

## CABINET

The following decisions were taken by the Cabinet on Tuesday, 24 March 2015 and will take effect on 02/04/2015 unless the call-in procedure has been triggered. **CALL-IN DEADLINE: 01/04/15.**

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

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

The Cabinet at its meeting on Tuesday, 24 March 2015 considered the following matters and resolved:

- **PUBLIC QUESTIONS** (Item 4b)

A question from Mr Crews was received. The question and the response is attached as Appendix 1.

- **REPORTS FROM SELECT COMMITTEES, TASK GROUPS, LOCAL COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL** (Item 5)

**Council Overview and Scrutiny Committee:**

- (i) Recommendations relating to the Carbon and Energy Policy 2015 – 2019. The response from the Cabinet Member for Environment and Planning is attached as Appendix 2.
- (ii) Recommendations relating to Budget Monitoring. The response from the Leader of the Council is attached as Appendix 3.
- (iii) Recommendations relating to the Digital Transformation Progress Update. The response from the Cabinet Member for Business Services is attached as Appendix 4.

- **MEDIUM TERM FINANCIAL PLAN 2015 - 2020** (Item 6)

1. That the 2015/16 service strategies that will deliver the Corporate Strategy 2015-20, as set out in Annex 1 to the submitted report, be approved.
2. That the detailed service revenue and capital budgets for the years 2015/16 and indicative budgets for 2016-20, including amendments resulting from the final Local Government Financial Settlement and other Government funding changes announced since 10 February 2015, as set out in Annex 1 to the submitted report, be approved.
3. That the match funding of the Brooklands Motor Museum contribution totalling £225,000 over five years, as set out in paragraph 18 of the submitted report, be approved.
4. That the initiative to increase volunteering from the New Models of Delivery Budget, costing £75,000 in 2015/16 and also in 2016/17, as set out in paragraph 19 of the submitted report, be approved.

5. That the publication of the service revenue and capital budgets as the Medium Term Financial Plan 2015-20 be approved.
6. That the fees & charges approved under delegated powers be endorsed and other fee and charge proposals, as set out in Annex 2 of the submitted report, be approved.
7. That the Equality Impact Assessment of the savings proposals within the directorate and service budgets, as set out in Annex 3 to the submitted report be noted.

**Reasons for Decisions:**

The 2015–20 MTFP is a five year budget that is aligned to the Corporate Strategy. It reflects assumptions about the current local and national financial, economic and political environment. The setting of a five year budget is a key element of the Council’s multi-year approach to financial management. Regular reporting through the year will enable progress to be effectively tracked and managed.

The Corporate Strategy 2015-20 sets out the Council’s key strategic goals of wellbeing, economic prosperity and residents’ experience. The service strategies provide the detail on the goals and actions to achieve these strategic goals.

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

- **FINANCE AND BUDGET MONITORING REPORT FOR FEBRUARY 2015**  
(Item 7)

That the report be noted, including the following:

1. That the Council forecasts an improved revenue position for 2014/15 of £13.4m underspend, up from £7.9m at 31 January 2015. This position includes the need to fund £6.2m spending on planned service commitments that will continue beyond 2014/15, as set out in Annex1, paragraph 3 of the submitted report.
2. That Services forecast achieving an improved position on efficiencies and service reductions by year end of £73.8m up from £72.7m at 31 January 2015 and £1.5m above the year’s planned target of £72.3m, as set out in Annex1, paragraph 80 of the submitted report.
3. That the Council forecasts investing £198.3m through its capital programme in 2014/15, as set out in Annex1, paragraphs 84 and 85 of the submitted report.
4. That Services’ management actions to mitigate overspends, as set out throughout Annex1 of the submitted report, be noted.
5. That the use of the uncommitted Member allocations, totalling £22,362, to make a grant to the Surrey Save Credit Union, as set out in Annex1, paragraph 36 of the submitted report, be approved.
6. That a virement of the Surrey Growth Fund (£0.8m) from Environment & Infrastructure to the Chief Executive’s Office, to align with managerial responsibility for the Economy function, as set out in Annex1, paragraph 46

of the submitted report, be approved.

7. That £2.5m from Central Income and Expenditure budget to fund a new reserve: "Economic Prosperity Reserve", as set out in Annex1, paragraph 70 of the submitted report, 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.

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

• **CARBON AND ENERGY POLICY 2015 - 2019 (Item 8)**

1. That the proposed Carbon and Energy Policy, as set out in Annex A to the submitted report, be approved.
2. That an action plan be developed, further to the policy's outline action plan, as set out in Annex A, section 7 to the submitted report, to implement the policy and deliver the carbon emissions reductions and associated cost savings.
3. That the Cabinet Member for Environment and Planning works in partnership with Surrey Boroughs and Districts to develop opportunities for joint working to reduce carbon emissions and energy costs of the public sector.

**Reasons for Decisions:**

Implementing the Carbon and Energy Policy will support the Council's aims, including providing improved cost control and value for money, demonstrating community leadership in relation to carbon emissions reduction and achieving wider benefits for Surrey's local economy and environment.

*[The decisions on this item can be called in by either the Council Overview and Scrutiny Committee or the Environment and Transport Select Committee]*

• **SURREY TRANSPORT PLAN - BOROUGH / DISTRICT LOCAL TRANSPORT STRATEGIES AND FORWARD PROGRAMMES (TRANCHE 1 AND 2) (Item 9)**

- (1) That Tranche 1 & 2 of the Local Transport Strategies and Forward Programmes and their suggested objectives be approved for:
  - Elmbridge
  - Epsom and Ewell
  - Mole Valley
  - Reigate and Banstead
  - Spelthorne
  - Surrey Heath
  - Tandridge
  - Woking
- (2) As part of the Surrey Transport Plan, the Local Transport Strategies and Forward Programmes be endorsed by Cabinet, for ratification by full Council.

### **Reasons for Decisions:**

Delivering the Local Transport Strategies will support the County Council's priorities to promote sustainable economic growth and secure investment in infrastructure. The Local Transport Strategies will benefit Surrey residents and businesses by accommodating sustainable population growth, helping to boost the economy and limit the impact of transport and development on the environment.

The strategies adhere to using a place-based approach to plan for future sustainable economic growth and address existing problems on the network. By considering issues locally, the transport strategies have been able to identify issues which residents feel most affect them in each District and Borough.

The Local Transport Strategies and Forward Programmes also support the Environment & Infrastructure priorities, specifically Themes 1, 2 and 4.

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

- **CHILDCARE SUFFICIENCY ASSESSMENT (CSA) (Item 10)**

That the content of the Childcare Sufficiency Assessment report (CSA) be noted.

### **Reasons for Decisions:**

The 2006 Childcare Act places a duty on Local Authorities (LAs) to make sure there are sufficient childcare places of high quality for parents that need them to allow them to work or to train. There also needs to be sufficient services for parents of eligible children to take up their offer of free early education, even for parents who are not working or training. Department for Education (DfE) Early Education and Childcare, statutory guidance for local authorities (September 2014) states that to secure sufficient childcare places, we should take account of the local childcare market, and the Children and Families Act 2014 places a duty to report annually to elected council members on how we are meeting this duty and to make the report available and accessible to parents.

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

- **ST FRANCIS CATHOLIC PRIMARY SCHOOL, CATERHAM (Item 11)**

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 0.5 Form of Entry (105 places) primary places in Caterham be approved.

### **Reasons for Decision:**

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

*[The decisions on this item can be called in by either the Council Overview and Scrutiny Committee or the Children and Education Select Committee]*

- **THE GREVILLE PRIMARY SCHOOL, ASHTEAD** (Item 12)

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 Ashtead be approved.

**Reasons for Decision:**

The school is a vital part of the Council's education offer in the local area. Increasing the number of school spaces within Ashtead is essential to ensure that the County Council performs its statutory duty of educating all resident pupils who request a school place.

*[The decisions on this item can be called in by either the Council Overview and Scrutiny Committee or the Children and Education Select Committee]*

- **MANBY LODGE INFANT SCHOOL, WEYBRIDGE** (Item 13)

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 form of entry, (210 places) at Manby Lodge Infant School, in Weybridge 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 Weybridge area.

*[The decisions on this item can be called in by either the Council Overview and Scrutiny Committee or the Children and Education Select Committee]*

- **LEADER / DEPUTY LEADER / CABINET MEMBER DECISIONS TAKEN SINCE THE LAST CABINET MEETING** (Item 14)

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.

- **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.

- **ST FRANCIS CATHOLIC PRIMARY SCHOOL, CATERHAM** (Item 16)

1. That the business case for the project to expand St Francis Catholic Primary School by 105 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 Caterham area.

*[The decisions on this item can be called in by either the Council Overview and Scrutiny Committee or the Children and Education Select Committee]*

- **THE GREVILLE PRIMARY SCHOOL, ASHTEAD** (Item 17)

1. That the business case for the project to expand The Greville 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 Ashtead area.

*[The decisions on this item can be called in by either the Council Overview and Scrutiny Committee or the Children and Education Select Committee]*

- **MANBY LODGE INFANT SCHOOL, WEYBRIDGE** (Item 18)

1. That the business case for the project to expand Manby Lodge Infant School by 90 places, at a total estimated cost, as set out in the submitted report, be approved. However, it was agreed that officers would consider a redesign of the building so see whether increased numbers of children could be accommodated at this school.
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 Weybridge area.

*[The decisions on this item can be called in by either the Council Overview and Scrutiny Committee or the Children and Education Select Committee]*

● **PROPERTY TRANSACTIONS (Item 19)**

1. That equity investment and a long-term loan to the County Council's wholly owned property company, for the amount stated in the submitted report be agreed
2. That Legal Services be authorised to agree appropriate contractual arrangements for the provision of financing on behalf of the Council, with funds to be released upon the completion of appropriate due-diligence in relation to the property acquisition.
3. That the County Council's wholly owned property company be authorised to acquire the long leasehold interest on a property on the Nursling Industrial Estate, Southampton for a purchase cost, including associated costs, as set out in the submitted report.

**Reasons for Decisions:**

The provision of financing to the Council's property company to facilitate the proposed investment acquisition is in accordance with the Council's Investment Strategy. The investment will deliver an ongoing income to the Council, enhancing financial resilience in the longer term.

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

**Public Question**

**Question from Peter Crews:**

I refer to your written answers to my questions to the Cabinet on 24 February 2015. You state that the costs will include 'optimism bias adjustments'. Optimism bias adjustments are used in pre-feasibility and feasibility studies when firm costs have yet to be obtained. The Charlton Lane project has passed the tender stage and you should by now have firm costs for most of the capital, operational and maintenance works. I would have expected that you would now be estimating your project contingency sum using the Monte Carlo method. Please would you confirm whether optimism bias adjustments are still being used and, if so, what is the level of confidence attached to the adjustments which have been made?

**Reply:**

It is correct to assume that the costs of the Eco Park within the contract with SITA are now largely fixed and not subject to optimism bias. However, the two options being considered, which are being evaluated over a 25 year period, both include elements, where costs are not fixed, for example, merchant energy from waste and landfill costs beyond any current contractual arrangements and operational costs beyond the end of the SITA contract. Therefore, it is appropriate to apply a degree of risk adjustment to both options. We will continue to take advice from our specialist advisors on the appropriate treatment of risk but as the options analysis is not yet complete, we currently do not have the specific information that you have asked for.

**Mr Mike Goodman**  
**Cabinet Member for Environment and Planning**  
**24 March 2015**



**CABINET RESPONSE TO COUNCIL OVERVIEW AND SCRUTINY COMMITTEE**

**CARBON AND ENERGY POLICY FROM 2015 TO 2019  
(considered by COSC on 29 January 2015)**

**COMMITTEE RECOMMENDATIONS:**

That:

- (a) the Cabinet reviews the targets set out in the Carbon and Energy Policy to ensure they are appropriately ambitious, and then adopts the policy.
- (b) the Council carries out a staff awareness campaign to highlight the costs and CO<sub>2</sub> emissions associated with current energy use and encourage the efficient use of energy.

**RESPONSE:**

**(a) Ambition of the target**

Further consideration has been given to the ambition of the target for a 10% net reduction in emissions.

The Council faces a number of challenges in delivering absolute emissions reductions including growth pressures from schools expansion to meet additional needs, increasing IT requirements; whilst at the same time facing reductions in government funding and the need to ensure acceptable rates of return on investment to the council. Further to this, the Council is changing its approach to financing energy efficiency measures in schools and in the future more schools will need to take on debt financing to deliver carbon savings (with associated cost savings funding the repayments) and subsequently delivering savings.

A 10% net emissions reduction is a challenging target for the Council in this context. Progress against the target will be subject to detailed review in Autumn 2016, considering emissions reductions in 2014/15 and 2015/16 since the 2013/14 baseline year, with a view to setting a higher target for the remaining period, if this can continue to deliver both carbon and cost benefit to the County Council.

**(b) Staff awareness campaign**

Work is now underway to launch and implement a staff awareness campaign to ensure we are using energy as efficiently as possible. This has included research into best practice in other organisations and assessing the opportunities for staff actions to influence energy consumption and the scale of benefit of behaviour change, in relation to the wide range of building structures and management systems in operation across the council's estate.

A campaign will be launched in spring 2015, involving the use of S-net and other communications channels, as appropriate to the target audience.

**Mike Goodman  
Cabinet Member for Environment and Planning  
24 March 2015**

**CABINET RESPONSE TO COUNCIL OVERVIEW AND SCRUTINY COMMITTEE**

**BUDGET MONITORING  
(considered by COSC on 4 March 2015)**

**COMMITTEE RECOMMENDATIONS:**

On 4 March 2015, the Committee received a verbal response from the Deputy Chief Finance Officer on the recommendations put to Cabinet. The Committee considered the response, and agreed to restate the following recommendations, with particular emphasis on the section in bold:

(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%.

and

(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.**

**RESPONSE:**

**The responses to the COSC recommendations set out in Annex 1 are as follows:**

- (b) The 20% reduction in the Resource Allocation System is a 'stretch target'. This is a period of much change for the adult social care service and other factors will affect its success. Increasing the reduction target by a further 5% would not be a realistic target for the service to achieve.
- (c) Securing more Continuing Healthcare support for affected clients to reduce social care costs is a key aspect of the service's policy. The creation of the Clinical Commissioning Groups (CCGs) that have replaced the Primary Care Trusts has led to previously agreed processes having to be re-worked and agreed. To this end, a central CHC team has been created, funded through an Invest to Save bid, and a new senior manager is being appointed with the task of leading the negotiations with the CCGs.
- (d) A thorough review of energy cost inflation has led to a reduction of the assumption from 10% to 8%, leading to a further £90,000 saving in the Property Services budget. These assumptions will be periodically reviewed to ensure that the impact of any further market changes are captured in planning assumptions.
- (e) Officers have made a further review of the self insurance fund contribution. The new insurance contracts require that the Council insures the first £500,000 of any single claim to be self insured – an increase from £100,000. This has led to a significant saving on the premiums. Any further reduction in the contribution to the self insurance fund will have to be considered following consideration of the impact of this increased self insurance limit. The triennial actuarial review is due in March 2016, and this would be an appropriate time to re-examine the level of contributions to the fund.

- (f) Officers have commenced work on investigating the SEND transport costs. This will be an area that is scrutinised further as a part of the summer refresh of the MTFP and the general 2016-21 business planning.
- (g) Third party funding and contributions are always considered and sought at the planning stage. The relationship with the District or Borough is vital for securing further funding through CIL.
- (h) The business case for the closure of Children's Centres is still being developed. The recommendations from this will form part of a future Cabinet report.
- (i) The savings targets for Early Years and Services for Young People in the MTFP were carefully considered as part of the 2015/20 business planning process. The Directorate wide budget and most other opportunities for savings were explored. However, given the level of savings required and the timings, these areas were considered to be the most appropriate.
- (j) The ring-fenced reserve was established two years ago as part of a multiyear approach to managing the rising cost of child protection referrals. This has been used to support the Children's Service budgets over the past three years and there has also been a base budget increase of £1m in 2015/16 to address this specific pressure on-going.
- (k) and (l) The savings targets for the Highways service in the MTFP were carefully considered as part of the 2015/20 business planning process. A number of opportunities for savings have been explored within the service and in the Select Committee review process. However, given the level of savings required and the timings, these areas were considered to be the most appropriate.

The Environment and Transport Select Committee will continue to work with the service on identify ways in which to minimise the impact of savings on service delivery and priorities.

**David Hodge**  
**Leader of the Council**  
**24 March 2015**

**CABINET RESPONSE TO COUNCIL OVERVIEW AND SCRUTINY  
COMMITTEE**

**DIGITAL TRANSFORMATION PROGRESS UPDATE  
(considered by COSC on 4 March 2015)**

**COMMITTEE RECOMMENDATIONS:**

That the Cabinet Member for Business Services works with the Leader of the Council and partner organisations to encourage all relevant partners and stakeholders to share data for use within the systems.

**RESPONSE:**

As highlighted by the Committee, engagement of Partners (e.g. Health and Districts and Borough Councils) is a key part of the next stages of the Vulnerable Adults project to ensure the inclusion of necessary data in the event of an emergency incident. The project team, with the help of the project board, chaired by the Head of Emergency Management are engaging with the relevant partners through existing networks and are pro-actively targeting key health providers. The Cabinet Member for Business Services fully supports this engagement programme, representing the project at a Member level where needed and will monitor progress.

**David Hodge / Denise Le Gal**  
**Leader of the Council / Cabinet Member for Business Services**  
**24 March 2015**

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