

**MINUTES OF THE MEETING OF THE CABINET
HELD ON 3 FEBRUARY 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 Mary Angell	*Mr Michael Gosling
*Mrs Helyn Clack	*Mrs Linda Kemeny
*Mr Mel Few	*Ms Denise Le Gal

Cabinet Associates:

Mr Steve Cosser	*Mrs Kay Hammond
*Mrs Clare Curran	*Mr Tony Samuels

* = Present

**PART ONE
IN PUBLIC**

1/15 APOLOGIES FOR ABSENCE [Item 1]

Apologies were received from Mr Cosser.

2/15 MINUTES OF PREVIOUS MEETING: 16 DECEMBER 2014 [Item 2]

The minutes of the meeting held on 16 December 2014 were confirmed and signed by the Chairman.

3/15 DECLARATIONS OF INTEREST [Item 3]

There were none.

4/15 PROCEDURAL MATTERS [Item 4]

(a) MEMBERS' QUESTIONS [Item 4a]

A question from Mrs Watson was received. The question and response is attached as **Appendix 1**.

Mrs Watson said that the National Audit Office had reported last week that the superfast broadband roll out in rural areas would cost £92 million less than BT originally said it would and the Government had responded by stating that the cash saved would be ploughed back into providing superfast broadband in more remote areas. So, given this underspend nationally, she asked the Deputy Leader to advise how Members of the County Council could make a judgment on whether the County Council has effectively used the £20 million that it had put into this project and if necessary, hold the Cabinet to account if information on how this money had been spent and which properties would

not be able to receive superfast broadband could not be provided to Members?

She also asked, the Deputy Leader to join her in welcoming the report on Rural Broadband Services published by the Environment, Food and Rural Affairs Committee at Westminster earlier today and asked if he would commit to meeting the targets set in this report in Surrey?

The Deputy Leader responded by stating that Cabinet decisions were subject to scrutiny and that he expected that all contractual commitments in the original contract to be met and that Surrey was the best connected county in the country. Also, as he had not seen the report that Mrs Watson referred to, he asked her to provide him with a copy.

5/15 PUBLIC QUESTIONS [Item 4b]

No questions were received from members of the public.

6/15 PETITIONS [Item 4c]

No petitions were received.

7/15 REPRESENTATIONS RECEIVED ON REPORTS TO BE CONSIDERED IN PRIVATE [Item 4d]

No representations were received.

8/15 REPORTS FROM SELECT COMMITTEES, TASK GROUPS, LOCAL COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL [Item 5]

There were none.

9/15 CONFIDENT IN SURREY'S FUTURE: CORPORATE STRATEGY 2015 - 2020 [Item 6]

The Cabinet were asked to endorse a refreshed version of the Council's Corporate Strategy. This Strategy would then be presented to the County Council meeting on 10 February 2015 for approval, alongside the Revenue and Capital Budget.

The Leader of the Council said that the refreshed version of the Council's Corporate Strategy focussed on working on the long term interests of Surrey's residents and businesses and that the Council would also concentrate on improving Surrey's road networks, providing lasting support to those who need it and supporting economic growth.

He said that the strategy set out the Council's strategic goals of:

- Wellbeing
- Economic Prosperity
- Residents Experiences

The Cabinet Team agreed that this Plan was very focussed and would be embedded within Cabinet Members' portfolios. Members were invited to highlight key points within the document.

RESOLVED:

That the refreshed version of *Confident in Surrey's future*, Corporate Strategy 2015-2020 be endorsed and that it be presented to the County Council meeting on 10 February 2015 for approval alongside the Revenue and Capital Budget 2015-20.

Reasons for Decisions:

By reconfirming a long term vision for the county and setting goals and key actions for the next financial year the refreshed Corporate Strategy provides a clear sense of direction for Council staff, residents, businesses and partner organisations. As part of the Council's Policy Framework (as set out in the Constitution), the Corporate Strategy must be approved by the County Council.

10/15 REVENUE AND CAPITAL BUDGET 2015/16 TO 2019/20 AND TREASURY MANAGEMENT STRATEGY [Item 7]

The Leader of the Council began by taking Members through the amendments that had been made to this report since the Cabinet agenda had been published. This amendment sheet, including a revised Appendix 5 to the Budget report, was tabled at the meeting and is attached as Appendix 2 to these minutes.

Recommendations from the Council Overview and Scrutiny Committee's Performance and Finance sub-group were also tabled at the meeting and are attached as Appendix 3 to these minutes.

The Leader of the Council thanked this group for their recommendations and said that he had discussed them with the Chairman of the Council Overview and Scrutiny Committee (who had sent his apologies because he was unable to attend this meeting to present them).

He said that the Cabinet would normally have provided a written response. However, due to the details contained within the recommendations, there had been insufficient time to provide a written response and therefore, he would note them and ask officers to consider them, either as part of the report on the Medium Term Financial Plan (MTFP) 2015 – 20, due to be submitted to Cabinet on 24 March 2015 or as part of its refresh, which would be considered by Cabinet in July 2015.

Turning to the Revenue and Capital Budget report for 2015/16, which included the Treasury Management Strategy, he said that the only recommendations that Cabinet would be approving today were recommendations (12) and (13), the others would be recommendations from Cabinet to the full County Council meeting on 10 February 2015, for their decision.

He said that the Administration would be proposing a council tax increase of 1.99% so that the Council could continue to provide the services that residents expected. He stressed the importance of budget planning which had been on-going throughout the year, which had contributed to the significant savings that had been achieved on the overall budget.

He also urged some caution, due to the General Election in May 2015, the uncertainty of the outcome and that there had been no Comprehensive Spending Review beyond 2015/16.

He also acknowledged the work of the Director of Finance and her officers, in compiling this Budget report and also the level of scrutiny that had taken place to ensure it was the right Budget for Surrey.

Finally, he said that he considered that the key messages concerning the Budget were:

- The County Council was still facing huge challenges and responding to them well and was making significant savings each year
- The ability to keep investing in what matters to residents
- To provide full information about the Budget for the next five years in a transparent way

He asked the Cabinet Team to comment on these points. Their key points were:

- Adult Social Care – the problem of estimating the number of older, vulnerable people that would require help in the future, the increased number of high cost packages, the importance of safeguarding, the full impact of the Care Act from 2016, delivery of savings with these Budget pressures.
- Schools and Learning - the pressure of providing and funding an additional 13,000 school places over the next five years, lobbying Government to ensure that Surrey's needs are understood, Special Education Needs – it was now the responsibility of the Local Authority to provide education and training upto 25 years old, budget pressures relating to these issues.
- Public Health – whether there would be sufficient funding for the additional responsibilities now required of the Local Authority, relating to health visiting for 0-5 year olds, public health prevention and how it would be resourced and carried out.
- Savings, pressures and funding from 2010/11 to 2015/16 – that the Council had reduced the annual value of expenditure by £329m since 2010 and had also driven down unit costs, with examples being set out in Appendix 1 of the submitted report.
- Highways – that the Council had continued to maintain and improve transport infrastructure to support Surrey businesses, that roads were gritted quickly during adverse weather and key routes remained open.

- Youth Service – the importance of providing support for young people to enable them to have a good start in life, that the re-provisioned model had achieved excellent outcomes, with a reduction in NEETS and young people entering the youth justice system, and significant savings had been achieved, continued investment in the apprentice scheme.
- School Improvement – Education Performance was the subject of a separate report which would be discussed later in the agenda, including Ofsted's view that the support that the local authority provided to schools was strong and effective.
- Hubs – investment in the setting up of Information Hubs, in advance of the ne Care Act and also Wellbeing Centres with Boroughs and Districts plus the possibility of using libraries as information points.
- Fire and Rescue - £1m Fire Transformation Grant – to be used for developing the partnership working between Surrey Fire and Rescue and the Police and Ambulance Services.
- Fraud – the Council, in partnership with Boroughs and Districts, was making significant progress in reducing fraud and had recently be awarded a Government grant to assist in their area of work.
- Council Tax – Surrey was one of the most dependant of all Councils on council tax receipts and a detailed explanation of the Council's strategy was provided.

The recommendations were then put to the vote and it was:

RESOLVED:

That the following recommendations be made to the Full County Council on 10 February 2015:

On the revenue and capital budget:

1. Note the Director of Finance's statutory report on the robustness and sustainability of the budget and the adequacy of the proposed financial reserves (Annex 1 of the submitted report).
2. Set the County Council precept for band D council tax at £1,219.68 which represents a 1.99% up-lift.
3. Agree to maintain the council tax rate set above and delegate powers to the Leader and the Director of Finance to finalise detailed budget proposals following receipt of the Final Local Government Financial Settlement.
4. Transfer £4.6m from the surplus on the Council Tax Collection Fund to the Economic Downturn Reserve.
5. Approve the County Council budget for 2015/16.
6. Agree the capital programme proposals specifically to:
 - fund essential schemes over the five year period (schools and non-schools) to the value of £695m including ring-fenced grants;

- make adequate provision in the revenue budget to fund the revenue costs of the capital programme; and
 - enhance provision for Local Growth Deal and flood schemes, as set out in paragraph 114 of the submitted report, including making a £0.5m pa contribution to the River Thames Scheme.
7. Agree for Cabinet to refresh the Medium Term Financial Plan for the financial years 2015-20 (MTFP 2015-20) revenue and capital budgets in summer 2015.
 8. Require the Chief Executive and Director of Finance to continue regularly to track and monitor progress on the further development and implementation of robust plans for achieving the efficiencies across the whole MTFP period.
 9. Require Strategic Directors, Heads of Service and Senior Officers to maintain robust in year (i.e. 2015/16) budget monitoring procedures that enable Cabinet to monitor the achievement of efficiencies and service reductions through:
 - the monthly budget monitoring Cabinet reports,
 - the quarterly Cabinet Member accountability meetings and
 - the monthly scrutiny at the Council's Overview & Scrutiny Committee.
 10. Require a robust business case to be prepared (and taken to the Investment Panel for review) for each revenue 'invest to save' proposals and capital schemes before committing expenditure.

On treasury management and borrowing:

11. Approve the Treasury Management Strategy for 2015-20 and approve that their provisions have immediate effect. This strategy includes:
 - the investment strategy for short term cash balances;
 - increasing the number of AAA-rated money market funds from five to seven (with the individual amount to a single fund increased from £20m to £25m);
 - the treasury management policy (Appendix 8 of the submitted report);
 - the prudential indicators (Appendix 9 of the submitted report);
 - the schedule of delegation (Appendix 11 of the submitted report);
 - the minimum revenue provision policy (Appendix 14 of the submitted report).
12. That the Medium Term Financial Plan for the financial years 2015-20 be approved, which includes:
 - approval of the Total Schools Budget of £560.7m (paragraphs 53 to 59 of the submitted report);
 - supporting the 2015/16 budget by using £4.3m from earmarked reserves as set out in paragraph 99 of the submitted report;
13. That it be noted that the Cabinet will receive the final detailed Medium Term Financial Plan 2015-20 on 24 March 2015 for approval following scrutiny by Select Committees.

Reasons for Decisions:

The County Council will meet on 10 February 2015 to agree the summary budget and set the council tax precept for 2015/16. The Cabinet advises the County Council how best to meet the challenges it faces and these proposals will aim to ensure the Council continues to maintain its financial resilience and protect its long term financial position.

11/15 FINANCE AND BUDGET MONITORING REPORT FOR DECEMBER 2014 [Item 8]

The Leader of the Council presented the budget monitoring report for month nine of 2014/15, the period up to 31 December 2014 and said that the forecast revenue position was an underspend of £3.5m at year end, an improvement on November's forecast outturn of £2.7m underspend.

He also said that the forecast for achieving efficiencies for the Council was £69.0m and this was the fifth consecutive year that more than £60m of savings had been delivered for Surrey residents. The overall level of risk for efficiencies' projects had improved again during December, with only 2% of the efficiencies' projects now facing severe challenges to implementation.

He reminded Members that the financial strategy had four key drivers which ensured sound governance in managing finances and providing value for money for the Council.

These were:

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

- Currently, the end of year revenue forecast was for services to underspend by £3.5m. Also, that the Chief Executive and Director of Finance would continue to hold support sessions with Heads of Service to help maintain the rigour of services' savings plans and they would continue to report progress at the Council's all Member briefings.

(2) To continuously drive the efficiency agenda

- He reported that at the end of November, services forecast delivering efficiencies of £69.0m against a target of £72.3m and this was a £1.0m reduction on the position last month. Of these £69.0m forecast efficiencies, 85% have either already been achieved or are on track, 12% have some issues and less than 3% were considered to be at risk.

(3) To develop a funding strategy to reduce the council's reliance on council tax and government grant income.

- He said 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 already invested £6.0m this year and forecast delivering £0.5m net income.

(4) To continue to maximise our investment in Surrey

- 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 and the reprofiled capital programme planned £780m investment for 2014-19, including £205m in 2014/15. The current

forecast was to invest £195m in the mainstream capital programme and £7.5m in long term investments.

Finally, he drew attention to the details in relation to the balance sheet and earmarked reserves, as set out in the Annex to this report because it was the end of quarter 3.

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. The Council forecasts an improved revenue position for 2014/15 of £3.5m underspend, up from £2.7m at 30 November 2014, as set out in Annex 1, paragraph 3 of the submitted report. (This forecast includes the need to fund planned commitments that will continue beyond 2014/15).
2. Services forecast achieving efficiencies and service reductions by year end of £69.0m, as set out in Annex 1, paragraph 67 of the submitted report.
3. The Council forecasts investing £202m through its capital programme in 2014/15, as set out in Annex 1, paragraphs 71 and 72 of the submitted report.
4. The quarter end balance sheet, as at 31 December 2014, and movements in earmarked reserves and debt outstanding, as set out in Annex 1 paragraphs 74 to 78 of the submitted report, be noted.
5. Services' management actions to mitigate overspends, as set out in Annex 1 of the submitted report, be noted.

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.

12/15 2014 EDUCATION PERFORMANCE OUTCOMES [Item 9]

The Cabinet Member for Schools and Learning said that she was pleased to present this report, which was an overview of the educational attainment of children and young people in early years, primary, secondary, post 16 and special school phases for the academic year ending in the summer of 2014.

She highlighted that Surrey was ranked 17th out of 150 local authorities for the proportion of pupils that achieved 5 or more good GCSEs with English and Mathematics and that the achievement of disadvantaged pupils also continued to improve. She also said that as at the end of January 2015, the proportion of schools that were good or better is now 85%.

She drew attention to the strengths of each key stage, their key priorities and also that trend graphs had been included within the report, illustrating a good trajectory for Surrey at all levels. A key to those graphs was set out in paragraph 14 of the report.

In relation to Key Stage 4, she said that two major reforms had been implemented by the Department of Education, which had affected the calculation of this data in 2014, and in addition, there had been three further changes which applied in 2013/14 so caution should be taken when comparing this key stage with previous years.

She also highlighted the 'No child left behind project' and confirmed that the performance of disadvantaged pupils in Surrey had improved across the primary key stages this year and that this work continued to be a priority for the County.

Finally, she publically thanked Maria Dawes, Head of School Effectiveness at Babcock 4S, and her team, for their work in supporting the School Improvement Strategy across Surrey's statefunded schools, and in particular those schools who were supported through the Focused Support Schools Strategy.

Both the Leader of the Council and the Cabinet Member for Schools and Learning also thanked Headteachers, Governors and teachers in Surrey state funded schools for their work in ensuring that the young people of Surrey had the best start in life.

Other Members made the following points:

- The report was commended and members of the public should be encouraged to read it because the improvements made against a background of savings were impressive
- The challenge of providing thousands of additional school places
- In Surrey, schools work together well with the Local Authority
- The importance of being aspirational for Looked After Children who are among the most disadvantaged children in the County

RESOLVED:

That the 2014 Education Outcomes, as set out in the submitted report, be noted.

Reasons for Decision:

To ensure that Cabinet is fully informed of the latest education outcomes.

13/15 EXPANDING THE SURREY FAMILY SUPPORT PROGRAMME [Item 10]

Prior to asking the Cabinet Member for Children and Families to present the report, the Leader of the Council requested a small change to recommendation (3) – inserting 'number of' before families so that this recommendation now read:

'To increase the number of families eligible.....'

The Cabinet Member for Children and Families said that Cabinet was being asked to agree to an Outcomes Plan that would enable the Surrey Family Support Programme to begin its expansion, pending the conclusion of consultations over the new ways of working with partner agencies. The Outcomes Plan (attached as Annex 1 to the submitted report) would mark the transition from the current Troubled Families Programme (Phase 1) to the new expanded Programme (Phase 2).

She informed Members that the current programme had been very successful and that the Council was on track to meet its target to turnaround 1050 families by May 2015. She said that Surrey would be an 'Early-Starter' for the expanded programme, due to being identified by the Department of Communities and Local Government as one of the highest performing Councils in the current Troubled Families Programme.

She highlighted the eligibility criteria for the expanded national programme, as set out in paragraph 11 of the submitted report, and also the new model of working with partners, which was currently being developed – this local partnership work had been named as 'Working Together'.

Finally, she drew attention to Annex 1, the Expanded Family Support Programme Outcomes Plan and commended the recommendations to Cabinet.

RESOLVED:

1. That the expansion of the Surrey Family Support Programme, to include around 1000 families each year between 2015 and 2020, be approved.
2. To agree to work towards the Government's expanded Troubled Families programme target, with immediate effect.
3. To increase the number of families eligible to join the programme through the criteria set out in the Families Outcomes Plan, attached at Annex 1 to the submitted report.

Reasons for Decisions:

In light of the very good local performance on the first phase of the national Troubled Families Programme, the Council was invited by the Government to be an Early Starter for the new expanded Programme. As part of this, the Council has received additional funding of £651,000 this year with a requirement that an additional 549 families are brought into the local Programme by April 2015. This new funding is to be invested in the staff providing intensive support services to the targeted families. Key to beginning the new Programme is implementing new eligibility criteria on which we are required to consult on with local partners.

In agreeing to the above recommendations, Cabinet will replace the eligibility criteria it agreed for the original Programme in March 2013 with a new set of criteria that will expand the Programme to cover a wider set of families.

Further work is underway to develop agreements with partners over the delivery model of the new service arrangements and these will form part of Surrey participation in the Public Services Transformation Network. The

details of these arrangements will be reported to Cabinet in May, once they are concluded. However, in order to begin the new Programme now, a decision is required over the new Outcomes Plan to bring new families into the Programme.

14/15 PROVISION OF TARGETED CHILDREN AND ADOLESCENT MENTAL HEALTH SERVICES AND THE HOPE SERVICE: SECTION 75 AGREEMENT WITH SURREY CLINICAL COMMISSIONING GROUPS AND CONTRACT EXTENSION WITH SURREY AND BORDERS PARTNERSHIP NHS FOUNDATION TRUST [Item 11]

The Cabinet Member for Children and Families tabled a revised report, which she said would provide greater clarity in relation to the financial implications of this contract.

She said that Surrey County Council (SCC) and Surrey Clinical Commissioning Groups (CCGs) had a statutory responsibility to provide children and young people in Surrey with safe, needs-based Children and Adolescent Mental Health Services (CAMHS) and that the County Council and the CCGs had agreed to a partnership approach to meet this responsibility under Section 75 of the NHS Act 2006. This approach was vital in addressing the increased demand and budgetary pressures in providing a service that put the needs of children and young people first.

She said that the existing agreement approved by the Cabinet in September 2013 required variations to committed resources, in order to facilitate the joint commissioning and procurement of targeted and specialist CAMHS services scheduled for 2015 and confirmed that this would be led by Guildford and Waverly CCG on behalf of the Council and the 6 CCGs in Surrey.

She also requested that Cabinet approved an extension to the existing contract with the incumbent provider Surrey and Borders NHS Foundation Trust (SaBP) which expires on 31 March 2015, in order to ensure the continued safe provision of targeted CAMHS and the specialist HOPE service (Integrated service including Education, Social Care & Health, working with children and young people with complex mental health needs).

Finally, she confirmed that the new contract would provide a better single pathway for this service.

RESOLVED:

1. That the Council enter into a new Section 75 agreement with Surrey Clinical Commissioning Groups. This pooled budget agreement is currently valued at £3,842,000 per annum and a proportion of this pooled budget will provide funding for recommendation (3).
2. That authority to make amendments to the Section 75 agreement be delegated, to the Director of Legal and Democratic Services, in consultation with the Strategic Director for Children, Schools and Families and the Cabinet Member for Children and Families, in accordance with public sector legislation and advice from the Section 151 Officer.

3. That the existing contract with Surrey and Borders Partnership NHS Foundation Trust (SaBP) which expires on 31 March 2015 be extended, for a minimum period of one year, from 1 April 2015 to 31 March 2016 and a maximum period of up to two years. The extension has a forecasted value of £2,619,543 per annum and will be partially funded from the S75 agreement.

Reasons for Decisions:

The existing contract with SaBP will end on 31 March 2015. The Council is the host partner for the pooled budget used to commission targeted CAMHS and the HOPE Service. The Council is responsible for ensuring services are commissioned and procured in line with best practice, compliant and secures the best value for Surrey residents.

Improved alignment and collaboration between the Council and the CCGs has necessitated variations to the Section 75 agreement signed by the CCGs in 2014. Upon review of the extent of the variations, a joint decision has been made to draft a new Section 75 agreement which would be more appropriate for the joint commissioning and procurement project scheduled to begin in 2015.

Extending the existing contract with SaBP and entering into a new Section 75 agreement with the CCGs will:

- Ensure the Council adheres to statutory requirements regarding the safeguarding of children and young people by securing the provision of targeted CAMHS and the HOPE service by a contractually bound provider.
- Enable the Council and the lead CCG to undertake integrated commissioning and procurement of a co-designed, outcomes focused, CAMHS model, whilst maintaining continuity of service and minimising risk to service delivery.

15/15 SAYES COURT PRIMARY SCHOOL, ADDLESTONE [Item 12]

This report, requesting the approval of the Business Case for the expansion of Sayes Court Primary School from a 1 Form of Entry Primary (210 places) to a 2 Form of Entry Primary (420 places) was presented by the Cabinet Member for Schools and Learning. She informed Cabinet that this school had converted to an Academy with the Bourne Education Trust (BET) in June 2014 and that since the school's 'inadequate' judgement by Ofsted in 2013, it had made good progress with BET and therefore, with limited alternative solutions in this area, it was considered appropriate to expand this school. She also referred to the consultation process which had taken place, as set out in the report.

RESOLVED:

That, subject to the agreement of the detailed financial information for the expansion as set out in the submitted Part 2 report, the business case for the provision of an additional 1 form of entry (210 places) primary places in Addlestone be approved.

Reasons for Decisions:

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

16/15 THE HYTHE PRIMARY SCHOOL, EGHAM [Item 13]

The Cabinet Member for Schools and Learning said that the expansion of The Hythe Primary School from a 1 Form of Entry Primary (210 places) to a 2 Form of Entry Primary (420 places) would take place in two phases - Phase 1 to be completed by September 2015 and Phase 2 to be completed by August 2016.

Phase 1 would provide two classrooms in an extension to the main teaching block and phase 2 would provide a separate teaching block with six classrooms, a new staffroom and associated accommodation. She also informed Members that the school site was in Flood Zone 3 and was subject to new flood prevention requirements introduced by the Environment Agency following the severe flooding in winter 2013/14.

RESOLVED:

That, subject to the agreement of the detailed financial information for the expansion as set out in the submitted Part 2 report, the business case for the provision of an additional 1 Form of Entry (210 places) primary places in Egham be approved.

Reasons for Decisions:

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

17/15 AWARD OF FRAMEWORK AGREEMENT FOR THE PROVISION OF GROUNDS MAINTENANCE SERVICES: NON-SCHOOLS [Item 14]

The Cabinet Member for Business Services said that this report sought approval to award a framework agreement for the provision of grounds maintenance services – non-schools to commence on 1 April 2015 in two geographical lots to the recommended supplier.

Due to the commercial sensitivity involved in the framework agreement award process, the financial details and value for money implications of the potential suppliers were circulated as a Part 2 report (item 19). She confirmed that this new framework agreement would result in savings to the Council, together with an improvement in services levels being delivered.

RESOLVED:

That the single supplier framework agreement be awarded to G. Burley and Sons Limited for two years with an option to extend for two further years for

both lots, subject to considering the detailed financial information, as set out in part 2 of the agenda.

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 following a thorough evaluation process.

18/15 LEADER / DEPUTY LEADER / CABINET MEMBER DECISIONS TAKEN SINCE THE LAST CABINET MEETING [Item 15]

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.

19/15 EXCLUSION OF THE PUBLIC [Item 16]

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.

20/15 SAYES COURT PRIMARY SCHOOL, ADDLESTONE [Item 17]

The Cabinet Member for School and Learning commended this Part 2 report, which contained the financial and value for money information relating to item 12 to Cabinet. She drew their attention to the favourable cost per primary pupil place for this expansion.

RESOLVED:

1. That the business case for the project to expand Sayes Court 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 and Learning, the

Cabinet Member for Business Services 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 Addlestone area.

21/15 THE HYTHE PRIMARY SCHOOL, EGHAM [Item 18]

The Cabinet Member for Schools and Learning said that this Part 2 report contained the financial and value for money implications relating to item 13. She also drew Cabinet's attention to the funding of this school expansion which would be part funded from the Targeted Basic Need Grant

RESOLVED:

1. That the business case for the project to expand The Hythe 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 and Learning, the Cabinet Member for Business Services 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 Egham area.

22/15 AWARD OF FRAMEWORK AGREEMENT FOR THE PROVISION OF GROUNDS MAINTENANCE SERVICES: NON-SCHOOLS [Item 19]

This report was the confidential annex relating to item 14 on the agenda and sets out the commercial and financial details of the competitive tendering process.

RESOLVED:

That a framework agreement be awarded to G. Burley and Sons Limited, at an estimated total value, as set out in the submitted report, over the four year framework agreement term, for the provision of Grounds Maintenance Services – Non Schools for both geographical lots being: Lot 1 – East Surrey and Lot 2 – West Surrey to commence on 1 April 2015.

Reasons for Decisions:

The existing agreements will expire on 31 March 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.

23/15 PROPERTY TRANSACTIONS [Item 20]

The Cabinet Member for Business Services asked the Cabinet Associate for Assets and Regeneration to introduce the report concerning the sale of the former Redwood Care Home in Guildford. The Cabinet agreed to approve the sale but strongly recommended that the Council tried to negotiate a ransom strip, as part of the deal.

RESOLVED:

1. That the sale of the land, as outlined in Annex 1 of the submitted report, extending to c1ha (2.4 acres) be approved to the developer, named in the submitted report, on an unconditional basis for a residential development, for the figure set out in the submitted report.
2. That delegation to the Strategic Director for Business Services, in consultation with the Cabinet Member for Business Services and the Leader of the Council, for a 5% variation in the agreed sale price to reflect possible changes and circumstances as a result of the due diligence process, be approved.

Reasons for Decisions:

The sale of the property is required to contribute towards the County Council's Investment Strategy and to dispose of a property no longer considered suited to ongoing service delivery, nor capable of generating significant income.

24/15 PUBLICITY FOR PART 2 ITEMS [Item 21]

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 3.45pm]

Chairman

PROCEDURAL MATTERS

Members' Questions

Question (1) from Mrs Hazel Watson (Dorking Hills) to ask:

Information with regard to the 5,000 properties within the Superfast Surrey Intervention Area that will be unable to achieve 15Mbps or more at the conclusion of the deployment has not been provided to me on the grounds that it is commercially sensitive and that such disclosure is prevented under the terms of the Superfast Broadband contract.

As these properties are all within the Intervention Area where the rollout of Superfast Broadband is being funded by the County Council and not by the commercial operator, can the Cabinet Member responsible for the roll-out please explain how the disclosure of this information can be determined to be commercially sensitive, and thus not disclosed, when the information does not relate to any properties within the commercial roll-out of Superfast Broadband and thus cannot affect any of the contracts between Surrey County Council and the commercial operator?

Reply:

I would like to correct your understanding in regards to which organisations are funding the Superfast Surrey Broadband Programme.

The Superfast Surrey Broadband Programme is jointly funded by Surrey County Council, BT and Broadband Delivery UK. Following a competitive tender process, Surrey County Council signed a contract with BT which offers best value for a fibre-based-infrastructure solution for the desired coverage. Surrey County Council has allocated £20 million, Broadband Delivery UK has contributed £1.3 million and the overall contribution from BT for the programme is £14 million. Since the programme was classed as state aid it had to be approved by the UK Government's BDUK and by the EU Commission.

I would also remind you of the advice that you have already received from the Monitoring Officer. She confirmed to you that the particular information you requested is classified within the Superfast Broadband contract itself as commercially sensitive and there is a contractual obligation preventing its disclosure, unless there is an overriding legal requirement to do so.

**Mr Peter Martin
Deputy Leader
3 February 2015**

Revenue and Capital Budget 2015/16 to 2019/20 and Treasury Management Strategy – Amendments Sheet – UPDATED

Changes shown in **BOLD and underlined**

Page 8 of agenda

Recommendation 10:

'Require a robust business case to be prepared (and taken to the Investment Panel for review) for **each** revenue 'invest to save' proposals and capital schemes before committing expenditure.'

Recommendation 11:

Approve the Treasury Management Strategy for 2015-20 and approve that their provisions have immediate effect. This strategy includes:

- the investment strategy for short term cash balances;
- increasing the number of AAA-rated money market funds from five to seven (with the individual amount to a single fund increased from £20m to **£25m**);
- the treasury management policy (Appendix 8);
- the prudential indicators (Appendix 9);
- the schedule of delegation (Appendix 11);
- the minimum revenue provision policy (Appendix 14).

Page 11/12 of agenda

15. The financial strategy links directly to the three components of the *Confident in Surrey's Future: Corporate Strategy 2015-20* as summarised below.

...

3. **Resident experience:**

Residents in Surrey experience public services that are easy to use, responsive and value for money.

The council will: deliver £62m savings **in 2015/16**, collaborate with partners to transform services for residents, use digital technology to improve services for residents, invest in flood and maintenance schemes, work with partners to tackle issues that make residents feel less safe.

Page 17 of agenda

44. DCLG permits geographically linked authorities to apply **to** pool their business rates. By combining tariffs and top ups among pooled authorities this can reduce the composite levy rate paid by the pool. This further incentivises business rates growth through collaborative effort and smooths the impact of volatility in business rates income across a wider economic area.

Page 25 of agenda

The council began building its annual budget in June 2014. This involved reviewing the council's financial position and outlook at the end of the first quarter of 2014/15, revisiting the assumptions, pressures and savings included in the MTFP (2014-19) and projecting forward a further year to 2019/20. Table 5 shows the key cost, pressure and savings assumptions used to prepare the illustrative budgets.

Table 5: Budgetary cost, pressure and savings assumptions 2015-20

Descriptor	2015/16	2016/17	2017/18	2018/19	2019/20
Pay inflation – Surrey pay	£300 +£500 (subject to head room)	up to 1.6%	up to 1.6%	up to 1.6%	up to 1.6%
Pay inflation – National pay	1.0%	1.0%	1.0%	1.0%	1.0%
General, non-pay inflation	1.3%	1.8%	2.0%	2.0%	2.0%
Additional funding and savings required in MTFP	-£62m	-£72m	-£57m	-£71m	£0m
Allowances for central pressures: Revenue impact (borrowing) of the capital programme 2015-20	£5m	£6m	£3m	£1m	£4m

Note:

- differing percentages apply to contractual inflation

Page 27 of agenda

101. This strategy is working and protecting the long term future of services for Surrey residents. However, if its effectiveness falls, the council would need to make reductions to the services residents receive or reassess the up-lift in **council** tax required.
106. The forecast in-year variance on the 2014/15 capital budget as at 31 December 2014 is an **underspending** of £2.5m against the approved revised budget of **£205m**. The main reasons for the **underspend** are +£7.5m invested in long term capital investment assets through the Revolving Infrastructure & Investment Fund, offset by -£10.0m revised spending profile on the service capital programme. These are explained in another report on this agenda, Item 8 (Finance and budget monitoring report for December 2014).

126. Amend £261m to **£266m** to balance the capital programme.

Table 9: Capital funding 2015/16 to 2019/20

	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	Total £m
Grants		86	88	74	72	52	372
Reserves		3	1	3	3	4	<u>14</u>
Third party contributions		5	8	10	10	10	<u>43</u>
Borrowing		91	83	39	29	24	266
Total	0.0	185	180	126	114	90	695

Annex 1: Local Government Act 2003: Section 25 Report by the Director of Finance

Page 39 of agenda:

- 1.6 The Council has successfully delivered significant efficiency savings & service reductions in each of the last four financial years (2010/11 £68m, 2011/12 £61m, 2012/13 £66m, 2013/14 £62m), and is forecast to deliver further savings for 2014/15 of £69m. Adding this to the **additional funding and savings** included in the budget assumptions for the next MTFP (2015-20) makes a total of **£588m** over the decade. Throughout this period the Council has continued to drive for increased improvement, added value and reduced unit costs (and the latest unit cost booklet is attached in Appendix 1).
-

Page 43 of agenda:

- 1.24 Delete 'A' so that it is **Appendix 7** and not A7.
- 1.26 Amend £50m in two tranches to **£70m in three tranches.**
-

Page 101 of agenda:

Appendix 4

The changes are:

1. Income and expenditure category summary / Expenditure / Service non-staffing - the figure for 2015/16 is **£897.2m** (not £896.9m) and the Total expenditure is **£1,667.9m** (not £1,667.6m) and the Funded by Reserves figure is **£4.3m** (not £4.0m)
 2. Proposed gross expenditure revenue budget 2015 -20 / Central Income and Expenditure - the figure for 2015/16 is **£60.9m** (not £60.6m) and the Total Expenditure is **£1,667.9m** (not £1,667.5m)
 3. Central Income & Expenditure / Expenditure / Non employment expenditure for 2015/16 - the figure is **£55.6m** (not £55.3m) and Total Expenditure is **£60.9m** (not £60.6m) and the net budget is **£-818.2m** (not £-818.6m)
-

Page 117 of agenda:

Revised Appendix 5 tabled – the amendments **relate to Local Committee Allocations** in Customers & Communities

For 2017/18, 2018/19 and 2019/20 – 385 should be inserted making a total of 1155

Then the total for Customers and Communities for those years should be:

2393, 2505, 1885, 16,515 respectively

And the final total at the end of Appendix 5 from 2017/18 onwards, should be:

125,884, 113,013, 89,952, 694,393

Page 122 of agenda:

Projected Earmarked Reserves and Balances – Child Protection Reserve – **delete** last sentence re: 'This reserve is to fund the costs under 2015/16, when the base budget will be increased to cover these costs.'

COUNCIL OVERVIEW & SCRUTINY COMMITTEE

Item under consideration: BUDGET REVIEW 2015/16

Date Considered: 29 January 2015

- 1 In September 2014 each of the Council's Select Committees established a time-limited performance & finance sub-group to undertake scrutiny of current services and costs and make recommendations to help the Council meet its savings targets.
- 2 On 29 January 2015 the COSC Performance & Finance Sub Group considered the findings and conclusions of the Select Committee Sub-Groups and **recommends**:
 - a. That consideration be given to the Decision Making Accountability Model of Organisational Redesign process, promoted by the LGA.

Adult Social Care

- b. That a Resource Allocation Rate of 75% be applied to the Friends, Family & Community Support programme in order to maximise the chances of exceeding the required full-year savings of 20%.
- c. That consideration be given to securing more Continuing Healthcare support for affected clients to reduce social care costs.

Business Services

- d. That consideration be given to further reducing the assumption regarding utilities inflation.
- e. That a further reassessment be carried out regarding the contribution to the self insurance fund to determine whether a further reduction could be made.

Children, Schools & Families

- f. That the investigation into Special Educational Needs and Disabilities (SEND) transport costs be accelerated so that some of the benefit (for example through the use of personal budgets) can be achieved within the latter part of 2015/16.
- g. That the Cabinet review current policy and practice to ensure that the School Expansion Programme maximises its use of funds available through Section 106 agreements, Community Infrastructure Levies (CIL) and other related planning and development means.
- h. That any reduction in the number of Children's Centres required to achieve the Early Years Service savings be not in an area of significant deprivation or where necessary support is provided.

- i. That the Cabinet examine whether further savings can be obtained by 'effective commissioning' so that there is some scope for reconsidering the savings in Early Years and Services for Young People.
- j. That the Council should continue to hold a ring-fenced reserve in 2015/16 to meet possible further pressures in Children's Services such as increases in Child Protection referrals.

Environment & Infrastructure

- k. That any savings proposed for highway winter maintenance be reconsidered on the grounds of public safety.
- l. That any significant reduction in the Local Highway Revenue budget be reconsidered, as this will affect our ability locally to respond to ongoing residents' concerns over the state of local roads, drainage and environmental problems.

Nick Skellett
Chairman of the Council Overview & Scrutiny Committee