Magna Carta Country” giving it a clear cultural and tourism identity to attract visitors to the wider area. Significant work had taken place with local people, partners and organisations to develop both an exciting civic event in 2015 and a long term legacy in terms of investment for the area. This work would continue and would look to involve local people, particularly school children, in developing the celebrations.

The Communities Select Committee had considered this item at its meeting on 11 July 2013. The Select Committee’s recommendations had been circulated to Cabinet Members and were tabled at the meeting. The Cabinet Member for Community Services thanked the Communities Select Committee for their consideration of the progress which had been made and noted the comments and concerns which had been raised. The proposals before the Cabinet represented an outline masterplan about which greater detail would be developed as the project progressed. She advised that she had discussed the Select Committee’s concerns with the Select Committee Chairman and had agreed that a Members’ seminar would be held in the autumn to discuss how the masterplan would be developed and to obtain Members’ input on the proposals.

The Cabinet Member for Community Services noted that the decision before the Cabinet was to agree the outline of the partnership masterplan and funding from which further work would take place. It was important that this agreement be put in place to enable funding support to be sought, for example via a major matched funding bid to the Heritage Lottery Fund, and other funding and partnership opportunities explored. Cabinet Members expressed support for the proposals and the holding of Magna Carta celebratory events around Runnymede and Surrey.

It was noted that a bid for funding for work on the Runnymede roundabout was expected to be considered by the Department for Transport around the end of July 2013.

RESOLVED that:

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 the Assistant Chief Executive to implement the Masterplan 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.

98/13 PROPOSED HOLDING OF A SHARE AND DIRECTORSHIP BY SURREY COUNTY COUNCIL IN SURREY HILLS ENTERPRISES [Item 13]

Surrey Hills Enterprises (SHE) was established with the support of the Surrey Hills Area of Outstanding Natural Beauty Board (AONB Board) to promote the Trademark for the Surrey Hills to businesses in the area, promote those businesses and to support projects to deliver the Surrey Hills AONB Management Plan.

Surrey County Council had agreed that SHE may sub-licence the Surrey Hills Trademark to generate an income for reinvestment in the community. A condition of the exercise of this license is that the AONB Board would have a share in SHE and a directorship on its board. The AONB Board was a Joint Committee and as such was unable to hold the directorship or own a share in its own right. The County Council would therefore hold these interests on its behalf.

RESOLVED that:

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.

99/13 REVISION OF PROCUREMENT STANDING ORDERS [Item 14]

The Procurement Standing Orders (PSOs) set out how the Council governs spending by Officers on goods, works and services. The PSOs had been revised to take account of recent changes in the law and to ensure that they reflected best practice and Council priorities.

RESOLVED that 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.

100/13 CONTRACT AWARD - SUBSTANCE MISUSE AND HOUSING SUPPORT SERVICE FOR ADULTS AND SUBSTANCE MISUSE SERVICE FOR CHILDREN AND YOUNG PEOPLE [Item 18]

The Cabinet considered the award of contracts for the provision of a Substance Misuse and Housing Support Service and the Substance Misuse Service for Children and Young People to continue from those due to expire on 30 September 2013 and 31 October 2013 respectively.

The services would be provided in accordance with guidance from Public Health England in order to improve the delivery of Substance Misuse Services to develop and sustain recovery among services users. The Adult Substance Misuse and Housing Support Service would provide housing support across Surrey's eleven Districts and Boroughs.

RESOLVED 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.

101/13 BUDGET MONITORING REPORT FOR JUNE 2013 AND QUARTER 1 2013/2014 [Item 16]

The Cabinet considered the budget monitoring report for the first quarter of the financial year 2013/14. The forecast end of year position for all services was for a small overspend of £1.7m. However, with the inclusion of the risk contingency, this represented a potential underspend of £11.3m.

A number of years ago the Leader had established the Severe Weather Reserve with £5m. This had been to ensure that the council had sufficient resources to respond to the impact of any very bad weather. The past winter had been especially severe and led to great damage to Surrey roads. This reserve would now be used in the interests of residents to meet the cost of repairing the roads.

The revenue budget required total efficiency savings of £68m in the current financial year. Demand for council services continued to grow and this created additional pressure on the achievement of efficiency targets. Despite these pressures, services were making good progress and had already achieved £11m of savings. Progress would continue to be monitored closely through the year.

The current forecast for the Council's capital programme was for an underspend of £0.5m on service capital budgets. Nearly £17m had been invested in projects that would deliver savings and enhance income in the longer term. Income of £1.5m was anticipated in the current year from such

projects. The capital financing costs would be met from the Revolving Infrastructure and Investment Fund established at the start of the year. The Council was also beating its 30 day target to collect non-care debt. Care debt had risen by 12%, in part due to new income billing and relatively high value retrospective bills. A Rapid Improvement Event would be held to revise systems to address this.

RESOLVED that:

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. Page 92

102/13 LEADER / DEPUTY LEADER / CABINET MEMBER DECISIONS TAKEN SINCE THE LAST CABINET MEETING [Item 17]

The Cabinet noted the decisions taken by Cabinet Members under delegation since the last meeting.

RESOLVED that the decisions taken by the Leader, Deputy Leader and Cabinet Members since the last meeting be noted.

Reason for decision

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

103/13 EXCLUSION OF THE PUBLIC [Item 19]

RESOLVED that under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information under paragraphs 3 and 5 of Part 1 of Schedule 12A of the Act.

104/13 CONTRACT AWARD - SUBSTANCE MISUSE AND HOUSING SUPPORT SERVICE FOR ADULTS AND SUBSTANCE MISUSE SERVICE FOR CHILDREN AND YOUNG PEOPLE [Item 20]

The Cabinet considered a Part 2 Annex to the report received under minute item 133/13. The Annex had been circulated in Part 2 of the agenda as it contained information exempt from Access to Information requirements by virtue of paragraph 3 – information relating to the financial or business affairs of any particular person (including commercially sensitive information to the bidding companies).

RESOLVED that the contracts be awarded as agreed under minute item 133/13 on the basis described in the Part 2 Annex submitted to deliver the Adult Substance Misuse and Housing Support Service and the Children and Young Peoples Service.

Reason for decision

The contracts will deliver improved service quality and reduce costs per annum.

105/13 TREASURY MANAGEMENT ISSUE (SPECIAL URGENCY) [Item 22a]

The Cabinet considered a matter relating to treasury management. This item was considered under the Special urgency procedure, having obtained the agreement of the Chairman of the Council Overview & Scrutiny Committee, as a decision could not reasonably be deferred. The report on this item had been circulated in Part 2 of the agenda as it contained information exempt from Access to Information requirements by virtue of paragraph 3 – information relating to the financial or business affairs of any particular person.

RESOLVED that:

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.

106/13 PUBLICITY FOR PART 2 ITEMS [Item 23]

No further information on the items heard in Part 2 of the meeting could be released at this time.

107/13 PROPERTY TRANSACTION: ACQUISITION OF AN OFFICE PROPERTY IN EPSOM [Item 22]

The Cabinet considered the acquisition of an office property in Epsom. The report on this item had been circulated in Part 2 of the agenda as it contained information exempt from Access to Information requirements by virtue of paragraph 3 – information relating to the financial or business affairs of any particular person.

RESOLVED that:

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.

Meeting closed at 4.45 pm

Chairman

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

Page 96

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 regretfully 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 oversize 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
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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
23 July 2013

**MINUTES OF THE MEETING OF THE CABINET
HELD ON 24 SEPTEMBER 2013 AT 2.00 PM
AT ASHCOMBE SUITE, COUNTY HALL, KINGSTON UPON THAMES,
SURREY KT1 2DN.**

These minutes are subject to confirmation by the Cabinet at its next meeting.

Members:

*Mr David Hodge (Chairman)	*Mr John Furey
*Mr Peter Martin (Vice-Chairman)	*Mr Michael Gosling
*Mrs Mary Angell	*Mrs Linda Kemeny
*Mrs Helyn Clack	*Ms Denise Le Gal
*Mr Mel Few	Mr Tony Samuels

Cabinet Associates:

*Mr Steve Cosser	*Mrs Kay Hammond
*Mrs Clare Curran	*Miss Marisa Heath

* = Present

PART ONE
IN PUBLIC

110/13 APOLOGIES FOR ABSENCE [Item 1]

Apologies were received from Tony Samuels.

111/13 PUBLIC QUESTION FROM MR CREWS

As Mr Crews question (Q2, Appendix 1) related to the Cabinet minutes from 23 July 2013 meeting, the agenda was re-ordered so that his question may be considered prior to confirming and approving the minutes from this meeting.

Mr Crew asked a supplementary question about the discussion of the financial assessment for the proposed development at Charlton Lane which took place at the last Cabinet meeting and said that he was surprised that a reference wasn't included in the minutes. He considered that the county has unfortunately missed the opportunity to record that the financial assessment was indeed carried out in accordance with "what the nation is trying to do" with respect to waste PFI contracts. He asked the Leader if he agreed?

The Leader disagreed and said that the council did not take verbatim minutes of its meetings and that the minutes of the Cabinet meeting were a record of the decisions taken and as appropriate, contained a brief summary of the proceedings and the issue considered.

112/13 MINUTES OF PREVIOUS MEETING: 23 JULY 2013 [Item 2]

The minutes of the meeting held on 23 July 2013 were confirmed and signed by the Chairman.

113/13 DECLARATIONS OF INTEREST [Item 3]

There were none.

114/13 PROCEDURAL MATTERS [Item 4]

(a) MEMBERS' QUESTIONS [Item 4a]

There were none.

115/13 PUBLIC QUESTIONS [Item 4b]

There were a total of four questions from members of the public.

The questions and responses were tabled and are attached as Appendix 1. (Please refer to item 142/13 for Mr Crews' question and supplementary question.)

Ms Jenny De Soutter asked the Leader of the Council if he would review the decision not to undertake a formal assessment of the Ride London Cycling event. The Leader responded by stating that the County Council was listening to residents because the Surrey Cycling Strategy was currently out for consultation and after the consultation period had closed on 1 November 2013 all comments would be analysed and considered as part of the formulation of the Cycling Strategy.

The Cabinet Member for Community Services confirmed that Surrey was not the event organiser for Ride London, this event was organised by the London Surrey Cycle Partnership, and they were aware of the concerns of some Surrey residents. She also said that the Cycling Strategy would encompass all cycling and not just specific race events.

116/13 PETITIONS [Item 4c]

No petitions were received.

117/13 REPRESENTATIONS RECEIVED ON REPORTS TO BE CONSIDERED IN PRIVATE [Item 4d]

No representations were received.

118/13 REPORTS FROM SELECT COMMITTEES, TASK GROUPS, LOCAL COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL [Item 5]

(a) CHILDREN AND EDUCATION SELECT COMMITTEE - INCREASING THE EMPLOYABILITY OF YOUNG PEOPLE IN SURREY [Item 5a]

The recommendation of the Children and Education Select Committee was circulated with the agenda. The response of the Cabinet Member for Schools

and Learning was tabled at the meeting and is attached as Appendix 2 to these minutes.

(b) ADULT SOCIAL CARE SELECT COMMITTEE – ADULT SOCIAL CARE BUDGET 2013/14 [Item 5b]

The recommendation of the Adult Social Care Select Committee was circulated with the agenda. The response of the Cabinet Member for Adult Social Care was tabled at the meeting and is attached as Appendix 3 to these minutes.

119/13 BUDGET MONITORING REPORT FOR AUGUST 2013 [Item 6]

The Leader of the Council presented the council's financial position at the end of period 5 (August) of the 2013/14 financial year, the first financial report since the summer recess. He stressed the importance of providing Value for Money for Surrey taxpayers.

On the Revenue Budget, he highlighted the following points:

- Despite growth in demand for council services, the financial position was progressing well through achievement of efficiencies and service reductions.
- The forecast end of year position for all services was for a small overspend of £0.6m. This is a £1.1m improvement from the last formally reported position as at the end of June. The budget prudently provided £13m risk contingency (set up to mitigate the risk of non delivery of service efficiencies) that has not been used. This means that the overall forecast year end position is a £12.4m underspend.
- The revenue budget requires total efficiencies of £68m. The report showed services were making good progress in delivering these, forecasting £66m for the year. The shortfall of £2.1m was as a result of delays within Children Services and issues over bus contracts. £11m efficiencies this year had already been achieved and there was increased confidence in many service areas. However, the position included £7.5m of savings against the Social Capital programme, which were one-off in nature. As the half way point of the year approaches, there was still a long way to go and considerable risks remain.

On the Capital Budget, he highlighted the following points:

- That the council's capital programme not only improved and maintained the Council's service delivery, but was seen as a way of raising additional income.
- At the start of the year the 2013/14 programme was reviewed and a small number of schemes were reprofiled. The current forecast was for service capital budgets to have a small underspend of £2.4m. This was due to delays with planning issues and archaeological finds. However, to offset this, some projects may be brought forward – where possible.

- In addition, nearly £27m had been invested in projects that would deliver savings and enhance income over the longer term. For this first year alone, income of £2.2m was anticipated from such projects. The Revolving Infrastructure and Investment Fund Cabinet set up at the start of the year would meet capital financing costs.

Other Cabinet Members were invited to highlight the key points and issues from their portfolios, as set out in the annex to the report.

RESOLVED:

1. That the forecast revenue budget underspend for 2013/14, as set out in Annex 1, paragraphs 1-5 of the submitted report be noted.
2. That the forecast ongoing efficiencies and service reductions achieved by year end, as set out in Annex 1, paragraphs 62 - 65 of the submitted report be noted.
3. That the forecast capital budget position for 2013/14, as set out in Annex 1, paragraphs 66 - 71 of the submitted report be noted.
4. That management actions to mitigate overspends, as set out throughout Annex 1 of the submitted report be noted.

Reasons for Decisions

To comply with the agreed strategy of providing a monthly budget monitoring report to Cabinet for approval and action as necessary.

120/13 TECHNICAL CONSULTATIONS ON 2014-15 AND 2015-16 LOCAL GOVERNMENT FINANCE SETTLEMENT AND REVISED POOLING PROSPECTUS [Item 7]

The Leader of the Council advised Cabinet that the Department for Communities and Local Government's (DCLG) had published technical consultations on:

- Local Government Finance Settlement 2014/15 and 2015/16
- New Homes Bonus and the Local Growth Fund
- Proposals for the use of capital receipts from asset sales to invest in reforming services

DCLG had also published a revised prospectus for authorities wanting to pool their business rates to apply from 1 April 2014. He said that all the consultations were detailed and technical. Due to the deadline of 19 September, the response in relation to the New Homes Bonus had already been submitted. However, the other responses were for discussion.

Cabinet raised the following points: (i) the need to bid for the new Homes Bonus, (ii) more funding was top-sliced and therefore the council now had to put together a scheme and bid for it, (iii) concern re. an additional level of bureaucracy, (iv) to consider strengthening the response in relation to capital receipts, and (v) the role of Local Enterprise Partnerships (LEPs) in the development of Transport Schemes.

RESOLVED:

That the final responses to the Department for Communities and Local Government's (DCLG) technical consultations be endorsed.

Reason for Decisions

DCLG's consultations are detailed and technical. However, they have important funding implications for Surrey County Council and local government overall. As such, it is important Cabinet appreciates what DCLG's proposals mean for the council.

121/13 GUILDFORD SURREY BOARD [Item 8]

This report set out the progress of the strategic collaboration with Guildford Borough Council, as exemplified by the memorandum of understanding, and also the proposed agreement of the establishment of the Guildford Surrey Board.

Mrs Fiona White, local Member for Guildford West, was invited to address the meeting. She expressed concern that Guildford Borough Council was viewing the establishment of the Guildford Surrey Board as a successor to the local Strategic Partnership Board and raised the issue of the Westborough and Stoke Action Plans, of which the County Council was a signatory. She also considered that the Memorandum of Understanding (MoU) was worded in such a way that it would be difficult to monitor its progress.

The Leader of the Council referred to the Reigate and Banstead public sector board, which was working well and hoped that the new Board in Guildford would achieve similar results.

The Deputy Leader said that its establishment was critical to improving relationships with Boroughs / Districts and that the MoU was similar to that in Reigate and Banstead. It was a non-binding agreement and officers from both councils would support the Board. Any decisions made would be referred back to their respective councils. He hoped that this initiative could be expanded to other partners. He also confirmed that he would raise the issue of the Westborough and Stoke Action Plans.

The Cabinet Member for Public Health and Health and Wellbeing Board informed Members of the benefits of the MoU in the Reigate and Banstead area and in particular, referred to its positive impact on the Preston Regeneration project.

RESOLVED:

1. That the establishment of a Guildford Surrey Board comprising representatives of the County Council, Guildford Borough Council and other relevant service agencies to progress shared strategic priorities be approved.
2. That the Memorandum of Understanding (MoU) between Surrey County Council and Guildford Borough Council, as set out in Annex 1 to the

submitted report, including the shared priorities for the new Board be agreed.

3. That the Strategic Director for Business Services, in consultation with the Cabinet Member for Business Services be authorised, to agree memoranda of understanding with other relevant public service agencies where applicable.

Reasons for Decisions

The above recommendations will improve strategic collaboration between Surrey County Council, Guildford Borough Council and other public service agencies in Guildford.

122/13 SURREY RAIL STRATEGY [Item 9]

The Cabinet Member for Transport, Highways and Environment presented the outcomes for the development of a Surrey Rail Strategy and said that the report made recommendations for immediate active engagement with the rail industry and government. It also proposed the development of an implementation plan to be integrated with the Surrey Transport Plan.

He considered that good rail services were vital for maintaining and growing Surrey's vibrant community and economy. He thanked Surrey residents and other parties for their feedback and also congratulated the consultants (Ove, Arup and Partners Ltd) for their excellent report, which he considered had been deeply researched and had brought out the major issues.

He considered that the report was timely and stressed the importance of working with external partners to achieve a good rail network in Surrey. He also referred to the issues and options, as set out in paragraphs 6- 15 of the report, the Equalities Impact Assessment and the S151 officer commentary, in relation to the funding.

Finally, he proposed an amendment to recommendation (2) and commended the report to Cabinet.

Other Cabinet Members made the following points:

- The Rail Strategy would improve the County's economic performance.
- Acknowledgement of the length of time some of the proposals would take to come to fruition and the importance of lobbying.
- To cope with the increasing number of homes being built in Surrey, more funding would also be needed for other infrastructure, such as roads and schools.
- That the EIA was detailed and clearly set out the impact of the strategy on local residents and for people with mobility issues. There had been extensive consultation which had been incorporated into the EIA, included positive feedback from Surrey Access Forum.

RESOLVED (as amended):

1. That the Surrey Rail Strategy and five suggested priorities: Crossrail 2 (regional route), the North Downs Line, access to airports, access to stations (car parking) and access to London from Camberley, Bagshot and Frimley be noted.
2. That the list of schemes on which Surrey County Council should immediately begin active engagement with government and the rail industry, including on Crossrail 2 (regional route) and the electrification of the North Downs Line (paragraph 13 of the submitted report) be approved. Also, that further work be conducted to quantify car parking problems at certain stations around the county and if appropriate, further action be considered, in consultation with the rail industry.
3. That officers work with the Cabinet Member for Transport, Highways and Environment on developing options for Surrey County Council involvement in specific projects and initiatives. These will be reflected in an implementation plan to be integrated with the Surrey Transport Plan. As part of the Surrey Transport Plan, the implementation plan will need to be approved by Cabinet and Full Council. Proposals which progress specific schemes, including business cases, will be brought back to Cabinet.

Reasons for Decisions

Delivering the Surrey Rail Strategy will support the county council's priorities to promote sustainable economic growth and secure investment in infrastructure. The Surrey Rail Strategy would benefit Surrey residents and businesses by driving economic growth, maintaining global competitiveness, reducing impacts on the environment and accommodating sustainable population growth.

123/13 WINTER SERVICE DEVELOPMENT FOR 2013 / 14 [Item 10]

The Cabinet Member for Transport, Highways and the Environment introduced the report on the Winter Service Development for 2013/14. He said that the delivery of winter service was delivered in two distinct operations: (i) Pre-treatment of routes and advice planning, (ii) Management of a severe snow event.

He said that the Plan had been compiled by the Environment and Transport Select Committee's Winter Service Task Group and provided an overview of last year's winter service performance and also set out recommendations to further improve the service. He thanked them for their work and the excellent report.

He referred to paragraph 3, recommendation (V) and confirmed that the licensing arrangements had now been agreed. He also confirmed that salt had already been bought over the summer months, at a favourable price.

Finally, in the Equalities Impact Assessment, he highlighted the points made in relation to some residents requiring assistance during severe weather

events and mentioned the importance of the farmers' contribution, as well as the local Members.

Cabinet considered that the work undertaken to improve the winter service in the last few years, particularly in response to the severe weather situations, was a credit to a large number of people, including the contractors – May Gurney. They also recognised the partnership working with Boroughs and Districts in clearing footpaths near schools, hospitals and shopping centres.

It was agreed that the Winter Service Plan should be widely published, including distribution to local libraries.

RESOLVED:

That the recommendations of the Winter Performance Task Group, set out in paragraph 3 of the submitted report and the Winter Service Plan 2013/14, included in Annex 1 of the submitted report, be approved.

Reasons for Decisions

These recommendations are the outcome of a Task Group meeting, held on 26 July 2013, to discuss winter service performance during 2012/13 and the development of the service for the 2013/14 winter season.

124/13 CHILDREN, SCHOOLS AND FAMILIES SECTION 75 AGREEMENT WITH SURREY CLINICAL COMMISSIONING GROUPS (CCGS) [Item 11]

The Cabinet Member for Children And Families informed Cabinet that the existing agreement under section 75 of the National Health Service Act 2006 which established a joint budget between the Council and the PCT for commissioning and providing integrated services for young people with mental health issues had come to an end.

By entering into an overarching section 75 Agreement, the intention was to improve health and social care outcomes for children, young people and their families regardless of whether funding originated from the Clinical Commissioning Groups (CCGs) or the Council and to deliver services cost effectively. This included the targeted Child and Adolescent Mental Health Service (CAMHS) and the HOPE service.

RESOLVED:

1. To proceed to legal negotiations with the Surrey CCGs on an overarching Section 75 Pooled Funding Agreement which will initially cover the continuing arrangements for targeted CAMHS and the HOPE services (the quantum contributions have been identified in paragraph 12 of the submitted report).
2. That authority be delegated to make amendments to the Section 75 Agreement, enabling the effective use of the agreement and the inclusion of additional services, to the Strategic Director for Children, Schools and Families, in consultation with the Cabinet Member for Children and Families and/or the Cabinet Member for Schools and

Learning, or Cabinet, in accordance with financial regulations, with advice from the Head of Legal and Democratic Services and the Section 151 Officer.

Reasons for Decisions

By entering into an overarching section 75 Agreement, the intention is to improve health and social care outcomes for children, young people and their families regardless of whether funding originates from the CCGs or the Council and to deliver services cost effectively.

125/13 CONTRACT AWARD - EARLY HELP (VOLUNTEER SUPPORT FOR FAMILIES WITH A CHILD UNDER FIVE YEARS OLD) [Item 12]

As the current contract for the provision of Early Help (Volunteer support for families with a child under 5) Services expires on 31 October 2013, the Cabinet Member for Children and Families said it was necessary to award a new contract. Following a procurement exercise, she said that the proposal was that Home Start Surrey (HSS) be awarded the contract, on the basis described in the Part 2 Annex (agenda item 18) to deliver Early Help Support Services starting on 1 November 2013.

The new contract would be a countywide service model and therefore more cost effective. The County Council's contribution would be 48%, with the provider, Home Start raising the balance through fund raising -this was the same arrangement as the current contract. The Cabinet Member for Children and Families suggested that Members could use some of their Member allocation to assist their local Home Start.

Members were fully in support of Home Start and the excellent service provided for families in need of this support. They were also pleased that the service was now countywide.

RESOLVED:

That the contract be awarded to the provider on the basis described in the Part 2 annex (agenda item 18) to deliver the Service.

Reasons for Decisions

The service will deliver increased quality through a strengthened and outcome focused service specification, ensure enhanced and clearly monitored contract delivery and move to a streamlined Countywide service model, with the lead Provider forming a consortia covering all Districts and Boroughs.

The recommended contract award ensures that the new service will be delivered at a reduced cost than currently paid and will move to a more coherent and streamlined service model, delivering services across the County of Surrey for the contract period of two years, with the option to extend for an additional year.

The Children's Social Care and Wellbeing commissioning team will be the lead commissioner for this contract.

Guildford and Waverley Clinical Commissioning Group (CCG) will contribute to the funding of this contract annually, this is an historical arrangement. They will contribute 15% of the total contract value for this service for the first year and we will be seeking further contributions for the remaining contract duration. Colleagues from the CCG have been involved in the recommissioning process ensuring that both Social Care and Health needs are aligned.

The Council will also strongly benefit from the additional resources contributed to the service through fundraising, which will ensure additional services are delivered to families in Surrey.

126/13 PROVISION OF ADVERTISING SERVICES FOR STATUTORY NOTICES [Item 13]

The Cabinet Member for Business Services introduced the report, which set out the recommendations to award a contract for the provision of Advertising Services for Statutory Notices to commence on 1 November 2013 for a period of 3 years, with an option to extend for a further period of 1 year. The report provided details of the procurement process, including the results of the evaluation process, and in conjunction with the Part 2 Annex (item 20), demonstrated why the recommended contract award delivered best value for money and was more cost effective than an in-house alternative.

She also confirmed that the proposed contract would provide sufficient flexibility should there be any future changes in legislation which may alter the requirement for advertising in newspapers. However, Members acknowledged, as set out in the EIA, that some elderly residents had limited access to the internet and relied on the local press to inform them of local issues.

RESOLVED:

1. That the background information, as set out in the submitted report be noted.
2. That the award of the contract be agreed, following consideration of the procurement process set out in item 20, the Part 2 Annex.

Reasons for Decisions

The existing contract will expire on 31 October 2013. A tender process has been completed, and the recommendations arising out of the above process provide best value for money for the Council following a thorough evaluation process. The procurement activity is expected to deliver savings of 10% per annum through the use of composite notices, closer working relationships, targeted distribution and alternative designs requiring less advertising space. Also, the contract ensures the Managed Service Provider passes on all discounted rates that the newspapers offer.

The new contract rates are in line with the current rates but the difference is they are fixed for the contact duration; therefore the projected spend is

£540,000 per annum, compared to the current spend of £600,000 per annum, without incurring any inflationary costs.

127/13 HORLEY NORTH EAST PRIMARY SCHOOL - A NEW SCHOOL PROVIDING 210 PLACES AND 26 PRE-SCHOOL PLACES [Item 14]

In the absence of the Cabinet Member for Assets and Regeneration Programmes, the Cabinet Member for Schools and Learning presented the report, to approve the business case for the provision of a permanent one form entry (210 places and 26 place nursery) Diocesan primary school in Horley, as part of the Schools Basic Need Programme. She said that numbers of children in Horley had been increasing over several years, due in part to large scale housing development in Horley and the surrounding areas.

Mrs Hammond, the local Member for Horley West confirmed the need for additional school places in the area and said that the local community had been involved in the project. She was pleased that the school would open, with a reception class, in September 2014 but asked whether it was feasible to have a Year 3 intake at the same time, as this would alleviate pressure for junior school places in the area.

RESOLVED:

That the construction of a new primary school, as detailed in the submitted report, be agreed in principle subject to the consideration and approval of the detailed financial information set out in Part 2 of this agenda (item 19).

Reason for Decisions

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

128/13 SCHOOL EXPANSION AND PERFORMANCE IMPROVEMENT IN THE FARNHAM AREA [Item 15]

The report was introduced by the Cabinet Member for Schools and Learning who said that it set out plans for the future of Pilgrim's Way Primary School which was located within a mile of South Farnham Academy.

She said that the school had been underperforming and undersubscribed in recent years. Although, the headteacher and staff had worked hard and it was no longer in special measures, it continued to obtain results that were beneath National Floor Targets in some areas and remained of a significant concern to officers.

Therefore, the County Council had entered into discussions with the Governing Bodies of both schools whom are in agreement to place Pilgrim's Way under the management of South Farnham Academy via a multi academy trust which will be expected to have a transformative effect on the reputation and quality of educational outcomes at Pilgrim's Way school. Improvement in the popularity of Pilgrim's Way School will provide increased future capacity in the South Farnham area.

Finally, she drew attention to the amended recommendations (2) and (3).

RESOLVED (as amended):

- (1) That approval be given for the South Farnham Academy to enhance leadership alongside developing and implementing a sustainable school improvement programme at Pilgrim's Way school.
- (2) That approval be given to transfer £750,000 from an existing scheme in the capital programme for capital investment in the South Farnham Academy to facilitate an increase in capacity in the area, through added infrastructure and the proposed leadership improvements.
- (3) That approval to the above is based on tangible and agreed performance measures that South Farnham Academy will implement at Pilgrim's Way within 2 academic years. These improvements will be monitored regularly by the local authority and Babcock 4S and through an annual review by the Cabinet Member for Schools and Learning.

Reasons for Decisions

Progress and outcomes for pupils at Pilgrim's way school are of significant concern and early indications from the 2013 performance results show that previous improvements have plateaued. A poor Ofsted judgement is now a very serious possibility. Officers are confident that this leadership intervention will rapidly realise improvements to underperformance.

South Farnham Academy is a very popular and oversubscribed school and its long term success indicates its ability to support and lead improvements at Pilgrims Way school. The ability to admit more pupils overall into successful schools will ensure greater stability for the area and support the Council's aspirations to provide appropriate facilities for local children in Surrey. This scheme of adaptation at the Academy's Bourne site which will facilitate the provision of a further form of entry, increasing from 2 to 3 forms of entry, supports the expansion of popular and successful schools and will meet future demand. Combined with reputational improvements to Pilgrim's Way through its sponsorship by the South Farnham Academy represents a whole locality solution to the quality and quantity of school places in the area.

129/13 LEADER / DEPUTY LEADER / CABINET MEMBER DECISIONS TAKEN SINCE THE LAST CABINET MEETING [Item 16]

RESOLVED:

That the decisions taken by the Leader, Deputy Leader and Cabinet Members since the last meeting and the decision taken by the Chief Executive under urgency powers be noted.

Reasons for Decisions

To inform the Cabinet of decisions taken under delegated authority.

130/13 EXCLUSION OF THE PUBLIC [Item 17]

RESOLVED that under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information under paragraph 3 of Part 1 of Schedule 12A of the Act.

PART TWO – IN PRIVATE

THE FOLLOWING ITEMS OF BUSINESS WERE CONSIDERED IN PRIVATE BY THE CABINET. SET OUT BELOW IS A PUBLIC SUMMARY OF THE DECISIONS TAKEN.

131/13 CONTRACT AWARD - EARLY HELP (VOLUNTEER SUPPORT FOR FAMILIES WITH A CHILD UNDER FIVE YEARS OLD) [Item 18]

The Cabinet Member for Children and Families presented the report, stating that it contained confidential information relating to item 12. She also confirmed that Guildford and Waverly Clinical Commissioning Group would contribute to the funding of this contract and that this was an historical arrangement.

RESOLVED:

That contracts be awarded to Home Start Surrey (HSS) for the provision of the Early Help (Volunteer Support for Families with a child under 5) Service at the value, as set out in the submitted report.

Reasons for Decisions

The service will deliver increased quality through a strengthened and outcome focused service specification, ensure enhanced and clearly monitored contract delivery and move to a streamlined Countywide service model, with one lead provider forming a consortia covering all Districts and Boroughs.

132/13 HORLEY NORTH EAST PRIMARY SCHOOL - A NEW SCHOOL PROVIDING 210 PLACES AND 26 PRE-SCHOOL PLACES [Item 19]

The Cabinet Member for Schools and Learning said that this item was the confidential annex to item 14 and set out the business case and financial information for the provision of this new Diocesan Primary School in Horley. She confirmed that the project was included in the County Council's schools basic need programme.

RESOLVED:

That the business case for the project to construct a new primary school be approved, with the cost not exceeding the sum set out in the submitted report.

Reasons for Decisions

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

133/13 PROVISION OF ADVERTISING SERVICES FOR STATUTORY NOTICES [Item 20]

This item is the confidential annex to item 13 on the agenda.

RESOLVED:

That a Contract be awarded to Alexander Advertising International Ltd for 3 years with the option to extend for a further year, at an estimated value as set out in the submitted report, for the provision of Advertising Services for Statutory Notices to commence on 1 November 2013.

Reasons for Decisions

The existing contracts will expire on 31 October 2013. A full tender process, in compliance with the requirement of EU Procurement Legislation and Procurement Standing Orders has been completed, and the recommendations provide best value for money for the Council following a thorough evaluation process.

134/13 PROPERTY TRANSACTIONS: CORONER SERVICE RELOCATION [Item 21]

Mr Forster, the local Member was invited to speak and said that this purchase had support of both him and the local community.

RESOLVED:

1. That the purchase of the freehold interest of Woking Magistrates Court for a total consideration as set out in the submitted report, be approved
2. That a contract be awarded for the fit out of the acquired property at a total cost as set out in the submitted report, subject to an appropriate procurement exercise.

Reasons for Decisions

As a consequence of the changes to the statutory responsibilities of the Coroner arising from the implementation of the Coroners and Justice Act 2009, the current Woking Coroner's Court no longer provides suitable or appropriate accommodation. Woking Magistrates Court has been identified as a multi-purpose site suitable for providing office accommodation for the Coroner, the Assistant Coroners, the Coroner's PA and the Coronial Staff (15-20 staff provided by Surrey Police and 2 staff provided by SCC), court accommodation for simultaneous Jury and non-Jury Inquests and archive storage for non-public Coronial records.

135/13 PUBLICITY FOR PART 2 ITEMS [Item 22]

That non-exempt information relating to items considered in part 2 of the meeting may be made available to the press and the public, as appropriate.

[Meeting closed at 3.45pm]

Chairman

ITEM 4(b) - PROCEDURAL MATTERS

Public Questions

Question (1) from Mr Mike Giles, Chairman Westhumble Residents' Association

In answer to a question on costs, Surriya Subramaniam answered that "Surrey County Council has not received, nor will receive, payment from any partners in relation to the Prudential RideLondon-Surrey for closure of the roads on 4 August 2013. The event is being run in Surrey on the basis that it will be delivered at zero cost to local residents, with officer time being provided to liaise with the event organiser and ensure that delivery is safe and in the best interests of the residents and businesses of Surrey. The event organiser will be charged for costs relating to any road works over and above the road maintenance programme, and costs associated with preparation of the Traffic Orders for closing the roads."

If the event organisers pay no other charges than those mentioned, could SCC please clarify how "zero cost to local residents" can be achieved, considering the time and effort involved in liaison, preparation and placing of signage prior to the event plus subsequent removal, erection and removal of barriers, policing on the day, etc., etc., both in relation to this year's event on 4 August and over the next five years of proposed Ride London events, or in relation to other cycling events in the area which may require council involvement, and to arrive at any conclusion, has a cost/benefit analysis been conducted and made available for public scrutiny?

Reply:

Thank you very much for taking the time you have taken to contact me with regards to the query regarding the costs relating to the delivery of the Prudential London - Surrey 100 and Classic.

This event is a joint 5 year project between Surrey County Council and the Mayor of London's Office. The London Surrey Cycle Partnership, (which is a partnership between the London Marathon Company and Sweetspot, a Surrey based events company), were selected as the event delivery organiser.

As part of this agreement I was keen to ensure that we maximised on the long term potential benefits to businesses and residents across Surrey as part of our legacy following the Olympic Games. From the outset the planning principle was that there would be no direct cost to the County, Borough and District Councils while accepting that some officer time would need to be allocated to ensure the safe delivery of the event alongside our statutory requirements. This is the same approach that we have taken with other events in the County.

In relation to the example given for the creation of and deployment of the signs for the event there was no cost to the County Council other than to

review the plans of the event organiser to ensure that the arrangements met with our requirements. The event organiser, London Surrey Cycle Partnership did use our Highways Contractor to produce and place the signs required, this was achieved through a contract between the event organiser and the Highway contractor and payments were made between these two parties.

Surrey County Council does not normally have a relationship with companies involved in the supply and deployment of barriers, and as such could not provide a contact to a supplier. In this case London Surrey Cycle Partnership sourced barriers from a national company, but again officers from Surrey County Council were involved in reviewing the deployment plan of the barriers to ensure that safety aspects were adhered to.

It is the intention to maintain the same delivery model for the Prudential London-Surrey 100 and Classic in future years. It is important that the event is financially sustainable and that any financial costs and risks are covered by the event organiser. We are following the same model used in the successful delivery of the London Marathon for the past 30 years that has seen the benefit for business on the route as well as support to charities through donations from the event participants and the charitable trust.

Surrey County Council works closely with Surrey Police on a range of activities across County. I do not hold the information regarding the detail of how the policing was provided as part of the event delivery, other than to highlight that as with the Olympic events, we worked closely to ensure the safe and successful delivery of the event.

Helyn Clack
Cabinet Member for Community Services
24 September 2013

Question (2) from Mr Peter Crews

Who gave final approval to the draft minutes of the Cabinet Meeting on 23/7/13 before those minutes were published on the Council's web site?

Reply:

Thank you for your question.

In line with Democratic Services standard procedures, following the meeting, the minutes were drafted by the Committee Manager who attended the meeting. They were then circulated to the officers who provided reports for the meeting, as well as to the Cabinet and Cabinet Members who were present, to give them the opportunity to comment on any matters of accuracy. The draft minutes were then published on the website, with a message explaining that they are subject to confirmation at the next formal meeting of the Cabinet. If the Cabinet agree the minutes at today's meeting, this will constitute formal approval.

David Hodge
Leader of the Council

24 September 2013

Question (3) from Ms Jenny Desoutter

Regarding Road Closure Policy

In answer to my previous question (25 June 2013), you stated that the Ride London cycle event of 4 August 2013 was good for business, and you acknowledged that the closure of roads, and removal of the civil rights of movement along public highways would disrupt the lives of "tens of thousands" of people. You stated that an impact assessment had been done, and you also gave assurances that emergency services would be allowed access.

In actual fact, many legitimate Surrey businesses have lost money, and charities such as Wildlife Aid were affected. Also, in the event, several cases have occurred in which emergency vehicles were not allowed immediate access, aggravating risk. Many instances of suffering, hardship, loss of income and inconvenience to citizens' lawful rights to pursue their own lives, for example to return to their homes from hospital or from holidays, or to get to work, to visit sick relatives, or to attend family functions, have also been recorded. Many workers were "laid off" as businesses had to close, and lost money.

It was evident from the outset that through preventing lawful right of movement, and access to the highways infrastructure of the county over such a wide area, not only loss of freedom, and loss of revenue, but also loss of life could be precipitated where essential travel is disrupted. Not everything in life can be pre-planned around a particular event. Risk is increased where swift, flexible responses are impeded.

My question relates to your policy of imposing widespread, day-long road closures throughout the county for a non-essential sporting event, and issues raised by unintended outcomes. For clarity it is sub-divided into 4 parts:

1. Since 4 August 2013 was a prime holiday Sunday when many rural businesses such as pubs, and golf clubs, would expect to have good takings, and families spend money going out for the day, in making their judgements, have SCC ascertained, and taken into account, the extent of loss of revenue to private businesses in Surrey, due to inaccessibility because of road closures sanctioned by SCC, on 4 August 2013, and if so can SCC state what is the total sum in financial terms (in figures) lost to private businesses in Surrey on that day, and how many Surrey workers lost income on that day because of the road closures? If not when will this figure be available?
2. In the light of the many untoward incidents in Surrey which have been reported in the public domain (for example in The Surrey Advertiser, The Dorking and Leatherhead Advertiser, and The Telegraph) - can SCC now state a) how many untoward incidents involving medical and similar emergencies occurred throughout Surrey due to road closures on that day, and b) how many notifications of objection and difficulty you have, to this date, either had expressed directly to you through letter,

email or other, from individuals or organisations, including any you have become aware of through discussion or through the press or through the network of the internet, for example through the online petition called Stop Surrey becoming a Race Track?

3. Given that you have stated publicly that you would ensure that "*those who needed to get through*" would be able to have access, and given the issues surrounding prevention of access even to emergency services, can you state clearly HOW the need for access - bearing in mind that had it not been for SCC's decision to allow large-scale, day-long closures of roads all citizens could have made their own decisions regarding need to travel, and emergency services would have followed normal protocols - is judged, by whom these judgements are made; and by what legal right, and in the light of what training those who are making the judgements are empowered to do so?
4. How do these figures compare with those cited in the post Olympic Cost Benefit Analysis Report ("*public response to the Olympics had been very positive, with over 500 residents providing feedback. Of these 500 responses only 4 were complaints*" - I quote from the meeting of the Communities Select Committee, 16 January 2013, item 74/13). And are the responses and outcomes arising from the 4 August event in line with the impact assessment you had commissioned, or do they give rise to concerns you had failed to anticipate, and suggest that it is time to review a policy which, without due diligence, places the lives, freedom and safety of Surrey residents in a position of increased dependency and risk?

Reply:

1. The Prudential Ride London-Surrey is a long term commitment, and each year we will learn from the previous year and improve all aspects of the event. An economic impact report is being prepared by the event organiser, and we will note its content and work with the event organiser and partners to increase the benefits for both local business and to local communities.
- 2(a) Unfortunately, emergencies take place all too regularly on any given Sunday, and we are proud they are dealt with by exceptional, well trained and hard working professionals. We have been told by Surrey Fire and Rescue that there were no incidents that were outside their normal operating timescales on Sunday 4 August. We are not responsible for the Ambulance Service, but understand that they also continued their service provision throughout the event. This is a tribute to the efficiency of the emergency services and to the painstaking planning that went into the event.
- 2(b) We are aware of a number of online petitions, including the one you mention: 'Stop Surrey becoming a Race Track' and another titled 'Surrey County Council: Continue to support the Ride London Cycling event each year', and that over 2000 Surrey residents rode in the event. Over 20 Surrey charities had cyclists riding for them raising money for good causes. We want to make opportunities for ordinary

Surrey residents like Emily Read, who rode for her daughter Evie, diagnosed with a rare blood disease, and Tina Howard who rode in memory of her mother.

We don't keep a tally of all the written and verbal comments that we have received on the event. What is important is that we continue to listen to everyone's point of view. For next year's event we will pay particular attention to how we can work with the event organiser to reduce impact of the event on residents and businesses.

3. It is important to correct your opening statement, in that the emergency services were not prevented access during the event. Access was guaranteed for all emergencies and critical travel, such as carers travelling to vulnerable people. The control room had representatives from the emergency services sitting beside the event organisers, and all emergencies were allowed through by the event organiser. The Prudential RideLondon-Surrey may be a new event to Surrey. However, the event organisers have worked on many similar events in the past: The London Marathon, The Tour de France, The Olympic Road Cycling, Tour of Britain, all of which have equipped the people involved with the experience to deal with most eventualities as safely as possible.
4. The London 2012 Games were a high point in this country's sporting and cultural heritage, and this was reflected in the tide of positive sentiment after the event. We are grateful for the many Surrey residents who have provided constructive suggestions on how to improve next year's Prudential RideLondon-Surrey events. We are listening and acting on these suggestions. Next year, we will again put safety as our top priority, and we will redouble our efforts to reduce impact and increase benefits to communities and businesses.

Helyn Clack
Cabinet Member for Community Services
24 September 2013

Question (4) from Mr Allen Widdowson

Children throughout Elmbridge Borough are finding it harder and harder to secure places at Local Schools within the Borough. This is particularly the case for children who live close to the borders of Kingston and Epsom.

At the Surrey CC meeting 23 April 2013 Linda Kemeny updated the Council on plans for an expansion of Esher High, adding a further 30 places in 2015. And in the light of this the Council was reviewing the Esher High's catchment area for 2015 to ensure that additional places are allocated fairly. These plans should go some way to alleviate the pressure in some parts of the Borough, particularly in KT10 (Claygate).

Given the recent attempt to vary admissions criteria at Hinchley Wood to give priority to applications from both KT10 (Claygate) and KT7 (Thames Ditton) over those from Long Ditton, Elmbridge, KT6. What assurance can the

Council provide that action will be taken to ensure that ALL Elmbridge children will have an equal and fair opportunity to access local secondary schools, within the Borough, before any more children are placed at a significant disadvantage.

Reply:

The vast majority of children living in Elmbridge have taken up places in one of the 4 secondary schools in the borough. Each year we analyse parental preferences and the 2013 figures demonstrate that, of all the offers made to the secondary schools in Elmbridge, only 8 were to children out of the County. Taking in to account that all the Elmbridge schools have a defined catchment area, this would seem to demonstrate that the admission arrangements for the Elmbridge schools are providing places for local children. Our record for meeting parental preference in Surrey is strong with the County Council providing a higher percentage of parents with a school of their preference than many of the London Boroughs.

Officers are aware of a particular issue which has affected Claygate residents this year and officers are working with local secondary headteachers to try and find a solution that gives families more assurance of a school place within a reasonable travelling distance in future.

All but one of the four Elmbridge Secondary schools are academies and, as such, are their own Admissions Authority and set their own admissions criteria. All schools and academies must follow the School Admissions Code and this ensures that all children have equal and fair access to school places. There is no evidence to suggest that Elmbridge children are at any disadvantage in this regard.

Linda Kemeny
Cabinet Member for Schools and Learning
24 September 2013

CABINET RESPONSE TO CHILDREN AND EDUCATION SELECT COMMITTEE

**Increasing the Employability of Young People in Surrey
(considered by Select Committee on 31 July 2013)**

SELECT COMMITTEE RECOMMENDATION:

That Cabinet consider how students who are unlikely to be eligible for a combined plan will be supported following the introduction of Education, Health & Care Plans (EHCP) and the cessation of School Action and School Action Plus, so as not to jeopardise their chances of post-16 participation in Education, Training and Employment.

RESPONSE

Cabinet recognises the concerns of the Children and Education Select Committee in relation to the introduction of Education, Health & Care Plans (EHCP) and the cessation of School Action and School Action plus. New legislation in the Children and Families Bill will replace the School Action and School Action plus categories with a new single category: Additional Special Education Need Support (ASENS). In Surrey, the ASENS category of children will be supported through their school's local offer.

We are expecting schools to be able to demonstrate that their local offer will meet the requirements of pupils with Special Educational Needs and Disabilities (SEND) who do not meet the threshold for an EHCP. Surrey is supporting schools through this process by providing training in provision management tools which will enable the school to evaluate and describe the effectiveness of a range of SEND interventions. This will lead to provision which is more effective and better targeted at needs. Training will also be provided to SEN Coordinators to ensure they are able to support pupils' SEND needs appropriately.

The changes brought about by the Children and Families Bill will not result in an overall funding reduction for the Surrey pupils who are currently covered by School Action and School Action plus, although funding will be allocated differently in the future. This new model of distribution will place a greater emphasis on the relationship between funding and attainment, with those schools where pupil attainment is lowest receiving a higher proportion of funding than they do currently.

This will mean that there will be some changes in the funding allocated to individual schools. Officers and the DfE recognise that some schools with large numbers of high cost SEND pupils, but few low attaining pupils, may find it difficult to secure funding from the delegated sources. In response to these concerns, and where this is a particular issue for schools, we are proposing to allocate a proportion of the additional high needs funding outside the delegated formula.

While these changes are taking place, Services for Young People will continue to commission work to support participation after age 16 and ensure

that young people with SEND can make successful transitions from Year 11 onwards. The Pathways Team's work with SEND young people, to support their transition to college or employment, will continue for students from Year 9 to Year 11 and beyond, up to the age of 25. Additionally, Year 11/12 provision will continue to identify and support 'at risk' young people who will fall into the ASENS category following the changes.

The service also commissions a range of local interventions, such as Centre Based Youth Work and the Local Prevention Framework. These commissions are focused on young people aged 14 to 19 and will continue to support participation in Education, Training and Employment post 16. As with Year 11/12 provision, a significant proportion of this work supports those young people who will fall into the ASENS category.

In order to ensure that this provision continues to meet the needs of young people following these changes, Officers are carrying out research to establish why SEND young people have a higher propensity to become NEET. The findings from this research will feed directly into the Services for Young People commissioning process, to ensure that these groups receive support into education, training or employment which is closely matched to their needs.

Mrs Linda Kemeny
Cabinet Member for Schools and Learning
24 September 2013

CABINET RESPONSE TO ADULT SOCIAL CARE SELECT COMMITTEE

**Adult Social Care Budget 2013/14
(considered by Select Committee on 5 September 2013)**

SELECT COMMITTEE RECOMMENDATION:

That -- in light of the Committee's serious concerns about the possibility of budget overspend -- the Adult Social Care budget for this year be reviewed again to reflect increased demand on the services.

RESPONSE

The Select Committee expressed doubts about the realism of outturn forecasts, and requests that the adult social care budget be reviewed to reflect a more realistic financial position.

1. 2013/14 Budget background

- a. It is acknowledged that this budget does carry risks.
- b. In addition to the savings made over the last three years of £86m, a further savings target of £46m (of £64m for the total County) was passed down to the service for the current financial year.
- c. The Select Committee at the budget setting stage did express its concerns at the level of savings required, and the budget was increased by £11m compared with the previous MTFP assumption.

2. Budget Objectives

- a. To achieve the savings targets the budget had the following main saving initiatives:
 - i. successful negotiation with suppliers
 - ii. no increases in demand beyond those built into the budget (as did occur in 2012/13)
 - iii. minimal slippage in the established savings programs
 - iv. £15 million of savings through the new initiative making better use of social capital

3. Current Status

- a. It is expected that objectives i-iii above will be achieved assuming no new pressures or increase in demand arise.
- b. Objective iv, above is the main item at risk. It must be emphasised that this objective represents a radical change in the way that the service has approached assessment and is the main focus of the service.
- c. It is still believed that £8m of this target can be achieved by the year end. That would leave a gap in achievement of £7m which it is proposed be met this year from unused Whole Systems Funds but will also need to be funded going forward.

4. Ongoing Actions

- a. The service believes that the current management of the budget performance is adequate and in completing the outturn for the year, the full list of objectives in the comprehensive savings list is constantly monitored
- b. By the October reporting date to Adult Social Care select committee and Cabinet will provide the first viable indications of the extent to which that £8 million is likely to be delivered this year, and also some initial indication of the long-term deliverability of the program.

Mr Mel Few
Cabinet Member for Adult Social Care
24 September 2013

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