

Notice of Meeting

Leader Decisions



Date & time
Wednesday, 9
October 2013 at
3.00 pm

Place
Committee Room B -
County Hall

Contact
Anne Gowing
Room 122, County Hall
Tel 020 8541 9122

Chief Executive
David McNulty

anne.gowing@surreycc.gov.uk

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

Leader
Mr David Hodge

AGENDA

1 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:

- In line with the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, declarations may relate to the interest of the member, or the member's spouse or civil partner, or a person with whom the member is living as husband or wife, or a person with whom the member is living as if they were civil partners and the member is aware they have the interest.
- Members need only disclose interests not currently listed on the Register of Disclosable Pecuniary Interests.
- Members must notify the Monitoring Officer of any interests disclosed at the meeting so they may be added to the Register.
- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest.

2 PROCEDURAL MATTERS

2a Members' Questions

The deadline for Member's questions is 12pm four working days before the meeting (*3 October 2013*).

2b Public Questions

The deadline for public questions is seven days before the meeting (*2 October 2013*).

2c Petitions

The deadline for petitions was 14 days before the meeting, and no petitions have been received.

3 APPROVAL OF BUDGET VIREMENTS IN EXCESS OF £250,000

(Pages 1
- 4)

Approval of the Leader is required for budget virements in excess of £250,000 between directorates. This report concerns a virement of £1.792m relating to the provision of housing for vulnerable young people from the supporting people budget in Adult Social Care to the Youth Support Service budget in Children, Schools and Families.

4 SURREY EDUCATIONAL TRUST

(Pages 5
- 8)

In February 2013, the Council received a dividend of £559,000 from Babcock 4S Ltd for the financial year 2011/12. A decision is required as to whether the Council wishes to allocate any of this dividend to the Surrey Educational Trust.

David McNulty
Chief Executive

Published: Tuesday, 1 October 2013

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SURREY COUNTY COUNCIL

LEADER

DATE: 9 OCTOBER 2013

LEAD OFFICER: NICK WILSON, STRATEGIC DIRECTOR OF CHILDREN, SCHOOLS AND FAMILIES

SARAH MITCHELL, STRATEGIC DIRECTOR ADULT SOCIAL CARE

SUBJECT: APPROVAL OF BUDGET VIREMENTS IN EXCESS OF £250,000



SUMMARY OF ISSUE:

Approval of the Leader is required for budget virements in excess of £250,000 between directorates. This report concerns a virement of £1.792m relating to the provision of housing for vulnerable young people from the supporting people budget in Adult Social Care to the Youth Support Service budget in Children, Schools and Families.

RECOMMENDATIONS:

It is recommended that:

1. Management of the supporting people housing contracts which support young people is transferred to the Children, Schools and Families Directorate.
2. A virement of £1,792,355 be approved in 2013/14 from Adult Social Care Directorate to Children Schools and Families Directorate. This being the value of the existing contracts, including a pro-rata element of the Supporting People efficiency target relating to these contracts. Also that the virement be adjusted in future years up to 2016/17 to reflect the 2013-18 Medium Term Financial Plan (MTFP) efficiencies relating to those contracts.

REASON FOR RECOMMENDATIONS:

Virement approval is sought to facilitate the transfer of responsibility for managing housing contracts currently funded by the supporting people budget in Adult Social Care to Children, Schools and Families. Currently housing provision for young people is commissioned separately for different groups and from different budgets across the two directorates. Combining these budgets will allow a single commissioning process to be created for these services improving value for money and outcomes by pooling budgets and commissioning in a more co-ordinated fashion.

DETAILS:

1. The Council's financial regulations were revised and approved by the County Council on the 8 May 2012. Regulation 2.16 stipulates that budget virements in excess of £250,000 must be approved by the Leader in consultation with the relevant Cabinet Member.
2. The virement set out in this report relates to housing services for young people which are currently funded by the Supporting People budget within Adult Social Care Directorate.
3. The county council has responsibilities to ensure adequate housing for a range of young people namely:
 - 16/17 year olds who are LAC and ready for semi-independence,
 - 16/17 year olds who are not LAC but have become homeless and are assessed as Children in Need,
 - 16-17 year olds in the criminal justice system who cannot go home for bail and remand purposes,
 - 18-21 year old care leavers who are unable to source or fund accommodation independently for instance due to their high level of need or through having no recourse to public funds,
 - Other young people who are vulnerable and homeless / with a housing need but who are not eligible for leaving care services, particularly those who have been homeless at 16/17 but have not become LAC.

Currently housing provision for these young people is commissioned separately for different groups and from different budgets within the Children, Schools & Families (CSF) and Adult Social Care (ASC) Directorates budgets.

4. A strategic review of young people services was carried out within the Supporting People team and led to a decision to carry out a Rapid Improvement Event (RIE) in June 2012. The RIE recommended there should be a single commissioning process for these services and the appropriate place for commissioning these contracts would be Youth Support Services within the Children, Schools and Families Directorate. This ensures that the Council is able to maximise value for money through pooling budgets and commissioning in a more co-ordinated fashion. It will also facilitate pooling of the supporting people budget with a similar budget within Children's Services relating to care leavers. It is anticipated that this coordinated approach along with robust contract management will lead to efficiency savings and more effective provision.
5. The Cabinet Members for CSF and the then Cabinet Member for ASC agreed that the young people's element of the supporting people budget, along with the associated contracts should transfer to CSF for completeness.
6. The Supporting People team, within Adult Social Care Directorate, has identified those contracts which related to young people and have, since June 2012, worked jointly with Children, Schools and Families in respect of commissioning intentions. The total value of these contracts, which will end by March 2014, was £1.841m in 2012/13. Both Directorates have been working jointly with providers to enable a smooth handover of the existing contracts.

7. The young people’s element of the Supporting Peoples budget is relatively small (12%) so it has not been necessary to transfer staff to manage the contracts particularly as ASC are looking to streamline processes in order to achieve efficiencies and the activity involved is a good fit with existing CSF plans.
8. The proposal is to transfer the budget of £1.841m for these contracts to Youth Support Services within the Children, Schools and Families Directorate. However, within the Council’s Medium Term Financial Plan (MTFP) an annual efficiency of £0.4m has been planned against the overall supporting people budget of £15.2m for each of the five years to 2016/17. The pro rata share of the efficiency relating to the contracts whose management is to be transferred is £48,402, leaving a budget to transfer of £1.792m in 2013/14. Further efficiencies of £48,402 pa will be required until 2016/17 to meet the MTFP efficiency target. Overall the efficiency target transferred to Children’s Schools and Families equates to a 2.6% efficiency each year until 2016-17 as set out in the table below:

	2013-14	2014-15	2015-16	2016-17
Transfer to Children’s	1,840,757	1,792,355	1,743,953	1,695,551
Efficiency element	-48,402	-48,402	-48,402	-48,402
Amount to be vired	1,792,355	1,743,953	1,695,551	1,647,149

CONSULTATION:

9. District and Boroughs, and external providers have been involved in the consultation regarding the proposed budget transfer from Adults to Children, Schools and Families.

RISK MANAGEMENT AND IMPLICATIONS:

10. All budgets in the Children Schools and Families Directorate are being monitored during 2013/14 in line with a risk based approach that ensures appropriate emphasis is placed on high risk items.

Financial and Value for Money Implications

11. All existing contracts will transfer, if approved, with the current level of budget, less a percentage of the Supporting People efficiency target. Achieving the identified efficiency savings will be challenging as there is currently an inadequate supply of suitable supported accommodation for young people. It is however anticipated that this can be achieved through having a single process for commissioning supported housing services for young people and via the ongoing commissioning project within CSF. This will entail redesign / recommissioning of both the supporting people provision and provision bought and funded directly by Surrey Children’s Services. This coordinated approach is likely to both increase the quality and availability of provision and achieve economies.

Section 151 Officer Commentary

12. This is the formal virement report to facilitate the transfer of contracts for young people’s housing from the Adult Social Care to the Children Schools and Families

Directorate. The budget being transferred is £1.792m in 2013/14 plus the commitment to achieve planned efficiencies of £48,402 for the subsequent three years 2014/15 to 2016/17. Creating a single point for commissioning these services within the council will contribute to the achievement of these efficiencies.

Legal Implications – Monitoring Officer

13. There are no specific legal implications arising from this report.

Equalities and Diversity

14. This is a technical finance report seeking to vire budgets between directorates.

WHAT HAPPENS NEXT:

The budget will be adjusted in line with the approved virement. Payment and monitoring of contracts will transfer to the Youth Support Service.

Contact Officer:

Deirdre Linehan, Senior Principal Accountant, 020 8213 2684

Consulted:

Mary Angell, Cabinet Member for Children and Families

Mel Few, Cabinet Member for Adult Social Care

Paula Chowdhury, Strategic Finance Manager, Children, Schools and Families

Joanne Parkinson, Commissioning Manager, Learning Disabilities, (Adult Social Care)

Ben Byrne, Head of Youth Support Service (Children, Schools and Families)

Kathryn Brooks, Area Manager, Youth Support Services (Children, Schools and Families)

Annexes: None

Sources/background papers:

- Council's Medium Term Financial Plan
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LEADER**DATE:** 9 OCTOBER 2013**LEAD OFFICER:** ANN CHARLTON, HEAD OF LEGAL & DEMOCRATIC SERVICES**SUBJECT:** SURREY EDUCATIONAL TRUST**SUMMARY OF ISSUE:**

In February 2013, the Council received a dividend of £559,000 from Babcock 4S Ltd for the financial year 2011/12. A decision is required as to whether the Council wishes to allocate any of this dividend to the Surrey Educational Trust.

RECOMMENDATION:

It is recommended that the Council grants £250,000 of the 2011/12 dividend received from the joint venture Babcock 4S to the Surrey Educational Trust.

REASON FOR RECOMMENDATIONS:

Providing funding to the Surrey Educational Trust will enable the Trust to continue to fund educational projects across the County, supporting schools and organisations for the benefit of children, young people and learners from Surrey aged 4 years up to 25.

DETAILS:

1. On 1 April 2004, Surrey County Council and VT Education and Skills Limited formed a joint venture company (VT Four S Limited, now Babcock 4S) for the delivery of educational services to the local authority, Surrey schools and beyond.
2. As part of this new approach, the opportunity existed to develop an Educational Trust to benefit from a proportion of the earnings generated by the joint venture to support projects of an educational nature, primarily in Surrey. This would enable resources to be channelled to specific needs in Surrey and enable new approaches to those needs.
3. The Surrey Educational Trust (the Trust) was set up in August 2010 as a company limited by guarantee with trustees appointed as follows:
 - a. Two appointed by Surrey County Council
 - b. One Headteacher from each of the Primary, Secondary and Special phases within Surrey as nominated by the relevant Phase Council
 - c. One Surrey Governor as nominated by the Surrey Governors' Association
 - d. Two appointed by Babcock 4S
 - e. One appointed by the Professional Associations/Trade Unions.
4. The purpose of the Trust is to provide support to Surrey state funded schools, educational projects and organisations for the benefit of children, young people and learners from Surrey aged 4 years up to 25. The Trust offers

funding to projects that will support educational innovation and research, or attainment and achievement for educational excellence.

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5. The Trust invites bids twice a year from Surrey state funded schools, educational projects and organisations and allocates grants to projects across the county in line with the Trust's criteria (outlined in paragraph 4), with a particular focus on those supporting the core themes of leadership development, extending educational opportunity, modern foreign language, English as an additional language or promoting science, technology, engineering and mathematics.
6. Since the creation of the joint venture, the County Council has contributed funding to the Trust each year from its share of the dividend, following the general principle suggested at the time of its creation – that the Trust receives the lesser of £250,000 or 50% of the Surrey share of net distributable profits per year. As a result, following the distribution of the dividend for 2010/11, the funding allocated to the Trust by the County Council totalled £959,670
7. To date the Trustees have awarded grants to a total of 20 projects, equating to £298,693. Therefore the Trust's uncommitted budget now stands at £660,977.
8. There has been a lot of interest in the Surrey Educational Trust, with a large number of schools making contact to discuss possible projects and/or submit bids. It is anticipated that the demand will remain high and further projects meeting the Trust's criteria will be identified during future bidding rounds.
9. In order to remain sustainable longer-term, the Trustees recognise that they need to look at making best use of its current funds and will therefore be looking at investment options at the Trust's next meeting on 8 November 2013. In addition, the County Council's continued support through an allocation from the 2011/12 dividend would ensure that the Trust had adequate funding available to support projects during the next two planned funding rounds in 2014 whilst retaining an appropriate sum to invest.
10. In line with previous allocations, it is recommended that the County Council continue to follow the general principle outlined in paragraph 6 and grants £250,000 of the 2011/12 dividend received from the joint venture Babcock 4S to the Surrey Educational Trust.

CONSULTATION:

11. Views have been sought from the Strategic Director for Children, Schools and Families and the Cabinet Member for Schools and Learning who are also the County Council's nominated trustees on the Surrey Educational Trust. Both are supportive of the recommendation that a further £250,000 be granted to the Trust.

RISK MANAGEMENT AND IMPLICATIONS:

12. Awarding this funding to the Trust means that it will transfer to the Trust to allocate to projects meeting their criteria and no longer part of the County Council's finances. There is a risk that if there are not enough projects submitted that meet the Trust's criteria, this money will be surplus to requirements and could have been better used elsewhere. However, given

the interest to date and success of the first two rounds of bids, this is felt to be a minor risk. In addition, the Trust has agreed to look at options for investing some of its budget at its next meeting in November, to ensure the Trust is making best use of its resources and remains viable longer-term.

Financial and Value for Money Implications

- 13. If agreed, the Council would grant £250,000 to the Surrey Educational Trust. This would be funded from the £559,000 dividend received from the joint venture Babcock 4S. The Council would retain the remaining £309,000 to be considered as part of the business planning process. In addition, Surrey Schools will also benefit from the money granted to the Trust where they submit successful project bids.

Section 151 Officer Commentary

- 14. The shareholder agreement in setting up the Joint Venture required that the Trust be funded from the distributed dividends from the company. The distribution of dividends from Babcock 4S is not a certain annual amount, it depends on the company's performance and also the valuation of its pension's liability. While the £309,000 proposed to be retained by the Council can form part of the budget planning process, it is only for one year and not a certain income stream every year.

Legal Implications – Monitoring Officer

- 15. Surrey Educational Trust is a separate legal entity from Surrey County Council and grants made from any funds allocated to the Trust are awarded by its trustees in accordance with the purposes of the Trust. Any funding provided to the Trust cannot be used to deliver any of the Council's statutory duties, but provides complementary support designed to encourage educational innovation and research and attainment and achievement for educational excellence. In determining what proportion of the Babcock dividend should be given to the Trust the Leader will wish to consider the benefits of the Trust's aims and objectives whilst having in mind the risk management implications set out above and the fiduciary duty which applies to any decision making.

Equalities and Diversity

- 16. The public sector equality duty is relevant to this decision. In particular giving due regard to the need to advance equality of opportunity for individuals with protected characteristics under the Equality Act , all the projects identified by the Trust will clearly benefit children or young people. Other projects specifically assist children and parents with English as a second language or those with special educational needs and the Trust has also funded research projects to develop excellence in Autism practice across both mainstream and special schools.

Corporate Parenting/Looked After Children implications

- 17. No significant implications arising from this report although projects funded by the Trust may help to support the Council's corporate parenting role and

provide additional opportunities to Surrey's looked after young people through local educational projects.

Safeguarding responsibilities for vulnerable children and adults implications

18. The Trust has previously provided funding for a project submitted by the Local Safeguarding Children's Board, directly helping to meet our safeguarding responsibilities.

Public Health implications

19. The Trust has previously supported projects that directly link to the objectives of Public Health, for example around promoting healthy eating and cookery in primary schools.

Climate change/carbon emissions implications

20. The Trust has previously supported a number of projects looking at the environment (e.g. Forest School) and science, with a potential link to educating young people around climate change.

WHAT HAPPENS NEXT:

- If agreed, the funding will be transferred to the Surrey Educational Trust and Trustees informed. The Trust will then consider its investment options and criteria for awarding funding at its next meeting on 8 November.
- The Surrey Educational Trust will be inviting further bids from schools and organisations from November – January.

Contact Officer:

Rachel Crossley, Democratic Services Lead Manager & Company Secretary to the Surrey Educational Trust

Email: rachel.crossley@surreycc.gov.uk

Tel: 020 8541 9993

Consulted:

Strategic Director for Children, School and Families (also a Trustee of the Trust)

Cabinet Member for Schools and Learning (also a Trustee of the Trust)

Annexes:

None

Sources/background papers:

Surrey Educational Trust – List of projects awarded funding to date

Governance arrangements for the Surrey Educational Trust

Criteria for funding from the Surrey Educational Trust
