



Agenda and Reports

for the meeting of

THE COUNTY COUNCIL

to be held on

13 OCTOBER 2015

County Hall
Kingston upon Thames
Surrey

2 October 2015

TO THE MEMBERS OF SURREY COUNTY COUNCIL

SUMMONS TO MEETING

You are hereby summoned to attend the meeting of the County Council to be held in the Council Chamber, County Hall, Kingston upon Thames, Surrey KT1 2DN, on Tuesday, 13 October 2015, beginning at 10.00 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 9.50am. Rev. Martin Fletcher from St Peter's Parish Church, Hersham 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

(Pages 1
- 12)

To confirm the minutes of the meeting of the Council held on 14 July 2015.

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

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 APPROVAL OF COUNTY COUNCILLOR ABSENCE

(Pages
13 - 14)

That the County Council considers whether to agree that County Councillor Clare Curran may continue to be absent from Council meetings by reason of ill health.

6 LEADER'S STATEMENT

The Leader to make a statement.

There will be an opportunity for Members to ask questions.

(iii)

7 MEMBERS' QUESTION TIME

- (1) 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 7 October 2015)

- (2) Cabinet Member Briefings on their portfolios

These will be circulated by email to all Members prior to the County Council meeting, together with the Members' questions and responses.

There will be an opportunity for Members to ask questions.

8 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 12 October 2015)

9 ORIGINAL MOTIONS

ITEM 9(i)

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

'This Council views with sorrow the on-going migration crisis on mainland Europe and expresses its deep regret at the tragic loss of lives and deeply distressing images that have resulted.

Surrey County Council notes that the international community has failed to come up with credible policies to manage this humanitarian disaster, but recognises that the UK has a proud history of offering sanctuary to those who are fleeing from dangerous and desperate situations in other countries.

Notwithstanding the economic pressures that Surrey is facing, Council resolves to work with its eleven boroughs and districts to support initiatives to help migrants who may seek refuge in the United Kingdom, and for the County to take its fair share of refugees.

Surrey calls on the British Government to ensure adequate funding and resources are made available to all local authorities involved'

ITEM 9(ii)

Mr John Orrick (Caterham Hill) to move under Standing Order 11 as follows:

'This Council:

Notes:

1. that the consultation on the future of Recycling Centres ended on 30 September;
2. that the consultation sought views on four options - charging for non-household waste disposal, reducing opening hours, closing some centres for one or two days, and closing some centres altogether but failed to include an option to reject all four;
3. that consequently the consultation was flawed since its conclusion could only favour one of four unacceptable options.

Resolves:

to recommend to the Cabinet that all four options are rejected because the implementation of any one of them would lead to a significant reduction in service, adversely affect recycling rates and increase fly-tipping.'

ITEM 9(iii)

Mr Will Forster (Woking South) to move under Standing Order 11 as follows:

'This Council notes with significant concern the most recently released road injury statistics for 2014 showing that:

- (i) The number of people killed or seriously injured on Surrey's roads increased by 23% from 2013 (up from 599 to 735) – the third worst performance of any police force area across England and Wales.
- (ii) The number of casualties on Surrey's roads has increased in 2014 compared with 2013 as follows:
 - Total road casualties increased by 3.5% from 5,223 to 5,408
 - Fatal injuries more than doubled (111% increase) from 18 to 38
 - Serious injuries increased by 20% from 581 to 697 - the highest number since at least 2005
 - The number of children injured on Surrey's roads grew by 14% from 305 to 348
 - The number of car occupants killed or seriously injured (KSIs) increased by 36% to 268 - the highest figure since 2008
 - Cyclists KSIs increased for the sixth consecutive year by 14.5% to 166
 - Pedestrians KSIs remained at 98 for a second year running - the highest number since at least 2005
 - Motorcyclists KSIs increased by 32% to 185 to reach the highest recorded numbers since at least 2005

In the light of Surrey's adverse and worsening road safety record, this Council requests the Cabinet to give a much higher priority to improving road safety including more funding for services such as Drive SMART, road safety outside schools and highway improvements, and establish a Road Safety Task Group in order to reduce the numbers of people killed and seriously injured on Surrey's roads.'

10 REPORT OF THE CABINET

(Pages
15 - 48)

To receive the report of the meetings of the Cabinet held on 29 July and 22 September 2015.

11 APPOINTMENT OF A VICE-CHAIRMAN OF EDUCATION AND SKILLS SCRUTINY BOARD

To appoint the Vice Chairman for Education and Skills Scrutiny Board.

12 PEOPLE, PERFORMANCE AND DEVELOPMENT COMMITTEE

(Pages
49 - 50)

Report from the People, Performance and Development Committee in relation to the arrangement for the appointment of Senior Managers to the Orbis Joint Partnership between Surrey County Council and East Sussex County Council.

13 AMENDMENT TO SURREY PAY POLICY STATEMENT 2015 - 2016

(Pages
51 - 58)

To approve an amendment to the 2015/16 Pay Policy Statement.

14 CONSTITUTION UPDATE REPORT

(Pages
59 - 60)

It is the Council's responsibility to approve changes to the Scheme of Delegation regarding non-executive functions, while amendments to executive functions are delegated to the Leader and are brought to County Council to note.

This report seeks Council's approval for changes to the Scheme of Delegation relating to a change in name for the Surrey Pension Fund Board (to be known as the Surrey Pension Fund Committee).

In line with Article 6.04, it also formally reports the appointment of a new Cabinet Associate.

15 MINUTES OF THE MEETINGS OF THE CABINET

(Pages
61 - 94)

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 Anne Gowing in Democratic Services by 12 noon on Monday 12 October 2015.

MOBILE TECHNOLOGY AND FILMING – ACCEPTABLE USE

Those attending for the purpose of reporting on the meeting may use social media or mobile devices in silent mode to send electronic messages about the progress of the public parts of the meeting. To support this, County Hall has wifi available for visitors – please ask at reception for details.

Anyone is permitted to film, record or take photographs at council meetings. Please liaise with the council officer listed in the agenda prior to the start of the meeting so that those attending the meeting can be made aware of any filming taking place.

Use of mobile devices, including for the purpose of recording or filming a meeting, is subject to no interruptions, distractions or interference being caused to the PA or Induction Loop systems, or any general disturbance to proceedings. The Chairman may ask for mobile devices to be switched off in these circumstances.

It is requested that if you are not using your mobile device for any of the activities outlined above, it be switched off or placed in silent mode during the meeting to prevent interruptions and interference with PA and Induction Loop systems.

Thank you for your co-operation

This page is intentionally left blank

COUNTY COUNCIL**COUNCIL MEETING - 14 JULY 2015**

MINUTES of the meeting of the Council held at the Council Chamber, County Hall, Kingston upon Thames, Surrey KT1 2DN on 14 July 2015 commencing at 10.00 am, the Council being constituted as follows:

Sally Marks (Chairman)

* Nick Skellett CBE (Vice-Chairman)

*	Mary Angell	Saj Hussain
	W D Barker OBE	David Ivison
*	Mrs N Barton	Daniel Jenkins
	Ian Beardsmore	George Johnson
*	John Beckett	Linda Kemeny
	Mike Bennison	Colin Kemp
	Liz Bowes	Eber Kington
	Natalie Bramhall	Rachael I Lake
	Mark Brett-Warburton	* Stella Lallement
	Ben Carasco	Yvonna Lay
	Bill Chapman	Ms D Le Gal
	Helyn Clack	Mary Lewis
	Carol Coleman	Ernest Mallett MBE
	Stephen Cooksey	* Mr P J Martin
	Mr S Cosser	Jan Mason
*	Clare Curran	Marsha Moseley
	Graham Ellwood	Tina Mountain
	Jonathan Essex	Mr D Munro
	Robert Evans	Christopher Norman
	Tim Evans	* John Orrick
	Mel Few	* Adrian Page
	Will Forster	Chris Pitt
*	Mrs P Frost	Dorothy Ross-Tomlin
	Denis Fuller	* Denise Saliagopoulos
	John Furey	Tony Samuels
	Bob Gardner	Pauline Searle
	Mike Goodman	Stuart Selleck
	David Goodwin	Michael Sydney
*	Michael Gosling	Keith Taylor
	Zully Grant-Duff	Barbara Thomson
	Ramon Gray	Chris Townsend
	Ken Gulati	Richard Walsh
	Tim Hall	Hazel Watson
	Kay Hammond	Fiona White
	Mr D Harmer	Richard Wilson
*	Nick Harrison	Helena Windsor
*	Marisa Heath	Keith Witham
	Peter Hickman	Mr A Young
*	Margaret Hicks	Mrs V Young
	David Hodge	

*absent

45/15 APOLOGIES FOR ABSENCE [Item 1]

Apologies for absence were received from Mrs Angell, Mrs Barton, Mr Beckett, Mrs Curran, Mrs Frost, Mr Gosling, Mr Harrison, Miss Heath, Mrs Hicks, Mrs Lallement, Mr Martin, Mr Orrick, Mr Page, Mrs Saliagopoulos and Mr Skellett.

46/15 MINUTES [Item 2]

The minutes of the meeting of the County Council held on 19 May 2015 were submitted, confirmed and signed.

47/15 CHAIRMAN'S ANNOUNCEMENTS [Item 3]

The Chairman made the following announcements:

- (i) South East Employers Member Development Charter Award – Cllr Rory Love, Chairman of South East Employers presented the Chairman of the Member Development Steering Group with the Award. He was invited to say a few words.
- (ii) Surrey Fire and Rescue Service – the Chairman presented an award, received from the Princess of Wales' Royal Regiment (The Tigers) to the Chief Fire Officer, in recognition for the service's sterling efforts in rescuing artefacts from the Surrey Infantry Museum, including the regimental colours at the recent Clandon Park House Fire.
- (iii) Her Majesty the Queen's Birthday Honours List 2015 and the Queen's Awards for Voluntary Service – the full lists were included within the agenda. However, she drew attention to the honours received by:
 - Lynne Owens, Chief Constable for Surrey Police
 - Mrs Perdita Hunt, Director of Watts Gallery
 - Mr Nick Sealy, past High Sheriff
 - Ms Kate Orrick, Head of DifD Libya

Also, she acknowledged the high number of volunteer groups that had been recognised and received the Queen's Award for Voluntary Service this year.

- (iv) On behalf of the Council, she congratulated David Hodge on being elected as Leader of the Conservative Group at the Local Government Association (LGA) and also at the same time being installed as one of the LGAs four Vice-Chairmen.
- (v) Magna Carta event, Runnymede Meadows on 15 June 2015, she said that this was an outstanding event, and that she was honoured to receive HM the Queen and other senior members of the Royal Family, the Prime Minister and other VIPs to the event. She thanked all those involved, including Surrey County Council staff, volunteers and the Police, for making it a memorable occasion.
- (vi) Armed Forces Day on 27 June 2015 had been marked with celebrations across the UK, with a focus on Guildford where there was a service at Guildford Cathedral, a High Street parade, a Red Arrows fly past and

entertainment in Stoke Park. She also thanked the volunteers and Surrey Police.

48/15 DECLARATIONS OF INTEREST [Item 4]

There were none.

49/15 LEADER'S STATEMENT [Item 5]

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

Members raised the following topics:

- Congratulations on his new appointments at the Local Government Association (LGA)
- A request to utilise his new position at the LGA to explore 'best practice' in Children's Services amongst other authorities
- A request for more information in relation to the Devolution agenda and how it applies to Surrey, both the County Council and Boroughs / Districts
- The impact and cost, particularly to Adult Social Care Services, of introducing the 'living wage'
- Confirmation of investment in recycling waste
- Continue to lobby Central Government for a better settlement for Surrey
- Details of where the £67m savings required in this financial year would be coming from.

50/15 SURREY COUNTY COUNCIL PROGRESS REPORT: JANUARY - JUNE 2015 [Item 6]

The Leader presented the Surrey County Council Progress Report – January – July 2015, the twelfth of the Chief Executive's six monthly reports to Members.

Members made the following comments:

- Disappointment that the emphasis of the report has changed so that there was not as much attention given to scrutiny
- Also, there were only four key areas set out in the report which, for scrutiny purposes, were not specific or measurable and therefore, the Leader / Chief Executive were requested to review the report and its target audience
- There was no reference to financial targets or the Medium Term Financial Plan
- The report was considered at a recent meeting of the Council Overview Board (COB), where Members were impressed with the achievements of staff and partner organisations
- The correct priorities were outlined in the report and did not minimise the forthcoming challenges for the Council. However, the Board considered that the report would benefit from inclusion of some targets
- The report was optimistic, upbeat and provided an opportunity to highlight the County's achievements to residents.

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.

51/15 MEMBERS' QUESTION TIME [Item 7]

Notice of 15 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 Sydney asked the Cabinet Member for Business Services and Resident Experience – (i) when the Department for Education changed their policy on Bio-mass installations, and (ii) why had the original wood fuel installation at High Ashurst been removed. The Cabinet Member said that she would respond outside the meeting.

(Q2) Mr Robert Evans extended an invite to Mr Ivison to visit Stanwell Moor to see what the impact of proposed expansion at Heathrow would have on this community. **Mr Beardsmore** asked the Leader of the Council if he was aware that an additional 9000 homes would be required in the Spelthorne / Runnymede area if further expansion at Heathrow went ahead – this would also put more pressure on the Green Belt in Surrey.

Mr Forster requested that issues relating to air quality in parts of Spelthorne were adequately addressed as part of the Council's debate on airport expansion.

Mr Munro informed Members that the Council Overview Board would be considering airport expansion at its meeting on 10 September 2015.

The Leader of the Council said that the County Council would only support airport expansion if it was beneficial for Surrey and that expansion could not take place until the necessary improvements to infrastructure had taken place. He also confirmed that he was aware of the issues re. housing and the pressures for Stanwell Moor and agreed to visit the area.

(Q3) Mr Goodwin asked the Cabinet Member for Highways, Transport and Flooding if he was aware that there had been recent articles in the press relating to the programme for re-surfacing Surrey roads and that all Members should have been informed prior to it appearing in the press. The Cabinet Member said that the information used in the article was three years old and that under the Horizon programme, Surrey was performing well.

(Q8) Mr Robert Evans asked the Cabinet Member for Localities and Community Wellbeing to expand on the information provided in his response concerning emergency access to and from roads closed due to the Prudential Ride London event. The Cabinet Member agreed to provide a response outside the meeting.

(Q9) Mr Essex questioned whether the figure of an average 160 passengers being negatively affected by the proposals and recommendations arising from the Local Transport Review were accurate. He also queried the carbon emission data and

asked what would be environmental impact of the changes in Surrey. The Cabinet Member considered that the Local Transport Review had been thorough, and had included two extensive consultations. He said that the '160' figure had not been challenged previously, and concerning the carbon data, he said that the figures were projections, it was not an exact science but the County Council was fully aware of carbon issues and were addressing them.

(Q10) Dr Grant-Duff asked the Cabinet Member for Highways, Transport and Flooding if he was aware that the Police had powers to take action against illegal and anti-social activities of Heavy Goods Vehicles (HGVs). The Cabinet Member confirmed that the Police did have the powers but did not necessarily utilise them and that ultimately it was the Police and Crime Commissioner who made the decision on where to target their resources.

(Q12) Mr Robert Evans asked the Cabinet Member for Business Services and Resident Experience why the cost of this project remained commercially sensitive when the land had already been purchased. The Cabinet Member said that it was part of the Property Asset Management Programme and therefore she was unable to provide more information in a public meeting.

(Q13) Mr Essex requested details from the Cabinet Member for Environment and Planning on what action the County Council would be taking to address and reduce carbon dioxide and other greenhouse gas emissions which could arise from further airport expansion at Heathrow. The Cabinet Member said that they would be discussing any mitigating actions with Heathrow later in July.

Cabinet Member Briefings on their portfolios are attached as Appendix C.

Members made the following comments:

- The Cabinet Member for Business Services and Resident Experience asked Members to note a name change: that the Surrey Pension Fund Board be re-named as the 'Surrey Pension Fund Committee' with immediate effect. This name change would be formally included in the report – Updates to the Constitution' which would be reported to the next County Council meeting in October.
- Asked the Cabinet Member for Environment and Planning to confirm that the County Council would continue to offer support, beyond the setting up phase, for Community Transport. The Cabinet Member said that the next phase of the Local Transport Review would include engaging with and looking at Community Transport.
- Now that the assessment study was complete, assurance requested for the County Council's continued support for the North Downs Line.
- Also continue to lobby for Oyster Card use in Spelthorne.
- Several questions relating to the Ofsted inspection of Children's Services from Mr Kington, which he agreed to put in writing to the Leader of the Council who agreed to respond outside the meeting.

- That there would be an opportunity at a Member seminar, scheduled for later this year, for Members to input into the Surrey Infrastructure Plan and other infrastructure studies, including Crossrail 2 (CR2).
- A suggestion that future Local Transport Reviews should show a net effect of those passengers who would be negatively affected by any proposals.
- School building projects – concern where projects overran, resulting in children being taught in temporary rooms. However, assurance was given that the quality of teaching and learning was not jeopardised if / when alternative temporary rooms were used.

52/15 STATEMENTS BY MEMBERS [Item 8]

There were no local Member statements.

53/15 ORIGINAL MOTIONS [Item 9]

ITEM 9(i)

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

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

‘This Council notes with delight the success of the many Magna Carta celebrations and in particular the historic event which took place on Runnymede Meadows on 15 June 2015 celebrating the 800th anniversary of its sealing.

This Council thanks all of the many people, partners and organisations that helped make the celebrations so successful and which enabled the county of Surrey to showcase a unique event of world significance.

This Council wishes in particular to thank its own staff and Members, many of whom went way beyond the call of duty, in the successful organisation of these celebrations.’

Mr Few made the following points in support of his motion:

- It was a brave decision, taken by Surrey County Council, to celebrate the 800th anniversary of the sealing of the Magna Carta on the Runnymede Meadows in Surrey
- The event has heightened awareness of Surrey and the county will benefit from increased numbers of visitors
- There had been dedicated teams from the County Council and National Trust working on the event – organising traffic management plans, coach transport, security checks and ensuring that guests would be fed and watered
- With VIP guests, including several senior members of the Royal Family, the Prime Minister and other international guests, the organisation of the event was challenging and its success was achieved with the help of partnership working
- 200 people were presented to Royalty and other dignitaries
- The event culminated in a fly past from the Red Arrows
- It was a very well organised event.

The motion was formally seconded by Mrs Clack, who made the following points:

- Continuation of thanking the people who had key roles in bringing the event to fruition, in particular: Susie Kemp - Assistant Chief Executive, Peter Milton – Head of Cultural Services, Katie Brennan and the Magna Carta team and also the Civic team
- She also thanked Surrey Police, Surrey Highways, Surrey's Emergency Planning team, Surrey Social Services, Surrey Fire and Rescue Service, the Ambulance Service, Runnymede Borough Council, Surrey Performing Arts Service, National Trust, Dame Sarah Goad and the Chief Executive
- That the vision of the Leader of the Council in relation to this event had placed Surrey on the 'world map'
- The magnificent artwork, The Jurors by Hew Locke which was commissioned by Surrey County Council and the National Trust
- That art interpretation volunteers were on site at weekends and since the event the car park takings had increased by 50%
- Finally, she said that it was a perfect day and that she was proud to be a part of the Magna Carta celebrations.

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

- The event had highlighted the reputation of Surrey and put Runnymede and Spelthorne on the map
- The Jurors artwork was a good legacy
- The perception that the event was for 'the great and the good' and not for ordinary people – perhaps more could have been done for local people on the day
- The TV coverage was limited
- It was an amazing day and Members were proud to be part of it
- Praise for the Police
- Concern about the cost of the event, when there were cuts to services being made
- That the artwork could have been funded by public subscription rather than Surrey County Council
- Thanks to those staff who worked so hard to make the event a success
- That the County Council was responsible for the wellbeing of its residents and this event was good for morale and businesses
- Thanks to all the school children who designed the flags for the event
- The Red Arrows flypast at exactly 12.15
- This was not a Conservative event, it was a Surrey County Council event.

After the debate, the motion was put to the vote with 61 Members voting for it. No Members voted against it but there were three abstentions.

Therefore it was:

RESOLVED:

This Council notes with delight the success of the many Magna Carta celebrations and in particular, the historic event which took place on Runnymede Meadows on 15 June 2015 celebrating the 800th anniversary of its sealing.

This Council thanks all of the many people, partners and organisations that helped make the celebrations so successful and which enabled the county of Surrey to showcase a unique event of world significance.

This Council wishes in particular to thank its own staff and Members, many of whom went way beyond the call of duty, in the successful organisation of these celebrations.

ITEM 9(ii)

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

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

‘This Council agrees to prioritise the recruitment and retention of Social Workers including by ensuring that the County Council's social worker pay is competitive with neighbouring councils, carrying out recruitment campaigns, recruiting social work graduates from universities, providing key worker housing and relevant training, in order to:

- provide sufficient qualified, trained and experienced Social Workers to support and protect vulnerable children and adults in Surrey,
- reduce the council's over-reliance on costly agency staff
- reduce the workload of social workers.’

Mrs White made the following points in support of her motion:

- The recruitment and retention of social workers in Surrey was a longstanding issue
- Continuity of social worker care was very important
- The use of technology was no substitute for the personal approach
- Established social worker teams that worked closely with one another were needed
- Acknowledgement that Surrey's proximity to London Boroughs, where social workers were paid higher rates, made it more difficult to recruit social workers to Surrey
- The cost of agency staff
- The importance of tackling the issues and to think ‘outside the box’ for solutions i.e. key worker housing
- A need to address Surrey County Council's reputation with social workers
- That social work was a vocation for most social workers and that money was not a prime consideration

- Possible consideration of utilising some of the money paid to agency staff to pay enhance wages for social workers
- Surrey County Council needed to be good employers to attract and retain social workers

The motion was formally seconded by Mrs Watson, who reserved her right to speak.

The Leader of the Council thanked Mrs White for her timely motion and said that this was a national issue. He said that the County Council faced fierce competition in recruiting social workers and had made some progress in recent years but recognised that there was more to do. He confirmed that the Conservative Group would be supporting this motion.

Five Members spoke on the motion, with the following points being made:

- The number of Surrey residents requiring social care services
- The affect of a Supreme Court judgement in relation to Deprivation of Liberty issues, which had resulted in an increase in applications from 57 last year to over 3000 this year – this was a budget pressure for the County Council because experienced social workers had to assess these applications
- Everything that had been suggested by Mrs White was being considered plus a number of strands of work to progress the issue had been identified, including looking at retention and also co-operation with London Boroughs
- There had been some good points made, where officers and Members had been commended, in the Children's Services Ofsted report i.e. Adoption processes
- The importance of tying any possible provision for key worker housing to specific jobs
- It was vital that the County Council attracted a good calibre of people with the right skills into social work positions
- That there were similar problems in the NHS and the County Council needed to work together with the Health Service to prevent duplication.

Mrs Watson, as seconder of the motion, said that she was delighted with the response and considered that there had been a positive and constructive debate. She said that the high vacancy rates were due to the proximity of the county to London but the Council needed to do everything it could to attract people to apply for social worker posts in Surrey.

Mrs White, as proposer of the motion, referred to the point made by Mr Witham in relation to the number of Deprivation of Liberty applications and also the obligations to the Council arising from the Care Act and said that this made the need for social workers positions to be filled even more critical.

Finally, she thanked all Members for supporting her motion.

Therefore, it was:

RESOLVED:

This Council agrees to prioritise the recruitment and retention of Social Workers including by ensuring that the County Council's social worker pay is competitive with neighbouring councils, carrying out recruitment campaigns, recruiting social work graduates from universities, providing key worker housing and relevant training, in order to:

- provide sufficient qualified, trained and experienced Social Workers to support and protect vulnerable children and adults in Surrey,
- reduce the council's over-reliance on costly agency staff
- reduce the workload of social workers.

ITEM 9(iii)

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

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

‘This Council requests the Cabinet to allocate additional funding to all Local Committees to enable them to introduce 20 mph speed limits outside schools where requested by both the school and the local community in order to reduce traffic speeds and to improve road safety.’

Mrs Watson made the following points in support of her motion:

- She called upon the Authority to provide additional funding to local committees to enable the introduction of 20mph speed limits outside schools where requested
- Made reference to a trial at three schools in Mole Valley where the reduced speed limit had now been made permanent
- That the safety of all children was paramount and many parents wanted a 20mph speed limit outside schools
- Any 20mph speed limit would need enforcement
- There was evidence across the country that drivers did slow down when 20 mph speed limits were in place.

The motion was formally seconded by Mr Cooksey.

Seven Members spoke on the motion, with the following points being made:

- That speed limit assessments were already delegated to local committees for decision and this motion was a request for additional resources for local committees
- Not all problems that occurred outside schools related to speed
- That it was the County Council’s policy to undertake an assessment of safety outside schools and that report was then considered by the relevant local committee
- There were only 15 out of over 500 schools in Surrey that were near accident black spots and these schools had been fully evaluated and some road improvements made
- Local people should make local decisions on local issues
- Where would the extra funding requested come from?
- The motion said that introduction of 20mph speed limits would only happen if requested by the school and the local community
- The motion went against any devolution principles for increasing responsibility locally

- Whilst local committees had the power to introduce changes to speed limits, they did not have sufficient resources to implement them
- Many other local authorities throughout the country had implemented 20mph speed limits outside schools.

After the debate, the motion was put to the vote, with 12 Members voting for it. 52 Members voted against it and there were no abstentions.

Therefore the motion was lost.

54/15 ELECTED MEMBER DEVELOPMENT STRATEGY [Item 10]

The authority was awarded Charter status in October 2011, this was renewed in April 2015 and the Member Development Steering Group intend to achieve Charter Plus status before the end of 2017.

As Chairman of the Member Development Steering Group, Ms Le Gal introduced the revised Elected Member Development Strategy. She highlighted the following points:

- (i) That the induction of the new Council in 2017 would formalise processes for using feedback from newly elected councillors
- (ii) The introduction of a 180 feedback process for Members.

When asked about the protocol for elected Members attendance at external courses and conferences, Ms Le Gal confirmed that the Member Development programme was tailored to each Members individual needs and that all requests should be agreed by the Assistant Chief Executive, in consultation with the Chairman of the Member Development Steering Group.

RESOLVED:

That the Elected Member Development Strategy be approved.

55/15 REPORT OF THE CABINET [Item 11]

The Leader presented the Report of the Cabinet meetings held on 26 May and 23 June 2015.

Reports for Information / Discussion

The following reports were received and noted:

- Joint Commissioning Strategy for Speech and Language Therapy for children and Young People
- The Agreement with Surrey Wildlife Trust for the Management of the County Council's Countryside Estate
- Confident in Surrey's Future: Equality, Fairness and Respect Strategy 2015 – 2020
- Quarterly report on decisions taken under Special Urgency Arrangements: 1 April – 30 June 2015

RESOLVED:

That the report of the meetings of the Cabinet held on 26 May and 23 June 2015 be adopted.

56/15 REPORT OF THE AUDIT AND GOVERNANCE COMMITTEE [Item 12]

The Chairman of the Audit and Governance Committee introduced the report and commended the updated strategies against Fraud and Corruption and Risk Management, plus the updated Code of Corporate Governance to Members.

RESOLVED:

1. That the updated Strategy against Fraud and Corruption, attached as Annex A to the submitted report, be approved, for inclusion in the Constitution.
2. That the Risk Management Strategy, attached as Annex B to the submitted report, be approved, for inclusion in the Constitution.
3. That the updated Code of Corporate Governance, attached as Annex C to the submitted report, be approved, for inclusion in the Constitution.

57/15 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: 12.45pm]

Chairman

**OFFICER REPORT TO COUNCIL****APPROVAL OF COUNTY COUNCILLOR ABSENCE****KEY ISSUE/DECISION:**

The purpose of this report is to request that the County Council considers whether to agree that County Councillor Clare Curran may continue to be absent from Council meetings by reason of ill health.

BACKGROUND:

Under section 85 of the Local Government Act 1972, a Member ceases to hold that office if he/she has not attended a meeting for a period of six consecutive months, unless the failure to attend is due to a reason approved by the authority during that six months. The last meeting that Clare Curran attended was a meeting of the Cabinet in May and she has unfortunately not been able to attend any formal meetings since then while she receives treatment for a serious health condition.

For that reason the County Council is requested to agree that she may continue to be absent from meetings while maintaining membership of the Council during her period of ill health. This decision will be reviewed at the County Council AGM in May 2016.

The Leader has appointed an additional Cabinet Associate to provide support to the Cabinet Team during Clare Curran's absence. The appointment is detailed in the Updates to the Constitution report at item 14 on the agenda for this meeting.

RECOMMENDATIONS:

That Mrs Clare Curran may continue to be absent from meetings until May 2016 by reason of ill health. The Council looks forward to welcoming her back in due course.

Lead/Contact Officers:

Katie Booth
Acting Democratic Services Lead Manager
Tel: 020 8541 7197

Sources/background papers:

None

This page is intentionally left blank

County Council Meeting – 13 October 2015

REPORT OF THE CABINET

The Cabinet met on 29 July and 22 September 2015.

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 29 July and 22 September 2015 meeting are included within the agenda at item 15. 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 12 October 2015).

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.

REPORTS FOR INFORMATION / DISCUSSION

29 July 2015

A ANNUAL REPORT OF THE SHAREHOLDER BOARD

1. As part of its strategy to innovate in developing new models of delivery and to benefit from the freedoms introduced by the Localism Act, Surrey County Council established a Shareholder Board, which will report annually to the Council. The purpose of the Board is to safeguard the Council's interest as shareholder and to take decisions in matters that require the approval of the Council as owner of a company.
2. **The Cabinet AGREED:**
 1. That the first Annual Report of the Shareholder Board, Annex A to the submitted Cabinet report (and also attached as Annex A to this report), be endorsed and that the report be presented to Council at its meeting in October.
 2. That the Council's strategic approach to innovation and evaluating new models of delivery, ensuring that this innovation is supported by best practice governance arrangements, be continued to be supported.

B QUARTERLY REPORT ON DECISIONS TAKEN UNDER SPECIAL URGENCY ARRANGEMENTS: 1 JULY – 30 SEPTEMBER 2015

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 Scrutiny Board, or in his/her absence the Chairman of the Council, must be sought to enable the decision to be made.

There were no decisions taken under Special Urgency Arrangements during the last quarter.

**Mr David Hodge
Leader of the Council
2 October 2015**

Shareholder Board Annual Report July 2015



Contents

- **Shareholder Board**
 - Context Page 3
 - Governance Page 4
 - Purpose Page 5
 - The Council's shareholdings Page 6
 - Decision-making Page 7
 - Directors Page 9

- **Company Details**
 - Surrey Choices Page 10
 - S.E.Business Services Page 13
 - Halsey Garton Property Page 15
 - Bandstand Square Developments Page 16
 - Babcock 4S Page 18
 - TRICS Consortium Page 20
 - FutureGov Page 22

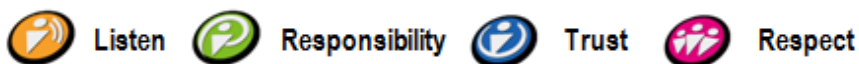
- **Glossary and associated council principles** Page 24
- **Annex B: Shareholder Board Terms of Reference** Page 29

CONTEXT

The council has created trading companies and made investments to enhance financial resilience in the longer term.



Our Corporate Strategy, Confident in Surrey's future



The council's strategic framework for innovation and investment is supporting the development of new ideas and approaches to enhance financial resilience. This increased emphasis on commercial activity has led to the creation of the Shareholder Board to monitor the council's trading activity and ensure satisfactory performance and effective risk management.

The Shareholder Board has been established in accordance with best practice governance principles and provides effective over-sight and alignment with the strategic objectives and values of the council. The board is member led and supported by officers, who when required seek the support of external professional advisors.

The Board safeguards the council's interests and takes decisions in matters that require the approval of the council as owner or a shareholder of a company. Decisions in relation to the day to day operation of a company are taken by the directors of each company.

THE SHAREHOLDER BOARD

Governance

- The Shareholder Board was created in September 2013 following the report to Cabinet setting out the council's strategic approach to innovation and new models of delivery.
- The Board and its role is noted in the constitution of the council.
- The Board works in accordance with its Terms of Reference (see Annex B) which are reviewed on an annual basis.
- Meetings take place at least quarterly.

The Shareholder Board is comprised of 3 members of the council's Cabinet and the Chief Executive. The board is supported by officers of the council, including the Section 151 Officer (Director of Finance) and the Monitoring Officer (Director of Legal & Democratic Services).

Shareholder Board

Members

- Leader
- Deputy Leader
- Cabinet Member for Business Services & New Models of Delivery
- Chief Executive

Advisors

- Director of Finance (Section 151 Officer)
- Director of Legal & Democratic Services (Monitoring Officer)
- Strategic Director Business Services
- Strategic Finance Manager (Board Secretary)

THE SHAREHOLDER BOARD

Purpose

The primary and most common purpose behind the creation of a Local Authority Trading Company (LATC) is to enable a council to participate in commercial trading activities. Many local authorities have created an LATC for this purpose, with the most common reason given being in order to grow income to protect services. Surrey County Council's first trading company, Babcock 4S Ltd, the Joint Venture with Babcock to provide school improvement services was created in 2003

The decision to create a company or invest in shares is taken by Cabinet upon the basis of a business case. Like many other councils, SCC has created companies in order to trade and grow income; with profits generated for the council available to support the delivery of the council's Medium Term Financial Plan and enhance financial resilience. This is however not the only reason for the creation of a company or investment in shares.

Cabinet approved the creation of a Property Company in order to strengthen the council's ability to invest in a diversified and balanced portfolio of assets in pursuit of the Investment Strategy. The council's investment in FutureGov Ltd enhances this portfolio of assets and supports a company that has a track record of delivering innovative products and solutions in children's services and adult social care.

The council's participation in the Joint Venture Company, Bandstand Square Developments Ltd, delivers the council's strategy of enhancing economic prosperity in the county. This company, a special purpose vehicle, was established in order to deliver the economic regeneration of Woking Town Centre in partnership with Woking Borough Council and a private developer, Moyallen Ltd.

THE SHAREHOLDER BOARD

The Council's Share-holdings

The council has created companies and purchased shares in order to;

- Deliver services, benefiting from efficiencies driven by operating in a commercial environment,
- Trade & generate income
- Invest in assets to deliver an income and enhanced asset value in the longer term.
- Deliver regeneration

The decision to create a company or to invest in shares is taken by Cabinet upon the basis of a business case which articulates the financial implications and associated risks for the council.

These proposals are made with realistic and prudent expectations regarding the investment required and the length of time it will take to establish a successful company. The council therefore recognises that returns will not necessarily be received in the short-term but will contribute to longer-term financial resilience.

Cabinet Decision
To create a company or invest in shares

Regeneration	Service Delivery	Trading	Investment
Bandstand Square Developments Ltd	Babcock 4S	S.E. Business Services Ltd	FutureGov
	Surrey Choices		Halsey Garton Property Ltd
		TRICS Ltd	

Future investment activity may also be determined under delegated decision-making

The trading results of the companies that are wholly owned by the council will be consolidated and reported on a Group accounting basis for the first time for the financial year ending 31st March 2015.

THE SHAREHOLDER BOARD

The Council's Shareholdings

Company	Ownership
Surrey Choices Ltd	100%
S.E.Business Services Ltd	100%
Halsey Garton Property Ltd	100%
Bandstand Square Developments Limited	24%
Babcock 4S Limited	19.99%
TRICS Consortium Limited	16.67%
FutureGov. Ltd	13.1%

Shareholder Board Decision-Making

The day-to-day operation of each company is the responsibility of the Directors (of each company) with the Shareholder Board being responsible for taking decisions on behalf of the council where these are of a more strategic nature. The extent of this decision-making will depend upon the council's shareholding and upon terms included in a company's Articles of Association (matters reserved for the Shareholder) and / or a Shareholders Agreement in relation to Joint Venture companies.

The Articles of Association for the companies wholly owned by the council stipulate that the shareholder, that is the Shareholder Board on behalf of the council, are required to approve or make decisions in relation to the following, for example,

<u>Decision</u>	<u>Rationale</u>
Changes to the Articles	Removes all controls
Appoint and remove Directors	To ensure that the company is appropriately managed and that there is satisfactory governance
Material change in the nature or scope of the business	To ensure companies only undertake activities for which approval has been given and to protect the council's reputation

/continued

THE SHAREHOLDER BOARD

Reserved Matters (continued)

<u>Decision</u>	<u>Rationale</u>
Purchase of shares or interest in another company. Acquisitions of any business or any shares.	Significant business decision which may involve further financial risk
Borrowing or the raising of finance (except from SCC). The creation of any security interest (except SCC)	To avoid taking on debt that undermines security for SCC debt (excluding de-minimis bank overdrafts) and to avoid incurring further financial risk
Issuing, withdrawal or buy back of shares	To maintain SCC ownership as originally intended
Enter any Joint Venture, consortium or partnership	To ensure companies only undertake activities for which approval has been given by Cabinet or the Shareholder Board, to protect SCC reputation and to ensure the council takes decisions that may involve substantial financial risk.
Selling, transferring, leasing, assigning property or assets (excluding de-minimis and replacement of operational equipment)	To avoid dilution of assets or security in relation to SCC debt
Disposal of any business or any shares	To maintain SCC ownership as originally intended
Entering into an administration order or steps to voluntarily wind up the company	To protect SCC's reputation

The decisions set aside for Shareholder approval listed above are an extract of the type of matters contained in the Articles of Association of each of the council's LATCs. The Shareholder Board reviews these articles on a periodic basis to ensure that they remain appropriate.

THE SHAREHOLDER BOARD

Company Details

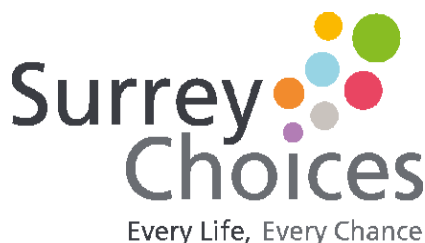
The following pages contain information about each company, including a description of activities and purpose, Cabinet approval & date of incorporation and progress made to date. Information of a financial and commercially sensitive nature has been excluded.

Directors

Each company must have at least one person named as a Director – the council itself cannot act in this capacity. The Shareholder Board is responsible for appointing (and removing) Directors to act on behalf of the council. Directors have specific responsibilities in Company Law and therefore the Shareholder Board will need to ensure that persons with the appropriate skills are selected. The name of the person(s) appointed to each company is noted in the section below. In the case of Joint Ventures the person appointed by the council to act in respect of its shareholding is noted. Directors appointed by the council receive no additional remuneration and undertake this role as part of their duties as an officer or member.

Company	Page
Surrey Choices Ltd	10
S.E.Business Services Ltd	13
Halsey Garton Property Ltd	15
Bandstand Square Developments Limited	16
Babcock 4S Limited	18
TRICS Consortium Limited	20
FutureGov. Ltd	22

SURREY CHOICES LTD



Cabinet Approval	December 2013
Ownership	100%
Date of Incorporation	March 2014
	Commenced Trade in August 2014
Council Investment	£100 Share Capital
Directors	Simon Laker (Managing Director) Kevin Kilburn

Company Profile

Surrey Choices Ltd commenced trade in August 2014, following Cabinet approval of the business case in December 2013. The company provides people with learning and physical disabilities with a range of services in a variety of settings. The service offer includes day services and support for people who wish to seek employment or become engaged in work, volunteering or training opportunities. The Shared Lives service matches carers who provide support in a family home environment with people with disabilities. The company has recently developed a respite service creating additional capacity in the Surrey based market. The commissioning contract to supply services to the council triggered the transfer of employees from the council to the company under TUPE regulations in August 2014.

Business Case

The council created the company in order to ensure the sustainability of the services provided and to create a commercial environment in which to deliver efficiencies and continued innovation. Benefits to the council are to be derived by two means;

- Income generated from trading activity by supplying services to those people with personal budgets and those that privately purchase, and,

SURREY CHOICES LTD

- A reduction in the cost of services, that were previously delivered in-house and now commissioned by the council from Surrey Choices, from economies of scale delivered as a result of trading activity and from reducing fixed costs.

The business case demonstrated that the company would make a modest profit within the first five years of operation.

Council Investment

The council provided share capital of £100 and loans to enable the company to purchase operational assets from the council and to provide for working capital requirements– all lending has been provided on an “arms-length” basis at market rates of interest.

Progress Report

The Company has secured approval from the Care Quality Commission for the regulated services provided and for the newly developed respite provision. Changes have been made to the management team who have undertaken a thorough review of responsibilities, standards and policies, with these being re-shaped from the customer perspective. Management layers have been reduced such that there is now three tiers of management across the business and use of agency staff has reduced with increases to the permanent staffing.

Results from the first partial year of trading to 31st March 2015 are in line with expectations. The Company have reported a loss as a result of initial set-up costs, which includes the purchase of operational assets from the council and professional & project management support provided to enable the company to be in a position to start to trade.

The business will further develop new services and products, including

- Re-designing the day and community activities to provide an enhanced experience for existing customers and to attract new potential customers – including providing activities during the evening and more choice for young people.

SURREY CHOICES LTD

- Increasing the scale of the Shared Lives provision
- Refresh the EmployAbility service to broaden its potential market and increase employment

Surrey Choices is expected to achieve a net profit in the financial year, 2015/16, the company's first full year of trading. Key to this will be the evaluation of fixed costs, in particular making changes to under-utilised premises which will be achieved by working with the council to develop a strategic asset plan.

S.E.BUSINESS SERVICES LTD



Cabinet Approval	March 2013
Ownership	100%
Date of Incorporation	June 2013
	Commenced Trade in December 2013
Council Investment	£100 Share Capital
Directors	John Stebbings
	Paul Brocklehurst
	Liz Mills

Company Profile

S.E.Business Services commenced trade in December 2013, following Cabinet approval as part of the New Models of Delivery strategy in March 2013. The company provides business to business professional, technical, training and contingency services, enabling the council to trade in those functions in which it has particular expertise and capacity.

Business Case

Originally developed in order to enable the council to trade and to provide IT services, including data hosting, helpdesk and application support to a private sector organisation, the company has further developed and expanded to provide further IT contracts and services. Shareholder Board approval followed by Cabinet approval in March 2014, has enabled the company to enter the aviation fire contingency market created as a result of regulatory and licensing changes for UK airports. The company were selected to provide these services under contract in April 2014.

S.E.BUSINESS SERVICES LTD

Council Investment

The council provided share capital of £100 and an initial working capital loan to enable the company to commence trade– all lending has been provided on an “arms-length” basis and has been fully repaid.

Progress Report

The company has delivered profits in excess of those expected in the Business Case and compared to its first approved Annual Business Plan. These profits have been delivered as a result of entering the fire aviation contingency market and by securing a strategic contract with Heathrow Airport. This has enabled the company to declare a dividend in relation to the first full year of trading to 31st March 2015 (incorporating retained earnings from the prior year).

The contract with Heathrow is the first of its kind in the industry and has led to a number of potential leads to provide similar contingency capability to other UK airports. The management team are currently evaluating a number of similar opportunities and developing a related training offer.

The company employs staff as required to deliver confirmed contracts, and engages appropriate contractors, advisors and service providers to undertake the activities of the company. The Company receives services from the council, including contract delivery and operational services, commercial bid management support together with professional legal and finance services and accountancy support services. The council makes an appropriate charge to the company for any services provided, ensuring that the full cost of the activity is recovered.

HALSEY GARTON PROPERTY LTD

Cabinet Approval	May 2014
Ownership	100%
Date of Incorporation	June 2014
Council Investment	£1,000 Share Capital
Directors	John Stebbings Susan Smyth

Company Profile & Business Case

Halsey Garton Property Ltd was incorporated in June 2014 in order to fully implement the recommendations of the Investment Strategy approved by Cabinet in July 2013. The Property Company will enable the council to invest in a diversified and balanced portfolio of assets delivering income, asset growth and enhancing the council's financial resilience over the longer term.

Council Investment

The council has provided share capital of £1,000 which will be paid up upon the commencement of trade. All investment or development proposals will be underpinned by a robust business case for approval by Cabinet which will set out the financing arrangements. The council will provide the additional equity and debt financing required on an arm's length basis in accordance with the prevailing market conditions.

Progress Report

Cabinet approved the company's first investment acquisition in March 2015. The property was withdrawn from sale by the vendors during the due-diligence process and therefore did not proceed. The council is continuing to evaluate other potential investment opportunities.

BANDSTAND SQUARE DEVELOPMENTS LTD

Cabinet Approval	September 2012
Ownership	24%
Date of Purchase of Shares	February 2013
Council Investment	£7,200 Share Capital
Surrey County Council Directors	Denise Le Gal Trevor Pugh

Company Profile

Bandstand Square Developments Ltd (BSDL) is a company created for the purpose of delivering a regeneration of Woking town centre and is owned in partnership with Woking Borough Council (WBC) and a private developer, Moyallen Ltd. The company will be wound up upon completion of the development.

Business Case

The council's participation in the regeneration project aligns with the strategic priorities of the council to support economic growth and will ensure the long-term viability of the retail offer in the town. The development, known as Victoria Square, will provide further retail premises, a hotel and residential accommodation. The development will create additional employment in both the development phase and the longer term. The development will require the relocation of the existing fire station and changes to the highway. BSDL are responsible for securing the planning permission, funding and delivering the replacement Fire Station to the council's specification.

BANDSTAND SQUARE DEVELOPMENTS LTD

Council Investment

The council has provided share capital of £7,100. Development loans for the first phase of the project are being provided to the Joint Venture by both SCC and WBC, on equal terms, and at a margin above the cost of equivalent borrowing. WBC will repay all loan funding upon completion of the development when it takes ownership of the freehold from the company.

Progress Report

Phase 1 of the project is focussed upon putting together the redevelopment site, securing planning consent and developing the new Fire Station. Specifically;

<u>Activity</u>	<u>Status</u>
Site Acquisition (former post office and Globe House)	Completed
Secure planning consent for the relocation of the Fire Station	Planning consent has been secured and a construction contract awarded. The new Fire Station is expected to be delivered in the summer of 2016.
Secure planning consent for the main scheme and agree terms with a residential development partner, a hotel operator and a large retailer for the main components of the scheme.	Planning consent for the Victoria Square scheme was approved in November 2014. Negotiations with various parties continue.

Cabinet, in October 2014, agreed to make a payment to BSDL to recognise that the new Fire Station delivers substantial betterment compared to the facilities at the existing fire station and to recognise that the backlog maintenance associated with the existing building can be removed. The new Fire Station will provide additional garaging for specialist vehicles and enhanced training facilities including a smoke house and an area for Road Traffic Accident training.

BABCOCK 4S LIMITED

Cabinet Approval	July 2003
Ownership	19.99%
Date of Incorporation	September 2003
Council Investment	£199.99
Surrey County Council Director	Susie Kemp

Company Profile

The Company provides specific and statutory educational support services under a Service Delivery Agreement (SDA) with the council and has developed to provide a range of services to schools. Their services include those related to education, including curriculum advice, governor support and more generic services such as personnel services, technology support and facilities management. The company also provides services to other local authorities.

Business Case

The Joint Venture company was formed in 2004 when the council selected a commercial partner to deliver its school support and improvement services. Originally named VT Four S Limited, the company was renamed as Babcock 4S Limited when Babcock Internal PLC acquired VT Education and Skills Limited in 2010.

The Joint Venture was proposed in a time of uncertainty regarding the role of Local Education Authorities. The Government had announced its intentions for the greater independence of schools and predicted that the market for education services would be provided by a small number of larger providers. The council formed the Joint Venture in response to these proposed changes, selecting a partner to enable the services to be traded, utilising the partner's commercial skills to enter the market and providing greater sustainability if the levels of service purchased by the council were to decline.

BABCOCK 4S LIMITED

Council Investment

The council received a substantial consideration from VT Education and Skills upon commencement of the Joint Venture and award of the contract to supply services. Investment required to establish the company in the market was provided by VT Education and Skills, as at the time Local Authorities were operating under a different capital finance regime which restricted borrowing and investment.

Progress Report

The Joint Venture has proved to be successful, delivering a financial return to the council as a shareholder, significant dividends and improving school performance as part of its SDA with the council. However it is expected that the company will be significantly impacted by changes in the schools market in the future. The change to academy status means that a proportion of funding is transferred from the local authority to individual schools and the academy is then responsible for commissioning its own support services. Some academies have chosen to continue to purchase their support services from B4S but others have not. In addition the company has lost a number of significant local authority contracts since 2012 or seen the contract value of those remaining significantly reduce.

The changes in the market will therefore impact upon the nature and viability of the business in the future. The Shareholder Board have commissioned a strategic review, which is due to report in the autumn.

TRICS CONSORTIUM LTD



Cabinet Approval	July 2014
Ownership	16.67%
Date of Incorporation	October 2014
	Commenced Trade in January 2015
Council Investment	£27,500 Share Capital
Surrey County Council Director	Dominic Forbes

Company Profile

TRICS Consortium Ltd commenced trade in January 2015, following Cabinet approval in July 2014. The Company provides a service to the transport planning and property development customer community by providing access to a comprehensive database of travel patterns known as trip rates. Trip rate data is used by planning consultants in support of planning applications in order to demonstrate the impact of major developments on local traffic. The database is recognised in national planning policy and is widely used by the planning profession and its use has been given due weight by Inspectors at Planning Inquiries.

The company is a joint venture with five other local authorities, Dorset County Council, East Sussex County Council, Hampshire County Council, Kent County Council, and West Sussex County Council. These councils held the rights to the database under a long-standing partnership arrangement and therefore became the shareholders of the company. The company now owns all Intellectual Property Rights in relation to the database and the brand.

Business Case

The creation of the company ensures that the commercial activities of the consortium councils is being undertaken in an appropriate manner and will enable the growth potential of the database into other territories to be fully exploited. The Business Plan, created using prudent assumptions based upon current volumes, demonstrates that the company is a commercially viable proposition. The Shareholders can therefore have a reasonable expectation that the company will be able to declare a dividend within a short timeframe.

TRICS CONSORTIUM LTD

Council Investment

The council, together with the other five local authority shareholders, invested equity funds to provide for working capital and set-up expenses. The funds provided were from balances held by the consortium, created from surpluses from previous activity. The total equity provided is in line with the estimated pre-tax profit from the first full year of trading and the shareholders will therefore receive a return on investment within a short timeframe.

Progress Report

The Company commenced trading on 1st January 2015 when it took over the operation of the database from the incumbent supplier. Each of the shareholding councils, with the exception of Kent where the decision is pending an officer recruitment, have appointed a Director to the board of the company to oversee the strategy and growth plans. A Managing Director has been recruited and appointed to deliver the day-to-day operation of the company and to manage the three employees that TUPE transferred from the previous supplier.

The business is on track to exceed the financial projections in the Business Plan and deliver a pre-tax profit for its first year of operation.

FUTUREGOV

Cabinet Approval	December 2013
Ownership	13.1%
Date of Purchase of Shares	January 2014
Council Investment	£125,000
Surrey County Council Director	Julie Fisher

Company Profile

FutureGov Ltd provides innovative digital solutions to Local Authorities and specialises in the children's service and adult social care market. Their products and consultancy services have been purchased by a number of authorities including those in Australia. The company are focusing on developing a range of products particularly focussed on the Adult Social Care market which recognise the impact of the Care Act on the market. The product range will support the drive towards personalisation and linking data across Local Authorities and health providers.

Business Case

The investment in FutureGov strengthens a partnership that has already delivered innovative products within social care. The council's investment was made alongside investment from Nesta, a charity whose investment function has a track record in identifying commercial opportunities that deliver social value. It is expected that the investment made by both parties will enable the company to grow and significantly increase the commercial focus of the company. The investment will generate a modest net return to the council over a five year period.

FUTUREGOV LTD

Council Investment

The council provided equity and debt financing to FutureGov in 2014 as part of the company's funding round to find investors to support the growth of the company. The council's investment was made alongside that of a larger investment made by Nesta Investment Management, a wholly owned subsidiary of a charity focused upon companies and social ventures that deliver solutions to solve issues such as the health and wellbeing of the UK's ageing population. The debt financing provided by both parties is at market applicable interest rates, with the interest receivable offsetting the funding costs incurred on the initial equity investment.

Progress Report

The company has delivered significant revenue growth of some 60% since the date of investment however fell short of delivering fully against its ambitious business plan. Changes in the market have necessitated a re-evaluation of the strategy, and the company received support from Nesta's senior investment analyst to develop a detailed product plan and forecast. The overall suite of products has been developed and good sales prospects should enable the company to break-even by late 2015.

GLOSSARY (and associated principles)

Articles of Association

A company's Articles of Association set the rules (the constitution) for the company. The Articles are filed as part of the incorporation process and are publically available documents. The objects of the company describe what the company will do. The objects of a company are now deemed to be unlimited, unless the Articles limit them.

The Articles may restrict the decision-making powers of the Directors – these are described as Reserved Matters. The Articles may be changed at any time by a special resolution of the members (the shareholders) of the company.

Companies created by the council follow the model articles with the exception of the introduction of reserve powers in matters of strategic importance and one or two other minor exceptions.

Assets

A LATC may purchase assets from the council. In disposing of assets, the council must ensure that it receives appropriate market value and the company in turn will be required to purchase at market value. This is to ensure that there is no financial subsidy or advantage that may be deemed as state aid.

The council will retain property assets unless there is a financial advantage to transfer (for example, where the purpose of the trading company relates to property activities). Market rents will be charged for occupancy of property assets – rents are a pre-tax expense making this arrangement tax efficient and this also ensures that the council's balance sheet remains strong and is not diluted.

Surrey Choices Ltd purchased operational assets, such as vehicles and musical equipment, at appropriate market values from the council and this formed part of the initial set-up costs for the company.

Debt Financing

Debt financing provides the funds required to run a business. With limited or inadequate funds at a Company's disposal, the company may borrow the money required to grow and develop the business.

Interest on debt is a business expense, and therefore deducted before tax.

Companies created by the council, such as S.E.Business Services and Surrey Choices, have been set-up with limited equity funds. Funding for growth and working capital requirements has been provided by the council under an agreed loan facility.

GLOSSARY (and associated principles)

Directors Duties

The Shareholder Board are responsible for appointing (and removing) Directors to act on its behalf in relation to companies in which the council holds shares. Directors duties are described in the Companies Act 2006 and include a responsibility to promote the success of the company, exercise independent judgement and exercise reasonable care, skill and diligence.

Directors appointed by the Shareholder Board do not receive additional remuneration for their role and are covered by indemnities provided by the council in respect of financial loss (an extension of the indemnities provided by the council to staff and members as agreed by Cabinet in March 2013). This does not and cannot extend to negligence, default, breach of duty or breach of trust.

The council's legal team brief Directors so that they understand their duties.

Group Companies

Companies form a Group if one is a subsidiary of the other or both are subsidiaries of the same body corporate or each of them is controlled by the same person. Companies within a Group can take advantage of Group Tax relief. In tax legislation, the council is a body corporate that can perform the link between LATCs and therefore the losses of one company can be offset against profits of another.

This group status in tax law also provides the council with the ability to be exempt from stamp duty which would ordinarily apply to property transactions (including the entering into lease arrangements between group companies).

The council is required to produce Group Accounting statements which mean that the financial results of its LATC's will be included together with the financial results of the council. The council will continue to also produce detailed Annual Statements of Accounts on a single entity basis as now.

Joint Venture

A Joint Venture company is one that is owned by more than one shareholder, where the shareholders concerned are corporate bodies in their own right. The term Joint Venture is not one that is legally defined and is often used in respect of other arrangements that do not necessarily involve a limited company.

LATC (Local Authority Trading Company)

The terminology "LATC" is often used to describe a company that is owned by a Local Authority (i.e. Local Authority Trading Company). It is not a legally recognised different form of company however most companies described as LATC's are companies limited by shares, with the shares and therefore the company being wholly owned by the local authority.

GLOSSARY (and associated principles)

Companies created by SCC are most likely to be limited by shares, as this structure ensures that profits can be returned to the shareholder (the council) in the form of dividend payments, and provides the possibility for future sale. It is the most suitable structure for trading activity and enables the Council to create a tax group.

It is possible that other company structures may be applicable in certain circumstances; however these structures tend to involve the removal of council control or would mean an inability to return profits.

Reserved Matters

Reserved matters are important decisions for which the Directors are required to seek and gain Shareholder Approval. These decisions are written in the Company's articles of association which set the constitution or the rules for the running of the company.

The Shareholder Board has delegated authority to perform these functions on behalf of the council. The reserved matters of SCC's companies have been written to ensure that the Shareholder Board is responsible for consideration of issues of strategic importance, take decisions that may involve changes to financial risks or may have an impact on the council's reputation.

Share Capital (Equity)

Equity or shares in a company represent the ownership interests. The Equity invested is the amount of funds contributed by the owners to the financial requirements of the company. In a limited liability company, the owners / shareholders lose no more than the amount invested. Equity invested at start-up is evaluated on the basis of assets owned and/or earnings potential.

Financial returns to the shareholders are made in the form of dividend payments. Dividends are not a business expense and are paid from post-tax profits.

Shareholders

The Shareholders (the owners of a company) and directors have different roles in a company. The Shareholders own the company and the directors manage it.

The Directors must obtain shareholder approval for decisions where the shareholder has restricted the powers of the Directors – these are called reserved matters. The Shareholder Board has delegated authority to perform these functions on behalf of the council.

Shareholders Agreement

These are agreements between shareholders which are private documents. These agreements set out how the shareholders interact with each other and can define what happens in the event of dispute.

GLOSSARY (and associated principles)

A shareholder agreement is only relevant when there is more than one shareholder and are recommended practice for Joint Ventures.

SCC has entered into shareholder agreements in respect of the Woking Bandstand Development (BSDL), TRICS Consortium Ltd and in relation to the investment in FutureGov Ltd (in this instance called an Investment Agreement).

Support Services

The 2003 Local Government Act provides the ability for the council to enter into agreements for the supply of goods and services, by and to a LATC. The supply of goods, services and financial assistance must be made without subsidy. The legislation guides the council to apply CIPFA definitions of total cost in calculating the cost of supplies made to a Trading company. This provides the ability to recover all costs in the organisation, including a proportion of all central overheads, depreciation, capital costs and pension back-funding. This wide definition allows significant overhead recovery in the provision of services to an LATC. The supply of goods and services calculated on this basis will be compliant with state aid legislation.

The arrangements for LATCs should seek to ensure that the overall cost base of the Group is not unnecessarily duplicated or increased as a result of any new arrangements. Therefore SCC will provide services to an LATC where it is in a position to do so, where these services are fit for purpose for the business and support its strategy and can be supplied at a cost that is competitive. This is particularly important from a Group perspective where costs are relatively fixed, for example in the provision of payroll services where a substantial portion of the cost relates to the system.

TUPE

The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) protect employees when a business changes to a new owner and apply to “relevant transfers” which may occur in many situations, including service provision or contract changes. In these situations, the employment transfers, employment terms and conditions transfer and continuity of employment is maintained.

The new employer is therefore required to provide the same terms and conditions to the staff concerned. Alternate provision can be made, e.g. a cash alternative to a lease car, but this alternate provision must be acceptable to the employee.

SCC are required to follow the provisions of the TUPE act. This will apply where a service is being transferred to a trading company, as occurred with the award of the commissioning contract for services to Surrey Choices.

A LATC will additionally be required to follow TUPE provisions when taking over a service contract from another supplier – for example, as in the case for S.E.Business Services in the provision of IT managed services previously supplied to the customer by another provider.

GLOSSARY (and associated principles)

Teckal

Procurement complications arise where the Local Authority creates a company to supply services that the LA wishes to continue to purchase – be those that were previously in-house or previously provided externally. The Council is not permitted to automatically purchase from a LATC company outside of normal EU procurement rules. The LATC is required to tender alongside other private sector suppliers.

Procurement issues in relation to the purchase of goods and services from a LATC were evaluated in the Teckal case. According to the 1999 Teckal judgement, public procurement rules do not apply to contracts if the control exercised by the contracting authority over the entity awarded the contract is similar to that which it exercises over its own departments and, if at the same time that entity carries out the essential part of its activities with the controlling authority. This judgement has now been codified into a new EU Directive and in UK Law by the Public Contract Regulations 2015.

SCC will need to ensure that arrangements comply when considering transferring activities to a trading company, assuming that the council wishes to continue to purchase the services. The arrangements for Surrey Choices comply with these considerations.

A LATC falling within the Teckal exemptions will itself be required to comply with the EU public procurement rules, and therefore Surrey Choices is subject these procurement regulations.

Transfer Pricing / State Aid

Transfer Pricing refers to the price at which divisions of a company or a group of companies transact with each other – the terminology relates to all aspects of inter-company financial arrangements. These arrangements have potential implications for the tax authorities. The UK has adopted principles of “arms length” in tax laws.

State Aid issues would apply where a LATC is established, or provided with goods and services and financial assistance at a subsidy.

SCC will need to ensure that it steers an appropriate path or middle ground between issues of transfer pricing (in relation to tax) and those in relation to State Aid. The cost of goods and services and financial assistance (e.g. loans) supplied by the Council to an LATC will therefore be tested against the market to ensure that prices / rates can be justified on an arm’s length basis.

SHAREHOLDER BOARD TERMS OF REFERENCE



SHAREHOLDER BOARD

TERMS OF REFERENCE

Overview

The Shareholder Board will exercise the Council's role as shareholder in any company, limited by shares wholly or partly owned by the Council for the purposes of service provision and/or trading activities. The Board acts with the delegated authority of Cabinet to ensure the performance of any such company is satisfactory.

Any reference in these terms of reference to "Company" is defined as a company in which the Council holds shares.

The Shareholder Board may also decide, from time to time, whether to accept proposals to submit a bid to provide goods and /or services which, if successful would commit the council to the establishment of a company (which may include a joint venture company). In these instances, the decision of the Shareholder Board would be ratified in accordance with the council's decision-making process.

Membership

- | | |
|--|---------------|
| • Leader of the Council (Chairman) | David Hodge |
| • Deputy Leader of the Council | Peter Martin |
| • Cabinet Member for Business Services | Denise Le Gal |
| • Chief Executive | David McNulty |

The Director of Finance, Director of Legal & Democratic Services and the Strategic Director for Business Services will be advisors to the Board to provide open and strong technical advice. Susan Smyth, Strategic Finance Manager, will act as secretary to the Board. Additional advisors may be invited to attend the Board as required.

Purpose

The Shareholder Board will:

1. Have the power to appoint and remove Company Directors
2. Approve and monitor Company Business Plans
3. Approve the allotment of further shares in a Company (whether to third party shareholders or the Council)
4. Exercise any reserved powers in the Articles of a Company
5. Endorse any amendments to Company Business Plans
6. Periodically evaluate financial performance of a Company
7. Agree significant capital or revenue investments proposed by a Company
8. Determine the distribution of any surplus or the issue of any dividends from a Company
9. Consider any recommendation from Company Directors to cease trading
10. Report to the Council annually on trading activity

11. Review the risks associated with trading activities.

The Shareholder Board will not have operational control over Companies. All decisions regarding the day to day operation of each Company, its business developments and commercial opportunities, staff terms and conditions and the development and implementation of its internal procedures, rest with the Directors of each Company.

Relationship to scrutiny

Select Committees will retain their scrutiny function in relation to the Shareholder Board. The Council Overview Board will be able to call the Shareholder Board to account for progress in relation to any Company for which the Council is a shareholder and any returns it is making.

Scope

In respect of Teckal-compliant companies

The Shareholder Board will:

1. Monitor Teckal compliance at least annually.
2. Ensure the Business Plan of a Teckal compliant Company is aligned to the corporate objectives of the Council.

In respect of non Teckal-compliant wholly Council-owned companies

The Shareholder Board will also:

1. Seek to achieve appropriate returns on investment from trading activities.
2. Ensure trading activities are conducted in accordance with the values of the Council.

In respect of any shareholding and/or joint ventures

The Shareholder Board will:

1. Evaluate the return and benefits of the shareholding against the values of the Council.
2. Where appropriate, exercise influence over the company and /or joint ventures in accordance with the values of the Council.

In respect of the submission of a bid which will commit the council to the establishment of a company (or Joint Venture)

The Shareholder Board will:

1. Evaluate the return and benefits of the proposal, including an evaluation of the proposed profit share in a Joint Venture.
2. Seek to achieve appropriate returns on investment from trading activities.
3. Ensure trading activities are conducted in accordance with the values of the Council.

Operation of the Shareholder Board

1. The Cabinet has delegated to the Shareholder Board the authority to take decisions in respect of 100% of the Council's shareholding in any Company.
2. The Shareholder Board will meet quarterly, or as required.
3. The quorum for a meeting of the Shareholder Board is a minimum of 3 members, one of whom must be the Leader or Deputy Leader, who will chair the meeting.

4. The Shareholder Board may take decisions outside of a Company's general meeting as follows;
 - a. At meetings of its members by consensus of those present, unless any member of the Board requires a vote, in which event a majority decision will be taken with each member of the Shareholder Board present having a single vote. The Chairman of the meeting has a casting vote in the event that there is no clear majority; or
 - b. In cases of urgency, by a decision made by the Leader or Deputy Leader in consultation with the Chief Executive.
5. Any decisions made by the Shareholder Board in accordance with 4a or b above, must be notified to the Company's directors as soon as reasonably practicable following such decision being taken.
6. The Shareholder Board may take decisions at a Company's general meeting in accordance with the principles set out in 4a above.
7. The Chairman approves the agenda for each meeting. The agenda and papers for consideration are circulated at least two working days before the meeting. After each meeting, the Chairman approves the meeting notes and actions and signs any resolutions agreed by the Board.
8. The Shareholder Board will review the Terms of Reference annually.

V6

Last updated: 16.07.2015

This page is intentionally left blank

County Council Meeting – 13 October 2015

REPORT OF THE PEOPLE, PERFORMANCE & DEVELOPMENT COMMITTEE

- * Mr David Hodge (Chairman)
- * Mr Peter Martin (Vice Chairman)
- * Ms Denise Le Gal
- * Mr Nick Harrison
- * Mr Ken Gulati
- * Mrs Hazel Watson

* = Present

A = Apologies

ARRANGEMENT OF THE APPOINTMENT OF SENIOR MANAGERS TO THE ORBIS JOINT PARTNERSHIP BETWEEN SURREY COUNTY COUNCIL AND EAST SUSSEX COUNTY COUNCIL

1. A recent review and report to the People, Performance and Development Committee of arrangements for the appointment of senior management positions (pay grades S15 and above) within the Orbis Joint Partnership made recommendations to make concessions to allow a Member from East Sussex County Council to have involvement in the Appointment Sub-committee.
2. The Orbis Joint Partnership builds on the already successful collaboration between Surrey and East Sussex delivering shared services, 'South East Shared Services', (including Accounts Payable, Accounts Receivable, Payroll, Expenses and Pensions Administration). Furthermore, Surrey and East Sussex procurement departments have been operating as a joint procurement service since 2012.
3. While there are no statutory restrictions which would prevent a Member of East Sussex County Council from sitting on and participating in Surrey County Council's Appointments Sub-Committee, Section 13 of The Local Government and Housing Act 1989 does prohibit Members from another authority voting on such decisions.
4. The People, Performance and Development Committee agreed that the Leader of the Council will write to the Secretary of State for Communities and Local Government regarding Section 13 of the Local Government and Housing Act 1989 and ask that this be reviewed in light of closer collaboration between local authorities as a result of regional devolution in England and Wales.
5. The Council is asked to note that East Sussex County Council will institute a similar arrangement and that a Member from Surrey County Council will be invited to attend Appointments Sub-Committee at East Sussex County Council where they are the organisation paying for the post.

6. That the People, Performance and Development Committee **COMMENDS** to the Council that the Constitution be amended to institute a formalised arrangement for the appointment of senior managers to the Orbis Joint Partnership, where Surrey County Council is the authority paying for the post, to allow a Member of East Sussex County Council to sit on and participate in the Appointments Sub-Committee as a co-opted Member without the ability to exercise voting rights.

David Hodge
Chairman of People, Performance and Development Committee
September 2015



OFFICER REPORT TO COUNCIL

AMENDMENT TO SURREY PAY POLICY STATEMENT 2015/2016

KEY ISSUE / DECISION:

The approval of an amendment to the 2015/16 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 17 March 2015 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.
2. Pay exceptions are approved by the People, Performance and Development Committee (PPDC). PPDC approve all senior pay exceptions, grade S13 and above. Approval for decisions on pay exceptions for grades S12 and below is delegated by PPDC to the Director of People and Development and the relevant Head of Service.

RECENT DEVELOPMENTS

3. The 2015/2016 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 the process for agreeing pay exceptions has been improved by introducing a standardised business case and ensuring that all services fall in line with PPDC's delegation.
4. The approach adopted is not sufficiently flexible to allow the Council to respond quickly to market forces and staff retention/recruitment in a competitive market. Our speed of response will be increased with local delegation of decisions at grade S12 and below.
5. In addition where it is necessary to expedite decisions on exceptional starting salaries for grades S13 and above in order to secure new staff, then the business case will be forwarded to the Director of People & Development for challenge, review and decision and will be reported to the next PPD committee for information.

6. The Chairman of PPDC has requested that Council considers an amendment to the Pay Policy Statement to reflect this recognised need for more flexibility and enable approval of individual salary arrangements within grade limits, where there are compelling management reasons for doing so.
7. It is recognised that the discretion would only be exercised on an exceptional basis in order to expedite decisions. With regard to senior pay grades member oversight would continue. Council is therefore asked to consider the proposed amendment to the Pay Policy Statement that is set out below.

RECOMMENDATION:

That Council agree the following amendment to the Surrey Pay Policy Statement 2015-2016 (additional text in italics):

Governance

The People, Performance and Development Committee (PPDC) acts as the County Council's Remuneration Committee under delegated powers, in accordance with the constitution of the County Council. All Surrey Pay and terms and conditions are determined by the PPDC, including the remuneration of Chief Officers and specific appointments to posts with salaries of £150,000 or more.

Approval for decisions on pay exceptions for grades S12 and below is delegated by PPDC to the Director of People and Development and the relevant Head of Service. PPDC approve all senior pay exceptions, grade S13 and above. However, where it is necessary to expedite decisions on exceptional starting salaries for grades S13 and above in order to secure new staff, then a business case will be forwarded to the Director of People & Development for challenge, review and decision, in consultation with the Leader on behalf of PPD committee, and will be reported to the next PPD committee for information.

Lead / Contact Officer:

Carmel Millar, Director of People and Development.
Tel: 020 8541 9824

Sources / Background papers:

Surrey County Council Pay Policy Statement 2015/2016 (Annex 1)

SURREY COUNTY COUNCIL

PAY POLICY STATEMENT 2015 - 2016

This Pay Policy Statement, which was approved by a meeting of the full County Council on 13 October 2015, is published to comply with the requirements of Section 40 of the Localism Act, 2011.

[Governance](#) [[Link to Councillors and Committees](#)]

The People, Performance and Development Committee (PPDC) acts as the County Council's Remuneration Committee under delegated powers, in accordance with the constitution of the County Council. All Surrey Pay and terms and conditions are determined by the PPDC, including the remuneration of Chief Officers and specific appointments to posts with salaries of £150,000 or more.

Approval for decisions on pay exceptions for grades S12 and below is delegated by PPDC to the Director of People and Development and the relevant Head of Service. PPDC approve all senior pay exceptions, grade S13 and above. However, where it is necessary to expedite decisions on exceptional starting salaries for grades S13 and above in order to secure new staff, then a business case will be forwarded to the Director of People & Development for challenge, review and decision, in consultation with the Leader, and will be reported to the next PPD committee for information.

[Salary Transparency](#) [[Links to Salary Transparency](#)]

The County Council is committed to being at the forefront of openness and transparency to demonstrate to its residents and local taxpayers that it delivers value for money. As part of the national and local government transparency agenda, it already publishes information on its external website detailing Surrey Pay ranges, all expenditure items over £500 and contracts with a value of £50,000 or more.

To continue that progress and in line with the Code of Recommended Practice for Local Authorities on Data Transparency 2011, the Council has published details of salaries paid to senior staff on-line, with effect from 30 March 2012. This information is updated on a regular basis and covers all positions with annual salaries of £50,000 and above.

[Chief Officers' Remuneration](#) [[Link to Statement of Accounts](#)]

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 rates for all grades.

The Chief Executive is on a contract which is no different than 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

paid a specific additional allowance for duties carried out in support of the Lord Lieutenant of the County.

For details of the remuneration paid to the officers of the Council Leadership Team, in a particular financial year, please refer to the council's annual Statement of Accounts. In the case of the report for 2012/2013 this can be found under Note 34, between pages 67 and 69.

Surrey Pay Salary Ratios

The minimum Surrey Pay rate paid on grade S1/2 is currently set at £8.01 per hour as at 1 April 2015, this compares with the statutory National Minimum Wage of £6.50 per hour and the "UK Living Wage", of £7.85 per hour, which is advocated by the Living Wage Foundation.

Based on existing salaries as at April 2015, it is estimated that the council will have the following ratios, between the lowest and highest paid staff on Surrey Pay, for the 2015 / 2016 financial year.

Surrey Pay Salary Ratios 2015 – 2016		
Salary	Amount per annum £'s	Ratio to the highest salary
Highest Basic Salary	211,900	n/a
Median Basic Salary	24,040	8.81:1
Lowest Basic Salary	15,039	14.09:1

Notes:

- (i) The ratios have been calculated in accordance with guidance published in The Code of recommendations contained in the Hutton Review of Fair Pay in the Public Sector 2011.
- (ii) The median is defined as the mid-point of the total number of staff employed.

[Surrey Pay](#) [[Link to Reward Policy](#)]

The council's 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 service, except for teachers and fire fighters part of national terms and conditions. Pay including terms and conditions are 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.

- (i) [Equal Pay](#) [[Link to Equal Pay Statement](#)]

The council is committed to ensuring that its employment policies and practices comply with the requirements of the Equal Pay Act 1970. This includes the application of a robust job evaluation process to ensure that all staff will receive equal pay for work of equal value.

(ii) Grading Structure

The allocation of Surrey Pay grades to jobs is determined by (HAY) job evaluation, or in accordance with a career guide scheme related to (HAY) job evaluation. The Surrey Pay grading structure covers all jobs from Cleaners and Catering Assistants on the lowest grade to Chief Officers, including the Chief Executive, on the highest grades. Please see appended table that shows the salary ranges agreed by PPDC for the 2014 / 2015 financial year.

The differentials between these grades and jobs have been established objectively by application of a HAY based job evaluation scheme. For example the job of a cleaner is evaluated at the bottom because the level of skill, knowledge, problem solving and accountability are low compared with jobs at the top level. Conversely, Chief Officers are at the top of the pay scales because the level of skills, knowledge, problem solving, responsibility and accountability are considerably greater than those at the bottom of the pay scales.

Newly appointed, or promoted, staff are normally appointed to the minimum salary on a grade unless a robust business case has been approved to start them at a higher salary within the grade range.

(iii) Market Supplements

Managers may make a business case for a market supplement to be paid above the maximum for the particular grade if it proves exceptionally difficult to recruit at the rate advertised. Such supplements must be approved and reviewed on a regular basis by either the PPDC, in the case of Chief Officers, or by the Head of HR&OD under delegated powers.

(iv) Pay Progression Arrangements

Before April 2010 the majority of staff were on “incremental” Surrey Pay grades, S1/2 – S7, or their equivalent. Personal pay progression within grade is normally dependent upon “added value” in terms of duties, responsibilities and job performance following an annual appraisal.

Middle Pay Grades and Senior Pay Zones (S8 – CEX) contracts currently provide for an annual review of contribution. These reviews normally determine any subsequent personal progression through these pay zones subject to personal headroom being available.

Note: The “normal” arrangements for determining pay progression were suspended with effect from 1 April 2010. The suspension is part of the council’s current pay restraint package that will be reviewed by the end of the 2015 / 2016 financial year.

(v) Recognition Awards

There are **no** provisions under standard Surrey Pay contracts for council employees to be awarded performance related bonuses. However the Recognition Award Scheme provides a mechanism through which managers can recognise exceptional achievement by an individual or team, subject to approval by the appropriate Head of Service in conjunction with the Head of HR&OD for all grades up to S12. For officers on Senior Pay grades and above PPDC approval is required.

[Early Retirement and Severance Terms](#) [Link to Early Retirement & Severance Policy]

The council’s terms for granting redundancy or severance, including access to benefits under the Local Government and Teachers’ Pension Schemes, are the same for all staff on Surrey Pay

contracts including Chief Officers and also for Teachers working in maintained schools across Surrey. The approval process to be followed when payments are to be funded by the Council is explained in the Policy, see link above.

In cases of redundancy, an employee will not be entitled to a redundancy payment or a severance payment if, before leaving the council, they accept an offer of employment with another local authority or associated employer contained in the Redundancy Payments (Modification) Order 1999 and commence the new employment within four weeks of their last day of service as the employment would be deemed to be continuous.

Further Details

Specific details may be accessed via the links indicated above, or by clicking on the buttons that are included on the landing page.

Surrey Pay Main Grades & Pay Ranges: 2015 / 2016

£'s

Job Evaluation Scores		Grades	Salary Ranges	
			Minimum	Maximum
0	119	S 1/2	15,039	15,699
120	142	S 3	15,156	17,145
143	165	S 4	16,407	19,194
166	194	S 5	18,228	21,261
195	231	S 6	20,424	23,435
232	313	S 7	23,340	27,539
314	437	S 8	26,798	31,856
438	477	S 9	33,569	38,312
478	518	S 10	38,015	42,992
519	611	S 11	42,503	47,615
612	660	S 12	47,273	55,298

Senior Managers & Directors' Grades and Pay Ranges : 2015 / 2016

£'s

Job Evaluation Scores		Grades	Salary Ranges	
			Minimum	Maximum
661	734	13	55,485	66,644
735	880	14 A	61,592	77,297
881	1055	14 B & 15 B	76,383	90,469
1056	1260	15 C	87,991	104,267

1261	1312	15 D	101,721	120,578
1358	1450	16 E	116,734	141,151
1451	1688	16 F	127,718	152,243
1689	2000	16 G	149,686	178,861
2001	2328	CEX	209,984	232,683

This page is intentionally left blank



OFFICER REPORT TO COUNCIL

CONSTITUTION UPDATE REPORT

KEY ISSUE/DECISION:

It is the Council's responsibility to approve changes to the Scheme of Delegation regarding non-executive functions, while amendments to executive functions are delegated to the Leader and are brought to County Council to note.

This report seeks Council's approval for changes to the Scheme of Delegation relating to a change in name for the Surrey Pension Fund Board (to be known as the Surrey Pension Fund Committee).

In line with Article 6.04 it also formally reports the appointment of a new Cabinet Associate.

BACKGROUND:

SCHEME OF DELEGATION – RESPONSIBILITY FOR COUNCIL FUNCTIONS – COMMITTEES

1. Changes to any non-executive functions require approval by Council. Proposed changes to the Surrey Pension Fund Board are detailed below.
2. Following the establishment of the Surrey Local Pension Board it was decided that the Surrey Pension Fund Board should be re-named the Surrey Pension Fund Committee in order to differentiate appropriately.
3. This change was verbally agreed at the Council meeting held in July 2015 and this report now seeks to formally agree this change.
4. The terms of reference and membership arrangements of the Surrey Pension Fund Committee remain unchanged.

FUNCTIONS FOR REPORT TO COUNCIL

Appointment of a new Cabinet Associate by the Leader of the Council

5. Article 6.04 states that the Leader can appoint Cabinet Associates to work with Cabinet Members relating to the specific responsibilities of a portfolio.

6. In line with this the Leader of the Council has appointed Mrs Mary Lewis as a Cabinet Associate effective from 22 September 2015.
7. Cabinet Associates are not permitted to be a member of a scrutiny board relating to the specific responsibilities of the portfolio that they will be supporting and as a result Mrs Lewis has resigned from her vice-chairman role on the Education and Skills Board.
8. County Council are asked to note this appointment.

<u>RECOMMENDATION:</u>

It is recommended:

- a) that the County Council approves the changes to its Constitution regarding the name change of the Surrey Pension Fund Committee (formally known as the Surrey Pension Fund Board).
- b) that the appointment of a new Cabinet Associate by the Leader of the Council be noted.

Lead/Contact Officer:

Katie Booth
Acting Democratic Service Lead Manager
Tel: 020 8541 7197

Sources/background papers:

The Council's Constitution

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 12 October 2015.

This page is intentionally left blank

**MINUTES OF THE MEETING OF THE CABINET
HELD ON 29 JULY 2015 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 Mike Goodman
* Mrs Helyn Clack	* Mrs Linda Kemeny
Mrs Clare Curran	* Ms Denise Le Gal
*Mr Mel Few	*Mr Richard Walsh

Cabinet Associates:

*Mrs Mary Angell	*Mrs Kay Hammond
*Mr Tim Evans	Mr Tony Samuels

* = Present

**PART ONE
IN PUBLIC**

143/15 APOLOGIES FOR ABSENCE [Item 1]

Apologies were received from Mrs Curran, Mr Martin and Mr Samuels.

144/15 MINUTES OF PREVIOUS MEETING: 23 JUNE 2015 [Item 2]

The minutes of the meeting held on 23 June 2015 were confirmed and signed by the Chairman.

145/15 DECLARATIONS OF INTEREST [Item 3]

Ms Le Gal declared a non-pecuniary interest in item 19.

146/15 PROCEDURAL MATTERS [Item 4]

a MEMBERS' QUESTIONS [Item 4a]

There were none.

147/15 PUBLIC QUESTIONS [Item 4b]

Two questions were received from members of the public. The responses are attached as **Appendix 1**.

148/15 PETITIONS [Item 4c]

No petitions were received.

149/15 REPRESENTATIONS RECEIVED ON REPORTS TO BE CONSIDERED IN PRIVATE [Item 4d]

No representations were received.

150/15 REPORTS FROM SCRUTINY BOARDS, TASK GROUPS, LOCAL COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL [Item 5]

Reports were received from the Council Overview Board concerning Welfare Reform and the Chief Executive's 6 month report. The responses are attached as **Appendix 2** and **Appendix 3**.

151/15 FINANCE AND BUDGET MONITORING REPORT FOR JUNE 2015 [Item 6]

The Leader of the Council presented the second budget monitoring report for the 2015/16 financial year. He reflected that the report set out the continuing hard choices the Council faced as service demand grows and funding declines.

He informed Members that the report had a new format of the report that was shorter with comments that focussed on matters that are significant at county council level. He drew attention to the first table that set out the current budget, including changes for carry forwards and other adjustments and stated that the impact of the changes on the overall net budget this year would be met from using £3.6m from the Budget Equalisation Reserve.

He highlighted the Council's four key drivers to ensure sound governance in managing finances and providing value for money which include:

1. Keep any additional call on the council taxpayer to a minimum

Currently the forecast end of year revenue position was for an overspend of +£1.7m. The Council's multi-year approach to financial management aims to smooth resource fluctuations over five years. As part of this, Cabinet approved the use of £3.6m from the Budget Equalisation Reserve to support 2015/16.

2. Continuously drive the efficiency agenda

That, at the end of May, services forecast delivering efficiencies at their target level of £67.4m. Of this, £26m had either already been implemented or was on track, £19m has some issues, £17m is additional in year or one off savings and £6m is considered to be at risk.

3. Reduce the Council's reliance on council tax and government grant income.

That reducing reliance on government grants and council tax was key to balancing budgets over the longer term. The Revolving Infrastructure and Investment Fund has invested £2m so far this year and forecasted investing £25m by the year end.

4. Continue to maximise our investment in Surrey

That, the council's capital programme not only improved and maintained services, it was also a way of investing in Surrey and generating income for the council. The capital programme had planned £696m spend for 2015-20, and forecasts £196m in 2015/16.

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:

That the report be noted, including the following:

1. Services forecast the 2015/16 revenue budget to overspend by +£1.7m, as set out in Annex1, paragraph 1 of the submitted report.
2. Services forecast efficiencies and service reductions for 2015/16 at £67.4m, as set out in Annex1, paragraph 24 of the submitted report.
3. The total forecast capital expenditure, including long term investments is £196.2m, as set out in Annex1, paragraph 31 of the submitted report.
4. The quarter end positions for: balance sheet, earmarked reserves, debt and treasury management, as set out in Annex1, paragraphs 10 to 26 of the submitted report.

That the following be approved:

5. A new proposal to charge third parties for the use of the council's intellectual property which runs the on-line Careers Education Information and Guidance, a web based advice and guidance service for young people, as detailed in Annex1, paragraph 14 of the submitted report.

Reasons for Decisions:

This report is presented to comply with the agreed policy of providing a monthly budget monitoring report to Cabinet for approval and action as necessary.

152/15 REFRESH OF 2015 - 20 MEDIUM TERM FINANCIAL PLAN [Item 7]

The Leader introduced the report and explained that when the Council approved the Medium Term Financial Plan 2015-20 (MTFP 2015-20) in February 2015, it was in the context of several uncertainties such as: the General Election, services' progress making savings, growth in demographic pressures, an early Budget by the new Government and the Spending Review scheduled for 2015.

He stated that it was prudent and right for Cabinet to reassess the council's medium term financial plan at this point in time, when some of the uncertainties had been lifted. He said that while the Chancellor's July 2015 Budget announced no reductions to the local government settlement for 2015/16, the funding for Public Health would be reduced by £200m nationally this year. He stated that the Spending Review was likely to increase pressure on public service funding, including local government in the years from 2016/17.

He drew Cabinet Members attention to the following points set out within the report:

- the increased demand and complexity of pressures the Council faced over the next five years and the revised and updated budget assumptions for the years 2016 to 2020.
- That officers needed to develop further service transformational strategies needed for the council to meet its financial challenges, for Cabinet's approval in November as a draft MTFP.
- That approval was sought for important recommendations, including two match funding items with local partners:
 - £1.9m revenue investment in a £3.8m pooled budget with the Surrey CCGs for targeted Child and Adolescent Mental Health Services, which would reduce and avoid cost pressures on both health and social care in future years; and
 - up to £1m additional capital investment each year to match funding by district and borough councils to improve secondary local shopping areas, which are important for improving residents' experience and supporting small businesses which are the lifeblood of Surrey's economy.
- That appendix 4 set out a revised Financial Strategy for approval that had been developed in the context and format of the Corporate Strategy.

The Cabinet Member for Highways, Transport and Flooding expressed delight at the plans to work with District and Boroughs to undertake regeneration work and improve the street scene.

The Cabinet Member for Schools, Skills and Educational Achievement said that she was very pleased to endorse the investment in Child and Adolescent Mental Health Services and that it showed that the Council was taking its corporate parenting role seriously.

The Cabinet Member for Business Services and Resident Experience referred to the updated Financial Strategy and how simple and easy to understand that was.

RESOLVED:

1. That £1.9m per year funding for the Child and Adolescent Mental Health Service pooled budget, as set out in paragraph 29 of the submitted report, be approved.
2. That the increased demand and complexity of pressures faced by the Council in the next five years be noted.
3. That the revised and updated revenue budget assumptions for the years 2016 to 2020 be noted.
4. That the revised capital programme for 2015-20 be approved, including:
 - a. removal of three schemes totalling £7.0m, as detailed in paragraphs 42 to 44 of the submitted report.
 - b. addition of up to a total of £1m per year to match funding for district and borough councils for improving secondary local shopping areas, as detailed in paragraph 45 of the submitted report.

5. That officers be required to develop business cases for capital investment in SEND and Looked After Children provision, as set out in paragraphs 47 to 48 of the submitted report.
6. That officers be required to develop further, for approval by Cabinet in November 2015, service transformational strategies necessary for the Council to meet its financial challenges, as set out in paragraph 54 of the submitted report.
7. That officers be required to prepare a draft Medium Term Financial Plan 2016 to 2021 for the Cabinet Meeting in November 2015 as set out in paragraph 55 of the submitted report.
8. That the revised financial strategy to meet the challenges of the next five years as set out in paragraphs 56 to 59, and Appendix 4 of the submitted report be approved.

Reasons for Decisions:

To ensure the Council has a plan to develop a balanced and sustainable budget.

153/15 LEADERSHIP RISK REGISTER [Item 8]

The Cabinet Member for Business Services and Resident Experience explained that the Surrey County Council Leadership risk register was presented to Cabinet each quarter and this report summarised the risk governance arrangements and presented the Leadership risk register as at 30 June 2015. She also thanked the Cabinet Member for Environment and Planning for his input into the updated Risk Governance Framework.

The Cabinet Member for Environment and Planning informed Cabinet Members that he had attended a Strategic Risk Forum meeting and was reassured with the debate and challenge between officers and that he felt the risk management arrangements were robust.

The Leader of the Council thanked staff in the risk management team for their important work.

RESOLVED:

That the content of the Surrey County Council Leadership Risk Register, Annex 1 to the submitted report, be noted and the control actions put in place by the Statutory Responsibilities Network be endorsed.

Reasons for Decisions:

To enable the Cabinet to keep Surrey County Council's strategic risks under review and to ensure that appropriate action is being taken to mitigate risks to a tolerable level in the most effective way.

154/15 ST JOSEPH'S CATHOLIC PRIMARY SCHOOL, REDHILL [Item 9]

The Cabinet Member for Schools, Skills and Educational Achievement introduced the report and business case by stating that this proposal was to

deal with increasing demand for school places and that there was a shortfall this year and next. She said that this was a proposal to expand St Joseph's Catholic Primary School to create much needed places in Redhill where there had been an increase in birth rates and increased migration and housing.

She informed Cabinet Members that the school had a good Ofsted rating and that it had conducted its own consultation as it was voluntary aided. She stated that the financial information was set out in Part 2 of the agenda under item 16.

RESOLVED:

That, subject to the agreement of the detailed financial information for the expansion set out in agenda item 15 in Part 2 of this agenda, the business case for the provision of an additional 1 Form of Entry (210 places) primary places at St Joseph's Catholic Primary School in Redhill be approved.

Reasons for Decisions:

The proposal supports the Authority's statutory obligation to provide sufficient school places, relative to demand.

155/15 AWARD OF FRAMEWORK AGREEMENT FOR THE SUPPLY AND DISTRIBUTION OF FROZEN AND GROCERY PRODUCE AND VIENNOISERIE AND PIZZA PRODUCTS [Item 10]

The Cabinet Member for Business Services and Resident Experience drew Cabinet Members attention to the report that was seeking approval to award a framework agreement in three lots for the supply and distribution of Frozen and Grocery Produce and Viennoiserie and Pizza Products for use within Schools and Civic catering facilities. She explained that the framework was due to start on 1 October 2015 and highlighted that the financial information was available in the Part 2 report under item 17.

RESOLVED:

1. That a framework agreement with a start date of 1 October 2015 be awarded for three years to each supplier in the following lots:
 - Lot 1 - Frozen and Grocery Produce – BFS Group Ltd trading as Bidfest 3663
 - Lot 2 - Viennoiserie Products – Delice de France Ltd and BFS Group Ltd trading as Bidfest 3663
 - Lot 3 - Pizza Supplies – South Coast Restaurants Ltd trading as Express Foodservice and BFS Group Ltd trading as Bidfest 3663.
2. In year three of the framework agreement, a decision be made to either extend the agreement in accordance with the single 12 month extension available or to terminate it.
3. Immediate call-off contracts for each lot under the framework agreement be placed with each of the suppliers named in (1) above, up to the annual sum set out in the part 2 report (item 17).

Reasons for Decisions:

A full tender process, in compliance with the requirements of Public Contracts Regulations 2006 and the Council's Procurement Standing Orders has been completed, and the recommendations provide best value for money for the Council.

These suppliers will provide a good mix between local enterprises for nominated lines and national providers, all of which have demonstrated the ability to deliver the required produce and products through a competitive procurement and thorough evaluation process.

The framework agreement as awarded sets out the general terms and conditions under which specific purchases known as call-off contracts can be made on behalf of the Council during the term of the framework agreement.

156/15 APPROVAL TO AWARD A CONTRACT FOR THE PROVISION OF A STOP SMOKING SERVICE [Item 11]

The Cabinet Member for Wellbeing and Health informed Cabinet Members that smoking remained the biggest cause of mortality and morbidity in Surrey and had cost Local Authorities, local businesses and the NHS over £100 million in 2012.

She went on to say that preventative measures were key and that current data had shown that the success rate of people quitting had reduced. She said that the provision of high quality local Stop Smoking Services was a key priority for reducing health inequalities and improving the health of local populations.

She asked the Cabinet to approve a contract to North 51 for the provision of a Stop Smoking Service to commence on 1 February 2016 which would target priority groups including deprived communities, pregnant women and young people.

The Cabinet Member for Adult Social Care, Wellbeing and Independence queried whether the new contract would cover electronic cigarettes and was informed that this would not form part of the contract due to electronic smoking not currently being regulated.

The Cabinet Associate for Community Safety Services reflected how comprehensive the Equality Impact Assessment was.

The Cabinet Member for Schools, Skills and Educational Achievement informed Members that she welcomed this report and would want to see it linked to a comprehensive campaign in schools with a focus to stop children smoking.

The Leader concluded the discussion by requesting that the contract was reviewed a year in by the Health and Wellbeing Board to measure its success.

RESOLVED:

That the contract be awarded for the provision of the Stop Smoking Service as described in the Part 2 report (item 18) for a period of three years with an option to extend on one or more occasions for up to two years commencing from the 1 February 2016. In any event the contract shall be for no more than five years in total and any such extension be notified to the Service Provider at least 3 months prior to the contract end date.

Reasons for Decisions:

The recommended contract award will deliver an evidence based Stop Smoking Service that meets national guidance and will be responsive to the needs of key priority groups including deprived communities, pregnant women and young people. Priority groups have been identified in the Tobacco needs assessment as being particularly at risk of smoking related morbidity and mortality, or in the case of pregnant women, their smoking can cause harm to others.

An independent review commissioned by the Council found that the existing provision, which is delivered in-house, does not fully meet the current evidence base, national guidance or the needs of priority groups. Following consultation, and an appraisal of the options with key stakeholders, a decision was taken to commission an external specialist stop smoking service.

A full tender process, in compliance with the requirements of EU Procurement Legislation and the Council's Procurement Standing Orders has been completed, and the recommendation provides best value for money for the Council following a thorough evaluation process.

The service will be delivered in Surrey from local office bases and will provide apprenticeship opportunities to Surrey Young People whilst delivering efficiencies for Public Health Services.

157/15 ANNUAL REPORT OF THE SHAREHOLDER BOARD [Item 12]

The Leader of the Council introduced the annual report of the Shareholder Board and explained it was the first report to be presented to Cabinet. He stated that the Council had established a Shareholder Board, which would report to Council annually and that this report will be presented at the County Council meeting in October.

RESOLVED:

1. That the first Annual Report of the Shareholder Board, Annex A to the submitted report, be endorsed and that the report be presented to Council at its meeting in October.
2. That the Council's strategic approach to innovation and evaluating new models of delivery, ensuring that this innovation is supported by best practice governance arrangements, be continued to be supported.

Reasons for Decisions:

To inform the Council about the activities of the Shareholder Board. Continued innovation will enable the Council to continue to respond to the challenges it faces and will contribute to enhancing its financial resilience in the longer term. The Shareholder Board has been established in accordance with best practice governance to ensure effective oversight and alignment with the strategic objectives and values of the Council.

158/15 JOINT STRATEGIC REVIEW OF SHORT BREAKS FOR CHILDREN AND YOUNG PEOPLE WITH DISABILITIES [Item 13]

The Leader of the Council introduced the item by stating that he was aware that there was a lot of interest in this item and that he wanted to clarify what the Cabinet would be taking a decision on at the meeting.

He stated that the Joint Strategic review of Short Breaks was a partnership between Surrey County Council and Guildford and Waverley Clinical Commissioning Group (CCG), on behalf of all six Surrey Clinical Commissioning Groups. He went on to say that Cabinet had considered the review, first in February and then again in September last year and that a consultation had taken place in early 2014 which had been reported to Cabinet at the September meeting.

The Leader confirmed that the report was asking Cabinet to consider re-opening the consultation, because officers had not been able to secure the purchasing arrangements contemplated in 2014. He stated that Cabinet was not being asked to take a decision about the future of overnight short breaks in the east of the county, or indeed the future of the Beeches at that meeting.

He explained that once the consultation was completed that the results would be reported to Cabinet by officers and that the consultation findings would be part of a wider report, covering all the things that would need to be taken into account to make a final decision.

The Cabinet Member for Schools, Skills and Educational Achievement confirmed that she had received a number of comments about the report and she wanted to provide some additional background for those who have not been closely involved with the matter.

She stated that the previous consultation recommended spot purchasing overnight short breaks at Beeches, but despite the Council's best efforts this had not been possible to agree at a reasonable price. She said that following this, although consultation had already taken place, parents should be given an opportunity to comment further following the failure of the negotiations.

She said that she recognised that provision of overnight short breaks for children with disabilities was a lifeline for families so Cabinet needs to be assured there was sufficient provision to meet assessed needs in East Surrey. She explained that the Council proposed to consult from 3 August until 2 October and engage with families throughout the consultation period as well as arrange meetings at local schools during the second week in September.

She concluded by stating that officers would also meet with the families of current users of Beeches and prospective users at the beginning of School term in September so that in October the Cabinet had sufficient information to understand the impact on families of the proposed changes to the service before they reached a final decision. She then drew Cabinet Members attention to the amended recommendations that had been tabled at the meeting.

The Cabinet Member for Adult Social Care, Wellbeing and Independence said that he thought that undertaking further consultation was a very good idea and this was endorsed by the Cabinet Member for Wellbeing and Health.

RESOLVED:

Following the negotiations with Surrey and Borders Partnership NHS Foundation Trust (SABP), the earlier consultation be reopened / concluded with the options that Surrey County Council:

- negotiates an acceptable block contract with SABP for overnight short breaks or;
- funds alternative services, which may result in Beeches being closed.

Reasons for Decisions:

Overnight short breaks are a positive experience for children and young people with disabilities to spend time away from their parents, relax and have fun with their peers. They are also a lifeline for many families giving parents a break from the day and night care for their child. They give siblings an opportunity to spend some quality family time with their parents. SCC is committed to ensuring that this type of support continues to be available.

Surrey and Borders Partnership NHS Foundation Trust continue to own and run Beeches and have confirmed again that they will not lease the building to the Council or a Private or a Voluntary organisation. Their block contract with Guildford & Waverley CCG (G&WCCG) ends on 4 November 2015.

Completing the consultation is recommended now that there is clarity that if there is not a council block contract with SABP the Beeches may close.

159/15 LEADER / DEPUTY LEADER / CABINET MEMBER DECISIONS TAKEN SINCE THE LAST CABINET MEETING [Item 14]

RESOLVED:

That the decisions taken by Cabinet Members since the last meeting, as set out in Annex 1, of the submitted report, be noted.

Reasons for Decisions:

To inform the Cabinet of decisions taken by cabinet Members under delegated authority.

160/15 EXCLUSION OF THE PUBLIC [Item 15]

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.

161/15 ST JOSEPH'S CATHOLIC PRIMARY SCHOOL, REDHILL [Item 16]

This Part 2 report contains information the financial and value for money information relating to item 9.

RESOLVED:

1. That the business case for the project to expand St Joseph's Catholic Primary School by 210 places, at a total estimated cost, as set out in the submitted report, be approved.
2. That the arrangements by which a variation of up to 10% of the total value may be agreed by the Strategic Director for Business Services, in consultation with the Cabinet Member for Schools, Skills and Educational Achievement, the Cabinet Member for Business Services and Resident Experience and the Leader of the Council.

Reasons for Decisions:

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

162/15 AWARD OF FRAMEWORK AGREEMENT FOR THE SUPPLY AND DISTRIBUTION OF FROZEN AND GROCERY PRODUCE AND VIENNOISERIE AND PIZZA PRODUCTS [Item 17]

This part 2 report contained the financial and value for money information relating to item 10.

RESOLVED:

1. That a framework agreement with a start date of 1 October 2015 be awarded for three years to each supplier in the following lots:
 - Lot 1 - Frozen and Grocery Produce – BFS Group Ltd trading as Bidfest 3663
 - Lot 2 - Viennoiserie Products – Delice de France Ltd and BFS Group Ltd trading as Bidfest 3663

- Lot 3 - Pizza Supplies – South Coast Restaurants Ltd trading as Express Foodservice and BFS Group Ltd trading as Bidfest 3663.
2. In year three of the framework agreement a decision be made to either extend the agreement in accordance with the single 12 month extension available or to terminate it.
 3. Immediate call-off contracts for each lot under the framework agreement be placed with each of the suppliers named in (1) above for the Council to the total value for the three lots for four years, which includes the option to extend for a further period of one year in accordance with the framework agreement.

Reasons for Decisions:

The existing agreement will expire on 30 September 2015. A full tendering process, in compliance with the requirements of Public Contracts Regulations 2006 and the Council's Procurement Standing Orders has been completed, and the recommendations provide best value for money for the Council following a thorough evaluation process.

163/15 APPROVAL TO AWARD A CONTRACT FOR THE PROVISION OF A STOP SMOKING SERVICE [Item 18]

This part 2 report contained the financial and value for money information relating to item 11.

RESOLVED:

That a contract be awarded to North 51, at a value, as set out in the submitted report, for the provision of a Stop Smoking Service to commence on 1 February 2016 targeting priority groups including deprived communities, pregnant women and young people. The price is fixed for the duration of the contract term of three years.

Reasons for Decisions:

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.

164/15 PROPERTY TRANSACTIONS - TOWN CENTRE REGENERATION UPDATE [Item 19]

A non-pecuniary interest was declared by Ms Le Gal for this item.

The Investment Strategy agreed by Cabinet in July 2013 was developed in response to the requirement for the Council to maintain its financial resilience in the longer term. In facilitation of the strategy, Cabinet approved the business case for this regeneration project in May 2015 and following amendments to the original proposal the Leader of the Council highlighted the key points of the updated proposal and commended the recommendations to Cabinet.

RESOLVED:

1. That the County Council participates in the regeneration scheme by the contractual mechanisms and financial considerations outlined in the updated report.
2. That the Strategic Director of Business Services is authorised to agree the appropriate contractual and financial arrangements, following the completion of all necessary due diligence, in consultation with the Leader, Director of Finance, Director of Legal & Democratic Services and the Chief Property Officer.

Reasons for Decisions

Participation in the scheme is in accordance with the council's Investment Strategy; to invest in schemes that have the potential to support economic growth in the county. The council's participation in this regeneration scheme will ensure that the proposed development proceeds and delivers a significant enhancement to the economic outcomes of the area.

165/15 PROPERTY TRANSACTIONS - ACQUISITION OF PREMISES IN ALFOLD, CRANLEIGH [Item 20]

The Cabinet Member for Business Services and Resident Experience asked the Cabinet to authorise the acquisition of the freehold interest of premises in Alfold, Cranleigh, for potential future service delivery improvements.

RESOLVED:

1. That the acquisition of the freehold interest of Lindon Farm, Rosemary Lane, Alfold, Cranleigh, for potential future service needs, be approved.
2. That the freehold interest of the property be purchased for a maximum acquisition cost not exceeding the sum set out in the submitted report, including ancillary costs of purchase (stamp duty legal and surveyors costs).

Reasons for Decisions:

A time-limited opportunity has arisen for Surrey County Council (SCC) to purchase the freehold interest in Lindon Farm in Alfold, near Cranleigh. The purchase provides a site for a comprehensive refurbishment and development opportunity, providing an expected ten bed autism supported living service with in-house live in provision for care workers.

The creation of this service would address an urgent need for a provision within Surrey for individuals with complex autism who need accommodation with significant outdoor space. The acquisition of the site therefore aligns with the Council's strategy to support individuals with disabilities by maximising their independence and enabling them to be part of the local community.

The building is being disposed of by a private individual in three separate lots, comprising the main farm house with gardens and two piggeries. The vendor has secured a planning consent for residential use for all three plots. The Purchaser report prepared, and attached as Annex 2 to the submitted report,

concludes that there are no reasons why the site would not be suitable for a supported living service.

166/15 PUBLICITY FOR PART 2 ITEMS [Item 21]

It was agreed that the non-exempt information relating to items 19 and 20 that were considered in Part 2 of the meeting would be made available to the press and public, at the appropriate time.

[Meeting closed at 3:30pm]

Chairman

Public Questions

Question (1) from David Beaman:

Stagecoach have announced their intention to withdraw the section of bus route between Farnham and Alton from 30 August 2015 which will end the long established inter urban service that has operated for many years between Guildford, Farnham, Alton and Winchester.

To date this service has been operated commercially with the only financial support from local authorities being reimbursement for provision of free concessionary travel. The withdrawal of this section of route will affect the following 3 main groups of existing passengers viz:

- It will end the ability of passengers to make through trips from Guildford and Farnham to Alton and Winchester. A significant number of such long distance trips are made by the elderly for shopping and social purposes which helps them to remain active members of the community;
- Although the morning and afternoon college buses will continue to be operated to and from Alton College, there are a significant number of part time students living in Farnham who use the college buses in one direction only and use service 65 buses to make either their outward or return journey. These students will now face being stranded in Alton for several hours;
- In Farnham the withdrawal of service 65 will, associated with the proposed withdrawal of the 565 service between Coxbridge Business Park and Farnham which is being implemented from the same date, result in no public transport service being provided along West Street which will effect local residents living along this road and particularly the Chantrys Estate which already has a number of social problems.

In addition, Waverley Borough Council are currently considering a planning application as part of the proposed redevelopment of East Street to relocate the day facilities that are currently provided for the elderly at the Gostrey Centre in the centre of Farnham to the Memorial Hall which is located nearly 1 km from the town centre and in the Access and Design Statement the provision of the bus service is stated to be one of the reasons that allows this planning application to comply with NPF guidelines for edge of centre locations for community use of buildings to be required to be accessible and well connected to the town centre.

It is also likely that there will be substantial new residential development at Coxbridge and this would fail to meet NPF guidelines that all new residential developments should be sustainable if there is no public transport service.

The recent Surrey Rail Study identified the corridor between Alton, Farnham and Guildford as being one of strategic importance and proposed the introduction of a direct rail service.

The existing bus service already provides this direct link with journey times that are comparable with any proposed rail service since between Farnham and Alton the bus service uses the direct route via A31 whilst any rail service would operate via Aldershot. Since this corridor is already identified as having such strategic importance the continued operation of the existing level of bus service be regarding as a strategic bus route that should not only be continued but improved rather than withdrawn.

Whilst appreciating that there are restrictions on local government expenditure with savings currently being sought in the level of subsidy paid for bus services will Surrey County Council working in partnership with Hampshire County Council provide the financial support necessary to ensure the continued operation of the existing bus service along a corridor that has already been identified as being of strategic importance?

Reply:

Surrey County Council is disappointed that Stagecoach intends to withdraw the section of route between Farnham and Alton on their bus service 65, for commercial reasons. The company considers that the number of people travelling on the Farnham to Alton section is insufficient to sustain the service from a revenue perspective. They consider that the train service between those towns caters for much of the overall travel demand.

For a service run without a contractual obligation to a local authority, national legislation gives the company the prerogative to make such a decision. The reduction in public transport travel choice now and in the future is recognised, as well as the potential impact on those residents located along West Street in Farnham.

However, both Hampshire and Surrey County Councils are currently assessing whether a replacement service of some kind could be obtained that would be sustainable in the future against current budgetary pressures. Discussions with operators are ongoing and cost option information is at this time still awaited, to allow any decision to be reached

Mr Mike Goodman
Cabinet Member for Environment and Planning
29 July 2015

Question (2) from Fran Morgan:

The question is as follows:

- We do not understand why the only proposed question in the public consultation is whether the council should agree a block contract with Surrey and Borders Partnership Trust to run the service. Parents do not care whether the service is paid for on a block contract or spot purchase basis only that they are able to continue to access the service at the Beeches. Can you specify how the potential answers to this question would influence the council's decision – how many people would need to agree that they wanted a block contract before the council would commission it?

- How does the council reconcile discontinuing local respite provision with their stated aim of helping children with disabilities to remain living at home and within their local community?
- What risk assessment has the council carried out to compare the current annual cost of keeping Beeches open (£565K pa on the current block contract) with the potential costs of having to take one or more disabled children into care (over £300k each pa)? To give an indication of the likely costs: with the current level of provision, 8 children from one of the local schools were taken into care during the last year. Parents of 2 of the current Beeches users have indicated that they will not be able to continue caring for their child at home, if they lose their current respite provision.
- What regard has Surrey given to NHS Surrey's impact assessment 2012 that stated: "The original reasons for closure did not take into account the full health impact on families, their overall wellbeing and the preventative role played by Beeches." Why was this advice disregarded in Surrey's own joint strategic review passed by cabinet in 2014?
- There are 800 severely disabled children who currently meet the criteria for respite at Beeches and 161 at the 2 local SLD schools. Is it credible to cabinet that promises made by Caroline Budden and Ian Banner, that social workers would actively promote the Beeches as an option for all eligible families, should result in only 15 families being assessed for the Beeches?
- Using Surrey's own data, the spend on children with disabilities in East Surrey (in the parent panel meeting in 2014) was £47,856 less than in West Surrey, yet there are more disabled children in East Surrey. There are also less respite centres in East Surrey, with one of only two now planned for closure. How does the Local Authority justify this discrepancy between East and West?

Reply:

We thank Family Voice for their questions and comments, which raise a number of important issues. As you will see from the Agenda, Cabinet is considering a report this afternoon which recommends a further period of consultation on the provision of short breaks, and the questions raised will be referred to the officers responsible so that those issues can be taken into account in the consultation.

Mrs Linda Kemeny
Cabinet Member for Schools, Skills and Educational Achievement
29 July 2015

CABINET RESPONSE TO COUNCIL OVERVIEW BOARD

**WELFARE REFORM TASK GROUP
(considered by Council Overview Board on 3 June 2015)**

COMMITTEE RECOMMENDATION:

For the Cabinet to endorse the recommendations made by the Council Overview Board regarding Welfare reform as listed below:

1. The case for continuing funding for the Local Assistance Scheme in Surrey is reconfirmed as part of the budget and service planning cycle, having due regard to usage, need, benefits and cost of delivery.
2. That the getWiSE or a similar service, be extended for a further 3 years, with a built-in review of usage and need on an annual basis.
3. That careful consideration be given to the role of Libraries as a 'gateway to County services' when developing a vision for the future of the Surrey Library Service and that the Resident Experience Board (previously Communities Select Committee) continues to monitor the progress.
4. A Member representative of the Welfare Reform Task Group be invited to be briefed on the Universal Credit pilot in Elmbridge, and agree a protocol for keeping the Task Group informed.
5. That a structured project plan for the Universal Credit roll Pilot in Elmbridge be shared with Members of the Task Group
6. A robust monitoring scheme needs to be introduced to measure uptake of staff accessing training but also measuring the numbers starting the programme and the number of staff completing the training.
7. The Task Group to explore further the length of time it can take claimants to reach tribunal when they have launched an appeal against a benefits decision and request further information about how the assessment process has improved since moving to the Maximus contract.
8. Surrey's District & Boroughs and Housing Associations ensure that all options are explored for alternative payment arrangements for vulnerable claimants.
9. The Welfare Reform Coordination Group continues to work with partners to ensure that the reforms, including the introduction of Universal Credit, are communicated widely with residents and services across the County.
10. The Surrey County Council Contact Centre is adequately trained to deal with, and signpost, callers to the correct services, particularly during the initial period of Universal Credit.

11. The Welfare Reform Task Group should continue for a further year, meeting quarterly to monitor the impact of the reforms. The Chairman of the Task Group to engage with the Resident Experience Board to carry out future work.

12. The Welfare Reform Task Group to investigate the disparity between hardship fund spending in different districts and boroughs in Surrey.

RESPONSE:

I am pleased that the Task Group is satisfied that the Council is prepared for the welfare reforms and I am happy to endorse the Task Group's recommendations.

Some of the recommendations and issues raised by the Task Group relate to national policy - in particular, the ongoing issue of delays in benefit appeals reaching tribunals. I endorse the continued work of the Task Group in monitoring this issue and should the Chairman of the Board wish to write to the Secretary of State to raise any concerns, I would be happy to endorse the letter.

A number of the Task Group's recommendations refer to Universal Credit. Officers are working very closely with Elmbridge Borough Council to support the introduction of Universal Credit and how this affects our residents and services. As part of this, the Council will be organising an information sharing session in the autumn and I have asked that Officers ensure the Task Group is kept informed.

The Task Group also makes recommendations regarding the future of the getWIS£ and Local Assistance Scheme. Officers are currently evaluating the existing arrangements before developing a business case to see how best to deliver these schemes in the future. Again, I have asked Officers to ensure that the Task Group is kept up to date with this work.

Finally, I would like to thank the Task Group for its continued hard work in scrutinising the impact of welfare reform on Surrey residents. This is a complex and ever changing issue, which makes the careful and considered scrutiny that the Task Group offers even more important.

David Hodge
Leader of the Council
29 July 2015

CABINET RESPONSE TO COUNCIL OVERVIEW BOARD

**CHIEF EXECUTIVE'S 6 MONTH REPORT
(considered by Council Overview Board on 1 July 2015)**

COMMITTEE RECOMMENDATION:

1. The Chief Executive and Staff are congratulated on their hard work contributing to the report.
2. That the Chief Executive's 6 month report continue to be presented to Full Council in future years.
3. That future reports include key milestones and targets in relation to the Council's priorities.
4. That the Four Priorities for the next 6 months, as set out in the Chief Executive's report, are endorsed by the Scrutiny Board.

RESPONSE:

I would like to join the Council Overview Board in congratulating the Chief Executive and Staff for their hard work contributing to the 6 month report. Despite the challenges we face, there are some great examples within the report of how this Council continues to make a positive difference to Surrey residents.

I am glad that Members find the report useful and support the request for it to be presented to Full Council in future years.

The report is part of a suite of documents which provide Members with information on the Council's priorities and performance. Reports such as our Corporate Strategy and Annual Report include further detail on our key milestones and targets, and the Chief Executive's 6 month report should be read alongside these other documents. Members can also keep up to date on progress against our corporate priorities on our new performance web pages (<https://performance.surreycc.gov.uk>). However, I have asked the Chief Executive to be mindful of the feedback from Members regarding milestones and targets when drafting future reports.

I am pleased that the Council Overview Board approves the four priorities as set out in the report. We will need a strong focus on these priorities if we are to meet our corporate responsibilities in 2016 and beyond. I hope that the Overview and Scrutiny function can support the organisation in achieving these goals through continuing to offer robust challenge.

On behalf of the Cabinet, I endorse these recommendations.

**David Hodge
Leader of the Council
29 July 2015**

**MINUTES OF THE MEETING OF THE CABINET
HELD ON 22 SEPTEMBER 2015 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 Mike Goodman
* Mrs Helyn Clack	* Mrs Linda Kemeny
Mrs Clare Curran	* Ms Denise Le Gal
*Mr Mel Few	*Mr Richard Walsh

Cabinet Associates:

*Mrs Mary Angell	*Mrs Kay Hammond
	*Mrs Mary Lewis
*Mr Tim Evans	*Mr Tony Samuels

* = Present

PART ONE
IN PUBLIC

167/15 APOLOGIES FOR ABSENCE [Item 1]

Apologies were received from Mrs Curran.

168/15 MINUTES OF PREVIOUS MEETING: 29 JULY 2015 [Item 2]

The minutes of the meeting held on 29 July 2015 were confirmed and signed by the Chairman.

169/15 DECLARATIONS OF INTEREST [Item 3]

There were none.

170/15 PROCEDURAL MATTERS [Item 4]

a MEMBERS' QUESTIONS [Item 4a]

A question from Mr Barker was received. The question and response was attached as Appendix 1.

171/15 PUBLIC QUESTIONS [Item 4b]

No public questions were received.

172/15 PETITIONS [Item 4c]

No petitions were received.

173/15 REPRESENTATIONS RECEIVED ON REPORTS TO BE CONSIDERED IN PRIVATE [Item 4d]

No representations were received.

174/15 REPORTS FROM SCRUTINY BOARDS, TASK GROUPS, LOCAL COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL [Item 5]

Social Care Services Board – recommendations relating to Deprivation of Liberty Safeguards (DOLS) were received. The response from the Cabinet Member for Adult Social Care, Wellbeing and Independence is attached as Appendix 2.

175/15 FINANCE AND BUDGET MONITORING REPORT FOR JULY AND AUGUST 2015 [Item 6]

The Leader of the Council presented the third budget monitoring report for the 2015/16 financial year, covering the period up to 31 August 2015 and including changes in the months of July and August.

He drew attention to Table 1 which set out the current budget, including all approved adjustments and said that the impact of these changes was that the Council would still need to draw £3.7m from the Budget Equalisation Reserve.

Referring to Table 3 – the 2015/16 Revenue Budget which set out the budgetary performance by service, he said that the majority of services had no significant variance.

He also confirmed that the Council's financial strategy remained, as he had previously stated, and had four key drivers to ensure sound governance in managing finances and providing value for money.

These were:

1. To keep any additional call on the council taxpayer to a minimum

Current forecast for the end of year revenue position was for an overspend of £3.4m. However, Cabinet had a strong commitment to financial management and the second recommendation was to require service managers to confirm actions to manage an overall balanced budget, which he was confident, with Cabinet's support for managers' actions would make this the sixth consecutive year that the Budget had a small underspend or balanced outturn across the Council.

He said that the Council's multi-year approach to financial management aimed to smooth resource fluctuations over five years and managing budgets to achieve a small underspend was important for giving the Council some headroom and flexibility for managing spending plans for future years.

2. To continuously drive the efficiency agenda

That, at the end of August, services forecast delivering efficiencies at their target level of £66.3m. Of this, £30m had either already been implemented or were on track, £13m had some issues, £19m were additional in year or one off savings and of a total of £66.3m, £4m were considered to be at risk.

3. To reduce the Council's reliance on council tax and government grant income.

That reducing reliance on government grants and council tax was key to balancing the Council's budgets over the longer term and the Revolving Infrastructure and Investment Fund had invested £2.5m so far this year and forecast investing £19m by the year end.

4. To continue to maximise our investment in Surrey

Finally, he said that the Council's £696m capital programme for 2015-20, not only improved and maintained services, it was also a way of investing in Surrey and generating income for the council, with forecast investment of £188m in 2015/16.

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:

That the report be noted, including the following:

1. That as at 31 August 2015, services forecast a £3.4m revenue budget variance as at year end, as set out in paragraph 1 of the submitted Annex.
2. That service managers be required to confirm actions that will achieve a balanced budget.
3. That services forecast efficiencies and service reductions for 2015/16 at £66.3m, as set out in paragraph 24 of the submitted Annex.
4. That the total forecast capital expenditure, including long term investments be £188.4m, as set out in paragraph 34 of the submitted Annex.
5. That a virement of £930,000 to reflect expenditure and income in relation to the DCLG Troubled Families Programme, as set out in paragraph 3 of the submitted Annex be approved.

Reasons for Decisions:

This report is presented to comply with the agreed policy of providing a monthly budget monitoring report to Cabinet for approval and action as necessary.

176/15 HIGHWAYS COLD WEATHER PLAN FOR 2015/16 [Item 7]

The Cabinet Member for Highways, Transport and Flooding began the introduction of this report by thanking the Economic Prosperity, Environment and Highways Scrutiny Board's winter performance task group for their excellent and helpful work.

He said that the Winter Service was delivered in two distinct operations:

1. **Pre-treatment of Routes and Advance Planning** – this ensured that pre-defined route networks including carriageways, cycleways and areas of footway, were pre-treated according to their importance and the weather conditions, to inhibit the formation of ice and facilitate the removal of snow.
2. **Management of Severe Snow Event** – this ensured the service was prepared to manage a severe snow event, to reduce disruption and improve safety.

He referred to the Surrey Priority Network (SPN) and the changes which would allow for more informed network discussions in the future and also that the footway priority snow clearing schedules had been updated and aligned with the new SPN maintenance hierarchy.

He said that the County Council was indebted to the 52 farmers who were under agreement to Surrey Highways Service to carry out snow clearance on certain minor roads and considered this was extremely helpful and had received strong resident support.

He also said that partnership working was key to the successful operation of the Winter Service Plan and that the County Council worked closely with Boroughs and Districts. He also referred to the Residents Communication Plan and the on-going publicity campaigns and said that the needs of all highway users, including those that were vulnerable were considered when making decisions on service provision, as detailed within paragraphs 34 – 36 of the report.

Cabinet considered that this was a good report and discussed different ways of communicating winter service information, including twitter, which was considered very effective in providing real-time information.

They also requested that the Plan was widely distributed to Borough, District and Parish Councils so that communities were aware of the arrangements made for dealing with a 'big snow event' and also the importance of identifying vulnerable people in their local communities.

The Cabinet Member for Environment and Planning considered that grit bins should be re-filled, if resources allowed, during the winter.

The Cabinet Member for Business Services and Resident Experience requested a copy of a map showing the location of the grit bins in her division, which the Cabinet Member for Highways, Transport and Flooding agreed to provide for her and other Members on request.

Finally, the Leader of the Council drew Cabinet's attention to paragraph 37 of the report – Legal Implications, and requested that they ensured that they were aware of the legal duty of a local authority.

He also requested that a press release was prepared which explained the difference between different salting methods (dry and wet salt) and the benefits of using the 'pre-wet' salt used on Surrey roads.

RESOLVED:

1. That the Highways Cold Weather Plan for the forthcoming 2015/16 season, attached as Annex 1 to the submitted report, be approved.
2. That the Economic Prosperity, Environment and Highways Board Winter Performance Task Group recommendations, as detailed within paragraph 3 of the submitted report, be noted.

Reasons for Decisions:

To agree the Highways Cold Weather Plan for the coming winter season.

177/15 INVESTMENT IN IMPROVEMENTS TO THE VISITOR FACILITIES AT NEWLANDS CORNER [Item 8]

This item had been withdrawn.

178/15 EARLY DELIVERY OF A MULTI-USE GAMES AREA AS PART OF THE LONG TERM PROPOSAL TO EXPAND REIGATE PARISH CHURCH INFANT SCHOOL [Item 9]

The Cabinet Member for Schools, Skills and Educational Achievement requested Cabinet's support for the approval of the business case for the provision of a Multi-Use Games Area (MUGA) as phase 1 of the expansion of Reigate Parish Church Infant School. The proposal was to expand this school from a 2 Form of Entry infant (180 places) to a 2 Form of Entry primary (420 places) creating 240 additional places in Reigate, to help meet the basic need requirements in the Reigate area from September 2016. She said that births in the Borough in 2013 were 21.1% higher than births in 2005.

She drew attention to the school place provision in the Reigate Planning Area and said that there was a shortage of junior provision in this area which this proposed expansion would help to address.

She also said that the expansion at this school would be in two phases: Phase 1 – the provision of a MUGA, which was necessary to provide in advance of the phase 2 because play space would be very restricted during the phase 2 construction works. Phase 2 would be a new 2-storey building providing 8 classrooms, staff and pupil toilets, new hall, staffroom, library and IT room and the subject of a separate report in the future.

Finally, she referred to the consultation process, as detailed in the report and confirmed that the Governing Body of the school had voted to proceed with the school expansion, had formally notified the Local Authority on 14 July 2015 and that she had taken an individual Cabinet Member decision to

expand this school on 10 September 2015. She commended the recommendations to Cabinet.

RESOLVED:

That, subject to the agreement of the detailed financial information for the expansion set out in Part 2 of this agenda (item 13), the business case for the provision of a multi use games area (MUGA) as phase 1 of an additional 2 Form of Entry (240 places) junior places in Reigate be approved.

Reasons for Decisions:

The proposal supports the Authority's statutory obligation to provide sufficient school places, relative to demand.

179/15 AWARD OF CONTRACT FOR THE MANAGED SERVICE FOR TEMPORARY AGENCY RESOURCES [Item 10]

Introducing this report, the Cabinet Member for Business Services and Resident Experience said that it sought approval to award a contract to Adecco UK & Ireland for a Managed Service for the provision of temporary labour resources to commence on 1 February 2016 because the current arrangements expired on 31 January 2016. This new contract would be awarded for an initial period of four years.

She said that the Council spent £12m per annum on the supply of temporary resources to help both frontline and back-office functions deliver their services effectively. She highlighted the Procurement Strategy and options, as set out in paragraphs 14 – 19 of the report and also drew attention to typos: the bullet points in paragraph 15 should have been points (a) – (d) and in paragraph 16, it should have said that the tender process described in paragraph 15(c), and not 10(c), was chosen.

She also said that there would be a 16 week mobilisation period to ensure that the system was configured, staff were trained and processes, infrastructure and support agencies were fully in place before the new contract went live. The performance would also be monitored using a Service Level Agreement and Key Performance Indicators and the contract would also utilise local and small and medium sized enterprises.

Finally, she said that the need for an Equalities Impact Assessment had been considered. However, it was not required because there were no implications for any public sector equalities duties due to the nature of services being procured but she did state that as part of delivery of this contract all workers assigned to work or have exposure to vulnerable adults and children would be subject to an enhanced DBS check.

RESOLVED:

1. That the contract be awarded to Adecco UK & Ireland.
2. That the contract be awarded for an initial period of four years, with an option to extend for up to two further years.

Reasons for Decisions:

During a review of the spend and contracts with the Corporate and Human Resources categories in both Surrey and East Sussex Councils, procurement identified an opportunity to align the expiry of the current contracts and retender as a joint contract to appoint a single provider for both Councils.

Following an assessment of a number of options it was decided that a mini competition process using the “Eastern Shires Purchasing (ESPO) Managed Services for Temporary Agency Resource Framework (ref 653F)” was deemed the most appropriate route to market.

The tender was in compliance with the requirements of Public Contracts Regulations 2006 and the Council’s Procurement Standing Order. The recommendation provides best value for money for this contract in following a thorough evaluation process.

This procurement exercise has been carried out in collaboration with East Sussex County Council to secure a single provider to deliver the service for both Councils via an individual contract for each Council.

In accordance with their constitution and procurement standing orders, East Sussex County Council have already awarded their contract to Adecco UK & Ireland.

180/15 LEADER / DEPUTY LEADER / CABINET MEMBER DECISIONS TAKEN SINCE THE LAST CABINET MEETING [Item 11]

RESOLVED:

That the decisions taken by Cabinet Members since the last meeting, as set out in Annex 1 of the submitted report, be noted.

Reasons for Decisions:

To inform the Cabinet of decisions taken by Cabinet Members under delegated authority.

181/15 EXCLUSION OF THE PUBLIC [Item 12]

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.

182/15 EARLY DELIVERY OF A MULTI-USE GAMES AREA AS PART OF THE LONG TERM PROPOSAL TO EXPAND REIGATE PARISH CHURCH INFANT SCHOOL [Item 13]

The Cabinet Member for Schools, Skills and Educational Achievement commended this report which contained the financial and value for money information relating to item 9. She said that this school was on a constrained site and that provision of a Multi-Use Games Area (MUGA) as phase 1 of this expansion project would replace an existing poor quality grass area.

RESOLVED:

1. That the business case for the early delivery of a multi use games area as phase 1 of the proposed expansion of Reigate Parish Church Infant School from a 2 Form of Entry (180 places) infant school to a 2 Form of Entry (420 places) primary school, at a total estimated cost, as set out in the submitted report, be approved.
2. That the arrangements by which a variation of up to 10% of the total value may be agreed by the Strategic Director for Business Services, in consultation with the Cabinet Member for Schools, Skills and Educational Achievement, the Cabinet Member for Business Services and Resident Experience and the Leader of the Council be approved.

Reasons for Decisions:

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

183/15 AWARD OF CONTRACT FOR THE MANAGED SERVICE FOR TEMPORARY LABOUR RESOURCES [Item 14]

The Cabinet Member for Business Services and Resident Experience said that this Part 2 report contained the financial and value for money information which related to item 10 and included the initial tender response scores and the shortlisted bidders for the final tender scores.

RESOLVED:

That the contract be awarded to Adecco UK & Ireland for a period of four years to commence on 1 February 2016 and expire on 31 January 2020. The contract will also have the option to extend for a further two years.

Reasons for Decision:

A contract is required to provide the supply of temporary resources to all service areas within the Council as part of the wider workforce planning and management. The current contract expires on 31 January 2016 and there is a continued need for this service.

This tender exercise has been conducted in collaboration with East Sussex County Council to appoint a single supplier to provide the managed service across both Surrey County Council and East Sussex County Council.

**184/15 INVESTMENT IN IMPROVEMENTS TO THE VISITOR FACILITIES AT
NEWLANDS CORNER [Item 15]**

This item had been withdrawn.

185/15 PUBLICITY FOR PART 2 ITEMS [Item 16]

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

[Meeting closed at 2.55pm]

Chairman

Member Question

Question from Bill Barker (The Horsleys):

What, where and when will Pigeon House Bridge be repaired. It is coming up for two years since this important bridge providing walkers an important route through the countryside had its foundations undercut by sheer volume of water taking away one of the drive off points at Wisley Golf Course in the process. The Do Not Trespass signs which the Golf Club has put up in frustration at the time it is taking to get action is wearing thin and they were amenable to walkers temporarily using the Golf Club Bridge. However frustration with Members of the public is wearing even thinner and they are doing damage to get to continue to cross the Wey.

Reply:

Pigeonhouse Footbridge is a 27m long laminated timber beam bridge spanning the River Wey adjacent to The Wisley Golf Club. The river forms the boundary between Guildford and Woking at this point and the bridge carries Public Footpath 5 Ockham/82 Woking. In December 2013 it suffered a failure, causing the bridge to shift sideways, drop 1.5m at one end and twist. This bridge has been significantly damaged and cannot be reused and the public footpath has had to be closed. The path is a very popular local route, forming part of a well used network around Ripley, without this bridge walkers are experiencing a 3.5km detour.

Initial discussions have taken place between the County Council, Environment Agency and adjacent landowners, including the golf club. Detailed proposals are now needed to specify how the old bridge can be removed and a new structure put in its place. The work to remove the old bridge and install a new one is likely to be logistically difficult and expensive, due to the large span of the bridge itself and difficulties of access. There is no vehicular access to the site. Until detailed proposals have been completed, it is not clear how much the work is likely to cost. The estimated costs are between of £350,000 - £400,000.

Following an assessment of priorities there is no funding currently available for work on any major bridge works on the Rights of Way Network.

**Mr Mike Goodman
Cabinet Member for Environment and Planning
22 September 2015**

CABINET RESPONSE TO SOCIAL CARE SERVICES BOARD

**DEPRIVATION OF LIBERTY SAFEGUARDS
(considered by Social Care Services Board on 9 July 2015)**

COMMITTEE RECOMMENDATION:

The Board recommends that the Cabinet raise these concerns regarding the new responsibilities placed on the council with central government, and the insufficient funding made available to meet their duties.

RESPONSE:

I welcome the Social Care Services Board's recognition and support regarding the significant increase in the demand for Deprivation of Liberty assessments experienced by Adult Social Care in Surrey. This rise in demand is being replicated across the country. As this is a national issue, and in order to maximise the impact of our efforts, we have joined with the Association of Directors of Adult Social Services (ADASS) and the County Councils Network (CCN) to raise these issues with central government.

**Mel Few
Cabinet Member for Adult Social Care, Wellbeing and Independence
22 September 2015**

This page is intentionally left blank