

Cabinet

**Date & time**

Tuesday, 28 April
2015 at 2.00 pm

Place

Ashcombe Suite,
County Hall, Kingston
upon Thames, Surrey
KT1 2DN

Contact

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Chief Executive

David McNulty

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Cabinet Members: Mr David Hodge, Mr Peter Martin, Mrs Mary Angell, Mrs Helyn Clack, Mr Mel Few, Mr John Furey, Mr Mike Goodman, Mr Michael Gosling, Mrs Linda Kemeny and Ms Denise Le Gal

Cabinet Associates: Mrs Clare Curran, Mrs Kay Hammond and Mr Tony Samuels

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

1 APOLOGIES FOR ABSENCE

2 MINUTES OF PREVIOUS MEETING: 24 MARCH 2015

The minutes will be available in the meeting room half an hour before the start of the meeting.

3 DECLARATIONS OF INTEREST

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

Notes:

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

4 PROCEDURAL MATTERS

4a Members' Questions

The deadline for Member's questions is 12pm four working days before the meeting (*22 April 2015*).

4b Public Questions

The deadline for public questions is seven days before the meeting (*21 April 2015*).

4c Petitions

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

4d Representations received on reports to be considered in private

To consider any representations received in relation why part of the meeting relating to a report circulated in Part 2 of the agenda should be open to the public.

5 REPORTS FROM SELECT COMMITTEES, TASK GROUPS, LOCAL COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL

None

6 AMENDMENT TO WASTE CONTRACT TO DELIVER THE WASTE STRATEGY (Pages 1 - 22)

In July 2013 Cabinet agreed to vary the waste contract to deliver the Eco Park, once seven conditions were met.

In October 2013, Cabinet agreed to the terms of the contract variation and the contract was subsequently varied. Conditions relating to necessary regulatory approvals, continued support from DEFRA, and final value for money and affordability assessments remained outstanding.

All conditions have now been met, as outlined in the report.

Delays and new conditions in the planning process have resulted in increased costs. However, this has not materially affected the overall assessment of value for money and affordability.

This Cabinet report addresses this issue and seeks unconditional approval to commit to construction of the Eco Park.

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

7 YEAR END FINANCIAL BUDGET OUTTURN 2014/15 (Pages 23 - 26)

The Council takes a multiyear approach to its budget planning and monitoring, recognising that the two are inextricably linked. This report presents the Council's year end financial outturn position for 2014/15 and the impact of carry forward requests on 2015/16.

The details of this financial position are covered in the Annexes to this report.

Please note that the Annex to this report will be circulated separately prior to the Cabinet meeting.

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

8 LEADERSHIP RISK REGISTER (Pages 27 - 42)

The Surrey County Council Leadership risk register is presented to Cabinet each quarter and this report presents the Leadership risk register as at 31 March 2015.

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

9 YOUTH JUSTICE STRATEGIC PLAN 2015 - 20 (Pages 43 - 84)

The Youth Justice Strategic Plan is produced to meet the council's obligations under the Crime & Disorder Act 1998 and is submitted to Cabinet for endorsement before being approved at the full County Council meeting in May.

- 10 REVISION OF STATEMENT OF COMMUNITY INVOLVEMENT (SCI)** (Pages 85 - 114)
- The Statement of Community Involvement (SCI) is the County Council's public statement of how it engages with the public and consultees on planning applications and planning policy documents.
- 11 CUSTOMER PROMISE - THE COUNCIL'S COMMITMENT TO DELIVERING EXCELLENT SERVICE** (Pages 115 - 120)
- On 10 February 2015 County Council approved the Corporate Strategy and agreed that focusing on 'Resident Experience' is one of the organisation's three strategic goals.
- To better define Resident Experience the Council conducted research including speaking to staff, members and customers about what they thought were the most important principles behind excellent customer service.
- The research and feedback has been used to create the Council's new Customer Promise which will be used as a framework to improve Resident Experience.
- This paper presents the new Customer Promise and sets out the steps the Council will take to embed the Customer Promise into the organisation to improve Resident Experience.
- [The decisions on this item can be called in by the Communities Select Committee]*
- 12 PROCUREMENT OF ELECTRICITY AND GAS SUPPLIES FOR 2016 - 2020** (Pages 121 - 136)
- The report seeks approval from Cabinet to commit to flexible energy purchasing contracts through the LASER (Local Authorities in South East Region) framework for the provision of electricity and gas supplies on a rolling two year basis, to commence on 1 October 2016. The report provides details of the procurement process, including the results of the options appraisal, and demonstrates why the recommended contract award delivers best value for money.
- [The decisions on this item can be called in by the Council Overview and Scrutiny Committee]*
- 13 ESTABLISHING A DYNAMIC PURCHASING SYSTEM AND ACCEPTANCE OF INDICATIVE TENDERS FOR THE PROVISION OF SOCIAL CARE AND ACCREDITED LEARNING TRAINING** (Pages 137 - 144)
- The Council continues to face challenges in the way in which we deliver our services, and delivering training that equips our staff with the skills and competencies needed remains a priority.
- This report seeks approval to establish a Dynamic Purchasing System (DPS), and accept indicative tenders for the provision of Social Care and Accredited learning Training Services that are specifically targeted for staff

in Adult Social Care and Children, Schools and Families. The need for this training is currently delivered through contracts which expire on 7 June 2015.

N.B. An annex containing exempt information is contained in Part 2 of the agenda – item 17.

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

14 PROVISION OF SPECIAL EDUCATIONAL NEEDS HOME TO SCHOOL TRANSPORT - AWARD OF CONTRACT (Pages 145 - 150)

The Council has a requirement for transport services for eligible children with special educational needs. A proportion of this requirement is currently covered by Sole Provider contracts, some of which expire on 31 July 2015.

N.B. An annex containing exempt information is contained in Part 2 of the agenda – item 18.

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

15 LEADER / DEPUTY LEADER / CABINET MEMBER DECISIONS TAKEN SINCE THE LAST CABINET MEETING (Pages 151 - 156)

To note any delegated decisions taken by the Leader, Deputy Leader and Cabinet Members since the last meeting of the Cabinet.

16 EXCLUSION OF THE PUBLIC

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 the relevant paragraphs of Part 1 of Schedule 12A of the Act.

P A R T T W O - I N P R I V A T E

17 ESTABLISHING A DYNAMIC PURCHASING SYSTEM AND ACCEPTANCE OF INDICATIVE TENDERS FOR THE PROVISION OF SOCIAL CARE AND ACCREDITED LEARNING TRAINING (Pages 157 - 162)

This is a part 2 annex relating to item 13.

Exempt: Not for publication under Paragraph 3

Information relating to the financial or business affairs of any particular person (including the authority holding that information)

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

- 18 PROVISION OF SPECIAL EDUCATIONAL NEEDS HOME TO SCHOOL TRANSPORT - AWARD OF CONTRACT** (Pages 163 - 170)

This is a part 2 annex relating to item 14.

Exempt: Not for publication under Paragraph 3

Information relating to the financial or business affairs of any particular person (including the authority holding that information)

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

- 19 PROPERTY TRANSACTIONS** (Pages 171 - 182)

Disposal of land and property in Leatherhead

Exempt: Not for publication under Paragraph 3

Information relating to the financial or business affairs of any particular person (including the authority holding that information)

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

- 20 PUBLICITY FOR PART 2 ITEMS**

To consider whether the item considered under Part 2 of the agenda should be made available to the Press and public.

David McNulty
Chief Executive
Monday, 20 April 2015

QUESTIONS, PETITIONS AND PROCEDURAL MATTERS

The Cabinet will consider questions submitted by Members of the Council, members of the public who are electors of the Surrey County Council area and petitions containing 100 or more signatures relating to a matter within its terms of reference, in line with the procedures set out in Surrey County Council's Constitution.

Please note:

1. Members of the public can submit one written question to the meeting. Questions should relate to general policy and not to detail. Questions are asked and answered in public and so cannot relate to "confidential" or "exempt" matters (for example, personal or financial details of an individual – for further advice please contact the committee manager listed on the front page of this agenda).
2. The number of public questions which can be asked at a meeting may not exceed six. Questions which are received after the first six will be held over to the following meeting or dealt with in writing at the Chairman's discretion.
3. Questions will be taken in the order in which they are received.
4. Questions will be asked and answered without discussion. The Chairman or Cabinet Members may decline to answer a question, provide a written reply or nominate another Member to answer the question.
5. Following the initial reply, one supplementary question may be asked by the questioner. The Chairman or Cabinet Members may decline to answer a supplementary question.

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Thank you for your co-operation

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SURREY COUNTY COUNCIL**CABINET****DATE: 28 APRIL 2015****REPORT OF: MR MIKE GOODMAN, CABINET MEMBER FOR ENVIRONMENT AND PLANNING****LEAD OFFICER: MR TREVOR PUGH, STRATEGIC DIRECTOR FOR ENVIRONMENT AND INFRASTRUCTURE****SUBJECT: AMENDMENT TO WASTE CONTRACT TO DELIVER THE WASTE STRATEGY****SUMMARY OF ISSUE:**

In July 2013 Cabinet agreed to vary the waste contract to deliver the Eco Park, once seven conditions were met.

In October 2013, Cabinet agreed to the terms of the contract variation and the contract was subsequently varied. Conditions relating to necessary regulatory approvals, continued support from DEFRA, and final value for money and affordability assessments remained outstanding.

All conditions have now been met, as outlined in this report.

Delays and new conditions in the planning process have resulted in increased costs. However, this has not materially affected the overall assessment of value for money and affordability.

This Cabinet report addresses this issue and seeks unconditional approval to commit to construction of the Eco Park.

RECOMMENDATIONS:

It is recommended that Cabinet:

1. Notes that all the necessary preconditions identified in the Cabinet report of 23 July 2013, as outlined in paragraphs 3 - 34 of this report, have now been met.
2. Notes that the assessment of the Director of Finance is that the cost of proceeding with the Waste Strategy, including the Eco Park, meets the value for money criterion and is the most affordable option available to the council.
3. Agrees that the council proceeds to issue the second Notice To Proceed (NTP2) in accordance with the contractual processes approved by Cabinet on 30 October 2013.
4. Notes that the corporate revenue budget refresh in July 2015 will take into account the budgetary effect of delivering the Waste Strategy, including the Eco Park.
5. Requests that the Strategic Director of Environment and Infrastructure puts in place the governance arrangements described in Annex 2, provides quarterly

reports to the Cabinet Member for Environment and Planning and reports to Cabinet at key milestones by agreement between the Cabinet Member for Environment and Planning and the Leader of the Council.

REASON FOR RECOMMENDATIONS:

To authorise development of the Eco Park, an essential part of the Waste Strategy and a priority for the council.

DETAILS

Background

1. In July 2013, Cabinet approved a recommendation that "the Waste Contract be varied to reflect the changes necessary to deliver our Waste Strategy, including the Eco Park, subject to relevant conditions being met."
2. This report describes how each of the seven conditions identified has now been met and the actions which need to follow to implement the decision.

Fulfilment of conditions

3. **Condition 1:** Confirmation by the Director of Legal and Democratic Services that the contract documents prepared for signature are consistent with the terms which relate to the recommendations in this report and with the requirements of the EU Public Procurement Regulations.

This condition was met in October 2013 by SCC and SITA entering into a contract variation, following confidential advice to Cabinet from the Director of Legal and Democratic Services.

4. **Condition 2:** Approval to divert the footpath to the north of the Eco Park.

This condition was met on 19 March 2014. A second Public Inquiry into the footpath diversion took place at the end of January 2014 and, on 19 March 2014, the Planning Inspector confirmed the footpath diversion order.

5. **Condition 3:** Variation of the planning permission to reflect the replacement of the gasification technology provider at the Eco Park, and other minor design changes.

This condition was met on 24 September 2014 when SCC's Planning and Regulatory Committee approved the variation.

6. **Condition 4:** Confirmation of amendment to the environmental permit to reflect the replacement of the gasification technology provider at the Eco Park.

This condition was met on 29 October 2014 when the Environment Agency issued the variation to the environmental permit.

7. **Condition 5:** Fulfilment of outstanding planning conditions.

This condition was met on 13 March 2015 when the pre commencement conditions were approved by SCC's Planning and Regulatory Committee. These were subsequently implemented by SITA Surrey.

8. **Condition 6:** Confirmation by the Chief Finance Officer (now Director of Finance) that the final cost represents value for money, is the lowest cost option and is affordable within the council's medium term financial plan.

This condition has been met as a detailed assessment by the Director of Finance completed in April 2015, based on advice from the council's external financial advisor, Deloitte, has demonstrated the variation to the Waste Contract to deliver the Waste Strategy (including the Eco Park) represents the best value for money for the residents of Surrey. When taken together with an assessment of qualitative factors, it represents overall value for money for the public sector. It is a sound basis from which further service improvements and potential cost savings will be delivered. Proceeding with this option also represents the most affordable solution to the council.

9. The April 2015 financial assessment is based on final costs and timescales and used a consistent methodology to that undertaken in October 2013 which reached the same overall conclusion.
10. The April 2015 qualitative assessment is based on advice from the council's technical advisors, Mott McDonald, who have provided a report to the council on the qualitative value for money benefits which derive from varying the Waste Contract to deliver the Waste Strategy (including the Eco Park). These benefits relate to strategic, contractual, economic and environmental factors, as described below.

- **Strategic benefits**

11. The Waste Strategy is based on recycling and composting as much waste as feasible, anaerobic digestion of food wastes and gasification of the residual wastes.
12. Surrey's Joint Municipal Waste Management Strategy, adopted by the county council in March 2015 retains a target to achieve 70% recycling and composting by 2019/20. This achievement will make Surrey County Council a leading authority in this respect.
13. All existing waste management and treatment options have a residue. It is possible to send this residual waste to landfill but there are environmental and materials benefits in diverting the material to produce power and potentially useful outputs.
14. The development of the Eco Park will provide the option to use technologies that enable bottom ash materials to be recycled and diverted from landfill. This not only allows Surrey to lead the way in integrated waste management but also extracts additional benefits and added value from the contract.

- **Contractual benefits**

15. The contract that Surrey has with SITA is a mature one which has been in operation since 1999. In working with SITA, the council is contracting with one of the largest waste management contractors in Europe who has a proven track record of technology delivery. In progressing through the existing contract, the council can progress without further procurement as the contract is already in operation.

16. Within the main project agreement there is an existing performance management framework which is already in operation. As part of this arrangement SITA and Surrey have signed up to the Treasury Operational Savings Initiative, which works to identify additional savings within contracts. This has been possible due to the mature relationship between the parties and could be more difficult with a new contractor.
17. Business Continuity is important in waste management and having the project operating under a main contract allows for best practice processes to develop and maintain a capability to plan for and respond to incidents and business interruptions. This enables business operations to continue and ensure minimal disruptions to any operations within the contract that SITA undertakes. Business Continuity Management is a requirement enabling systems to be constantly updated and improved to meet changing client needs and provide the foundation for monitoring and evaluating strategies and the ability to manage unexpected events.
18. The provision of a plant with a 25-year operational period will have a minimum of 17 years of life left at the end of the contract with SITA. This would allow Surrey County Council to procure an Operations and Maintenance (O&M) contract for the operation of this plant, and a simpler contractual structure to process the remaining waste.
19. Having the Engineering Procurement Construction (EPC) contract within the existing waste management contract provides additional contractual protection to the council. Should the option to progress a new contract be developed outside of the one currently provided by SITA there is a potential for the security of the existing contract to be lost and there would be uncertainty with respect to the new contractor and their ability to deliver.

- **Economic and Environmental benefits**

20. Charlton Lane is a named site in the Surrey Waste Plan which was adopted by Surrey County Council in 2009 for the provision of Civic Amenity Sites (Policy WD1), Recycling Storage and Transfer of Waste, Materials Recovery and Processing Facility (Policy WD2) and Thermal Treatment (Policy WD5). The proposed Eco Park will use the site for waste management purposes and is therefore supported by the Surrey Waste Plan as well as the Surrey's Joint Municipal Waste Management Strategy. The Eco Park uses technologies to maximise recycling in the County. The Anaerobic Digestion (AD) facility will allow food waste to be used to produce renewable power and a useable product. The digestate potentially benefits farmers and land users by producing a soil improver to approved standards (BSI PAS 110).
21. BSI PAS 110 covers all AD systems that accept source-segregated biowastes. It specifies three key factors, controls on input materials and the management system for the process of anaerobic digestion and associated technologies, minimum quality of whole digestate, separated fibre and separated liquor and information that is required to be supplied to the digestate recipient
22. The digestate has proven benefits such as improved water retention and reduction in the use of inorganic fertilisers. This helps the council to achieve its vision statement which states that "by 2026 the environment will be protected and enhanced for future generations."

23. The Eco Park will deliver benefits to the local economy in terms of the construction and operation of the facilities. In addition to the economic premium given during construction, the facility is predicted to bring 42 permanent jobs to Surrey. This is in addition to an estimated 300 jobs which will be created during the construction phase. If waste is exported out of the County and no new facilities are constructed then the economic and employment benefits would be lost.
24. Through the use of mechanical treatment and AD the requirement for residual waste treatment is minimised, as the process will provide additional recycling and composting opportunities, which will result in a smaller scale combustion technology than conventional combustion. This ensures that the option corresponds with the waste hierarchy and minimises impacts such as the footprint of the plant required.
25. The AD process allows food waste to be used to produce biogas, which can be combusted to generate heat and power. The electricity can be used to power the plant and be exported to the national grid.
26. The bio-degradable element of waste qualifies as renewable energy and is therefore eligible for government related grants, e.g. Renewable Obligation Certificates (ROCs) or Contracts for Difference (CfDs). CfDs will gradually replace ROCs as the government incentive for this type of project and after 31 March 2017 ROCs will no longer be available to new applicants. Continuing the existing contract with SITA therefore may allow the site to be eligible for ROCs rather than CfDs. Although the level of financial support provided by CfDs would be equivalent to that provided by ROCs; as ROCs are well established and understood using this would reduce the risk associated with the novelty of a new system. There is also the potential benefit for the use of heat generated by the plant.

With regard to ROCs, SITA have recently received Preliminary Accreditation for the Fuel Measurement and Sampling procedures for the gasification plant from the industry regulator, OFGEM. It also remains the case that a key acceptance test of the plant will be the demonstration of its capability to generate a synthesis gas of sufficient quality to meet the standard set by OFGEM. In addition, once accreditation is obtained, further contractual arrangements with SITA will address the continued management of electricity and ROCs.

27. By treating waste in a multi-purpose Eco Park, this provides a significant reduction in waste transportation on the final tonnage of material being transported, the haulage of material is reduced and fewer vehicles will use the road system, which is already congested within Surrey and the surrounding counties. It is anticipated that the operation of the Eco Park will result in a reduction of weekday HGV movements of over 40% (160 HGVs) compared to the current operation and a slight reduction at weekends compared with the current operation.
28. Development of the Eco Park will enable Surrey County Council to be more self-sufficient with respect to its waste management services, rather than delivering all of the residual waste to an out-of-county solution. Use of an existing out-of-county solution does not provide any new development, or the associated employment and environmental benefits.
29. There is a reduced tonnage of residual waste requiring treatment (approximately 60,000tpa), which means that most conventional thermal

treatment technologies would be too large to economically treat Surrey's waste alone. Using gasification allows a technology which is designed to treat smaller tonnages of waste without the need to import material from surrounding authorities.

30. In conclusion, the option to vary the waste contract to deliver the Waste Strategy, including the Eco Park, continues to represent best value to the public based on a qualitative assessment.
31. **Condition 7:** confirmation by the Strategic Director for Environment and Infrastructure that the contract variation meets DEFRA's requirements:
32. This condition has now been met. On 8 October 2013, following an agreement with the council to re-profile Waste Infrastructure Grant, DEFRA agreed to continue to support the council's waste contract, subject to it continuing to work closely with DEFRA and the demonstration of value for money. The value for money condition has been demonstrated by the fulfilment of condition 6.
33. In relation to working closely with DEFRA, council officers have continued to keep DEFRA fully informed therefore this condition is met provided that the final cost of entering into NTP 2 represents value for money. At a meeting with senior council officers on 25 March 2015, DEFRA confirmed that it would require evidence of value for money, but that the weightings to be applied between the quantitative and the qualitative elements of that assessment were a matter for the Council and that further approvals from DEFRA were not required provided that the approach to the assessment remained as previously accepted by DEFRA and that Cabinet accepted the new assessment of the Director of Finance.
34. It is also important that Cabinet is assured that ongoing arrangements which demonstrate that the council will continue to work closely with DEFRA are in place, consistent with the conditions of the agreement. Annex 2 describes the arrangements that will support the continuing strategic, delivery, and operational governance of the overall waste programme. The Strategic Director will set up the governance processes and report progress to the Cabinet Member for Environment and Planning on a quarterly basis. The Strategic Director will report to Cabinet at key milestones, by agreement with the Cabinet Member, Leader of the Council, and Select Committee Chairman.

Service assessment by Assistant Director for Environment

35. Delivering the Waste Strategy, including the Eco Park, as recommended in this report, remains the preference from a service perspective for three significant reasons:
 - It complies with the Waste Strategy approved by this council in March 2015.
 - It represents the lowest risk to business continuity for a highly visible and statutory service.
 - It provides an immediate and sound base from which to develop waste services in Surrey, in collaboration with Surrey district and borough councils.

Commercial assessment by the Head of Procurement and Commissioning

36. From a commercial perspective there are two key considerations which support the delivery of the Waste Strategy, including the Eco Park, as recommended in this report:
- The cost of the recommended solution has been procured through a competitive process and subject to negotiation. SCC officers have worked alongside SITA UK to clarify and challenge bids from subcontractors. Therefore the cost is comparatively certain and reasons for increases in costs are understood.
 - There is less exposure to price increases in the key cost area of disposing of residual waste, either through energy from waste or landfill solutions.

Actions required to deliver the Waste Strategy, including the Eco Park

37. The contract variation, approved in October 2013, included mechanisms called Notice to Proceed (NTP) 1 and 2 relating to the Eco Park. These mechanisms ensured that the council's cost exposure was limited until all conditions were met.
38. NTP 1 allowed for preparatory works relating to site access, detailed design and advanced procurement works to commence, in anticipation of approvals, in order to remove avoidable delays in the commencement of construction works and operation of the Eco Park.
39. NTP 2 approves the construction of the Eco Park, and would not be entered into until all conditions identified in the Cabinet report of 23rd July 2013 have been met. In order to proceed with the Waste Strategy, including the Eco Park, it is necessary for Cabinet to approve that council proceeds to issue Notice To Proceed 2.

CONSULTATION:

40. Prior to the Cabinet decision in July 2013, a comprehensive range of communications and stakeholder engagement took place. These are set out in the 25 June and 23 July 2013 Cabinet reports.
41. Whilst the planning and environmental permit applications were being determined, communications from the Waste Disposal Authority principally involved:
- Written updates to local stakeholders (the MP, borough councillors, residents associations and community liaison group members).
 - Meetings of the Charlton Lane Community Liaison Group (CLG).
 - In addition, the SITA Surrey and SCC websites have been kept updated with key information.
42. The Community Liaison Group continues to meet regularly (on 11 occasions since July 2013). Its members include representatives of three local residents associations, councillors and local residents. Minutes of the CLG are published on the SITA Surrey website.

43. Ahead of tree clearance works at the Eco Park site earlier this year, SITA Surrey wrote to residents living to the immediate area to give them information about the works, the anticipated impact and how to contact SITA in the event of any queries. Local stakeholders and the CLG were also informed of the works.
44. Following the public engagement activities carried out by SITA Surrey and SCC in early summer 2013, there have been periods of statutory consultation on the Eco Park planning and permit variations, which are necessarily independent processes:
- The County Planning Authority consulted on the Section 73 planning application in autumn 2013 (copies of key planning application documents were made available on the SITA Surrey website during this period).
 - The Environment Agency carried out consultation on SITA's application to vary the environmental permit between 19 December 2013 and 3 February 2014, and on a draft permit and decision document from 24 July to 4 September 2014. In both instances, documents were either made available on the SITA Surrey website or links were provided to consultation documents on the Agency's website.
 - Extensive consultation was carried out by the Planning Inspector as part of the Public Inquiry into the footpath diversion in January 2014.

RISK MANAGEMENT AND IMPLICATIONS:

45. The risk management implications of this report are significant. Technology risks have been mitigated by selection criteria and strong due diligence and will be regulated by the Environment Agency through the management of the environmental permit. Legal, financial and commercial risks are summarised in this report. The recommended solution to enter into contract variation to deliver the Waste Strategy including the Eco Park represents the lowest risk option available to the council, from a contractual and operational perspective.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS:

46. Officers have worked with the council's financial advisor Deloitte, and technical advisor Mott MacDonald, to update the value for money assessment reported to Cabinet on 30 October 2013. A summary of the updated assessment is included at Annex 1.
47. The value for money analysis within 30 October 2013 Cabinet report considered both quantitative and qualitative aspects of proceeding with the contract variation to deliver the council's Waste Strategy. Based on financial analysis alone, there was no material difference between proceeding with the contract variation or delivering the council's Waste Strategy through alternative third party arrangements. However, when taking into account other significant qualitative value factors relating to legislative, strategic, contractual and economic factors, it was considered that the delivery of the council's Waste Strategy through a contract variation represented the best overall value to the public. When taking into account future Waste Infrastructure Grant which would be received by the council, the contract variation was also the most affordable option for the council.
48. Subsequent delays due to regulatory approvals have resulted in changes to costs and other factors, requiring the value for money assessment to be

updated. Officers have continued to work with SITA and specialist advisors, following Deloitte advice and applying a methodology which is consistent with previous assessments. Deloitte's final report confirms that the position remains unchanged i.e. that there remains no material difference between options in financial terms. The qualitative analysis set out in previous reports remains up to date and valid. Therefore, proceeding with the delivery of the council's Waste Strategy through the contract variation with SITA, including development of the Eco Park, continues to represent best overall value for money to the public sector and is the most affordable option to the council taking into account future Waste Infrastructure Grant.

Section 151 Officer Commentary

49. The Section 151 Officer confirms that, on the basis of costs provided by SITA and advice received from the council's external financial advisors Deloitte, there is no material change to the position reported to Cabinet on 30 October 2013, i.e. that based solely on financial analysis there is no material difference between the option to proceed with the Waste Strategy, including constructing the Eco Park, and the option to dispose of waste through third party facilities. When taking into account other significant legislative, strategic, contractual and economic factors the option to proceed with the Waste Strategy represents best overall value for money to the public sector.
50. The Section 151 Officer confirms that all material risks and implications are considered and explained elsewhere within this report and have been taken into account in completing the financial assessment.
51. In addition, when taking into account the Waste Infrastructure Grant, the option to proceed with the Eco Park represents the best value to the council. The impact of proceeding with the Waste Strategy on the Medium Term Financial Plan (MTFP) 2015-20 will be influenced by a number of factors, including the County Council's action plans and ability to make future savings, and will be reported to Cabinet as part of the wider MTFP refresh in July 2015.

Legal Implications – Monitoring Officer

52. The council's waste disposal functions are carried out in accordance with the Environmental Protection Act 1990 and it has a longstanding waste disposal project agreement ("the waste contract") with SITA to deliver that function, including the provision of waste infrastructure.
53. The ability to give SITA Notice NTP2 is a mechanism contained within the provisions of the waste contract.
54. Cabinet should have in mind its fiduciary duty to Surrey taxpayers and be satisfied that the proceeding to develop the Eco Park remains a prudent and reasonable decision, adopting an evidenced-based approach.

Equalities and Diversity

55. The Equality and Diversity implications as set out in 23 July 2013 Cabinet report have been reviewed. For the purposes of the Equalities Impact Assessment (EIA), the key characteristics of what is being proposed (The development of an Eco Park) remain the same as they were when the EIA was undertaken in May 2013. There has also been no material change to the

council's guidance on EIA, and no new information has arisen which would alter the findings of the original EIA. It is therefore confirmed that there are no significant changes and the EIA remains valid.

56. The Equality Impact Assessment will remain under review and will be updated if necessary if any additional impacts are identified during the delivery phase of the project following any decision by the Cabinet to implement the recommendations in this report.

Public Health implications:

57. Like all waste treatment facilities within Europe, the gasification and anaerobic digestion processing facilities at the Eco Park will have to comply with stringent emissions standards set by EU directives for the protection of health and the environment.
58. Extensive modelling was undertaken for the air quality assessment submitted as part of the planning and permit processes; this took into account existing background air quality both across Spelthorne borough and at points close to site, and the Air Quality Management Area. This demonstrated that the impact of emissions would be negligible.
59. Specific limits for emissions from the Eco Park are prescribed within its environmental permit and in certain instances these are more stringent requirements on the Eco Park than required by the European Union, to account for current air quality levels in Spelthorne. In granting a permit for the Eco Park, the Environment Agency, the body responsible for regulating the Eco Park, noted:

'the permit will ensure a high level of protection is provided for the environment and human health.'

This conclusion is consistent with the advice from Public Health England. The council will continue to follow the advice of Public Health England with regard to protecting the health of local residents.

60. Emissions from the Eco Park will be monitored and the monitoring data reviewed by the Environment Agency to ensure that it complies with the environmental permit.

Climate change/carbon emissions implications

61. The climate change and carbon emissions analysis as set out in the October 2013 report to Cabinet has been reviewed. There have been no significant changes to the parameters that were used in the original analysis, including the volume of waste input, waste composition, parasitic load, planned operating hours, efficiency of the plant, types and mass of wastes produced. Therefore the implications as described in that report remain valid.
62. The net benefit to mitigating climate change is a reduction in emissions of approximately 20,800 tonnes of CO₂equiv per year compared with landfill.
63. The site will be neutral in energy cost terms and export over 27,700,000kWh to the national grid, which is enough to power 8,400 houses. Over two thirds of this (the electricity produced from the biodegradable element of the waste

treated at the Eco Park) qualifies as renewable energy under current regulations.

WHAT HAPPENS NEXT:

64. Following approval, issue Notice To Proceed 2 in accordance with waste contract procedures, to commence construction of the Eco Park. The Eco Park is planned to commence operation in April 2017.
65. Establish governance arrangements discussed in Annex 2.
66. Take into account the budgetary effect of delivering the Waste Strategy, including the Eco Park in the budget refresh in July 2015.

Contact Officer: Ian Boast, Assistant Director for Environment. Tel: 020 8541 9479

Informed:

All relevant stakeholders informed.

Sources / background papers:

Surrey County Council Cabinet Reports:

- 23 July 2013
- 30 October 2013
- 24 June 2014 (including the EIA which remains appropriate)
- 25 November 2014
- 24 February 2015 (including Joint Municipal Waste Management Strategy Revision 2, 2015)

Surrey Waste Plan 2009

Annexes:

- Annex 1: Financial Assessment
- Annex 2: Governance Arrangements

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Waste options financial assessment April 2015

Background & Summary

1. Officers have worked with the council's financial advisor Deloitte, and technical advisor Mott MacDonald, to review and update the value for money (VfM) assessment reported to Cabinet on 30 October 2013.
2. The value for money analysis within the 30 October 2013 Cabinet report considered both quantitative and qualitative aspects of proceeding with the contract variation to deliver the council's Waste Strategy. Based on financial analysis alone, there was no material difference between proceeding with the contract variation or delivering the council's Waste Strategy through alternative third party arrangements. However, when taking into account other significant legislative, strategic, contractual and economic qualitative factors, it was considered that the delivery of the council's Waste Strategy through a contract variation represented the best overall value to the public. When taking into account future Waste Infrastructure Grant due to the council, the contract variation was also the most affordable option.
3. Subsequent delays due to regulatory approvals have resulted in changes to costs, requiring the value for money assessment to be updated. Officers have continued to work with specialist advisors, and have followed Deloitte's advice and applied a methodology which is consistent with previous assessments. Deloitte's final report confirms that the position remains broadly unchanged – i.e. that there remains no material difference between options in financial terms. The qualitative analysis set out in previous reports remains up to date and valid. Therefore, proceeding with the delivery of the council's Waste Strategy through the contract variation with SITA, including development of the Eco Park, continues to represent best overall value for money to the public sector and is the most affordable option for the council.

Updated VfM position

4. The value for money assessment considers the overall impact on the public purse, and therefore excludes Waste Infrastructure Grant which is a transfer from one arm of government to another and does not affect the overall cost to the UK taxpayer.
5. The updated financial assessment has confirmed the position reported to Cabinet in October 2013 remains unchanged, i.e. that with a difference of 0.17%, there remains no material difference between options when excluding the benefit of Waste Infrastructure Grant. The table below shows the estimated net present value (NPV - i.e. value at today's equivalent cost, discounted in line with HM Treasury guidance) of each option over the 25 year assessment period.

Value for money summary	NPV excluding Waste Infrastructure Grant £m
Option 1 - Amend the Waste Contract to deliver the Waste Strategy, including the Eco Park	1,120
Option 2 - Terminate Waste Contract, achieve recycling and landfill diversion improvements without building new infrastructure (i.e. secure other processing arrangements)	1,118
Difference	2

Costs include a quantified risk adjustment

Updated affordability position

6. The affordability assessment considers the effect on the council's finances and as such does take account of Waste Infrastructure Grant. Grant of £78.6m (NPV £56m) is expected between 2015/16 and 2023/24. In option 1 this grant is expected to continue, whereas in option 2 it can be expected to stop.
7. When taking into account the benefit of future Waste Infrastructure Grant, option 1 is clearly the most affordable to the council.

Affordability summary	NPV including loss of future Waste Infrastructure Grant £m
Option 1 - Amend the Waste Contract to deliver the Waste Strategy including the Eco Park	1,064
Option 2 - Terminate Waste Contract, achieve recycling and landfill diversion improvements without building new infrastructure (i.e. secure other processing arrangements)	1,118
Difference	-54

Costs include a quantified risk adjustment

8. The annual budget impact of proceeding with option 1 will be influenced by a number of factors, including the council's plans and ability to make future savings and the potential to reconsider the mechanism for financing a proportion of the capital investment. The updated budget impact will be reported to Cabinet as part of the Medium Term Financial Plan refresh in July 2015.

Movements in cost since October 2013

9. Costs and risks have changed in a number of areas since the last financial assessment was reported to Cabinet in October 2013. These include changes to capital costs, waste treatment site operating costs, expected termination costs of the SITA contract, and changes in the wider waste market. Overall, the value for money margin between the two options has changed from option 1 having the lowest NPV by £6.5m in 2013, to option 2 having the lowest NPV by £1.9m in 2015. Both amounts are considered immaterial in the context of the size of the project.

Total movement in VfM margin since October 2013	NPV £m
Value for money margin at 30 October 2013	-6.5
Waste treatment site operating and capital costs	21.1
SITA contract termination costs (allowing for capital development to date and other costs)	-13.3
Other changes including updated assumptions	2.5
Merchant EfW and AD site costs	-1.9
Value for money margin at 28 April 2015	1.9

10. As a consequence of delays to the regulatory process since October 2013, the capital cost of the Eco Park has increased by £16.7 million, from £74.6 million to £91.3 million. As this is a certain cost it has been used as the basis for financial assessment, however officers are working to mitigate the increase via wider contractual discussions. The cost increase includes £0.35 million for environmental enhancements relating to drainage and landscaping. The development of the Eco Park is one aspect of the council's 25 year contract with SITA, which commenced in 1999. Other costs associated with the provision of an integrated waste management service have also changed since October 2013.
11. The overall effect of changes to costs have been taken into account in the value for money and affordability assessment reported in this annex and, therefore, do not change the assessment of the option to deliver the Waste Strategy, including the Eco Park.
12. The impact of changes in cost on the county council's corporate revenue budget will be incorporated into the budget refresh of the Medium Term Financial Plan, which will be reported to Cabinet in July 2015.

Methodology & key assumptions

13. In order to reassess the financial case for proceeding with the Eco Park, the council has followed the advice of its financial advisor, Deloitte, and its technical advisor, Mott MacDonald. The methodology applied is consistent with previous assessments.
14. Previous assessments included additional options (to terminate the waste contract and re-procure a contract to develop infrastructure, and to terminate and dispose of waste through landfill). These earlier assessments showed that these two options did not represent value for money. The current assessment has therefore focussed on the two lowest cost options available to the council which are:
 - Option 1 - Amend the Waste Contract to deliver the Waste Strategy, including the Eco Park.
 - Option 2 - Terminate Waste Contract, achieve recycling and landfill diversion improvements without building new infrastructure (i.e. secure other processing arrangements).
15. A number of assumptions have been made, including:
 - General inflation of 2.5% per annum.
 - Waste tonnages of 575,000 tonnes in 2015/16, based on the average tonnage across 2013/14 and 2014/15, which then varies in future years in line with industry expectations (as forecast by WRAP, a waste industry advisor).
 - Both options have been considered over a 25 year term, in line with the expected economic life of the Eco Park.
 - Costs are taken from the existing SITA contract, other SCC contracts, or have been estimated in line with market data and in accordance with advice from Mott MacDonald.
 - Costs include a quantified risk assessment (explained below).
 - Costs are presented in net present value (NPV) terms, i.e. at today's equivalent cost, discounted in line with HM Treasury guidance.
16. An independent audit of SITA's financial model has been undertaken by Operis, a company specialising in financial modelling and advice. Operis' final report confirms that "the logic and integrity of SITA's model are correct", that the model complies with accounting regulations and UK tax legislation, and no material errors have been identified.

Quantified risk assessment

17. The council has worked with its financial and technical advisors, Deloitte and Mott MacDonald, to understand and quantify key risks, applying HM Treasury “Green Book” guidance, including 3-point estimates (lower, most likely and upper limit).
18. Risk reduces as a project becomes more certain. Option 1 benefits from the SITA contract, where costs are largely known, for the next 11 years. Option 2 involves terminating the SITA contract and procuring new contracts for managing facilities and disposing of waste and, therefore, contains more uncertainty and risk.
19. Key areas of uncertainty include:
- Cost of waste disposal outside of the SITA contract – including transport & gate fees at 3rd party facilities and landfill sites (including landfill tax).
 - Cost of operating waste treatment sites outside of the SITA contract.

Quantified risk adjustment (included in overall value for money assessment)	NPV £m
Amend the Waste Contract to deliver the Waste Strategy including the Eco Park	46
Terminate Waste Contract, achieve recycling and landfill diversion improvements without building new infrastructure (i.e. secure other processing arrangements)	99

Sensitivity analysis

20. The outcome of the financial assessment is dependent on a number of assumptions, and as such there remains the potential for a range of outcomes depending on changes to those assumptions. This is reflected in the following sensitivity analysis.
21. **Energy income** – income is derived from the sale of energy produced by the Eco Park. SITA has assumed an energy price of £56 / Megawatt Hour (MwH), plus inflation, however this is not guaranteed. A lower rate of £44/MwH has been modelled to illustrate the impact of a variation in prices. This would increase the NPV of option 1 by £3.1m.
22. **Renewable Obligation Certificates (ROCs)** – ROCs are tradable certificates issued by OFGEM for production of renewable energy. The ROCs framework is due to change on 1 April 2017, and details of its successor (Contracts for Difference) remain unclear. SITA has started the process of applying for ROCs accreditation and do not expect the current delay to impact on this. However if no ROCs accreditation/income were received this would increase the NPV of option 1 by £8.5m.
23. **Capital financing terms** – any movement in underlying interest/swap rates and foreign exchange rates will impact the cost of option 1. Total debt charges are estimated at 6.245% made up of a 2.15% swap rate (1.72% indicative swap rate provided by SITA plus a standard 0.43% buffer to allow for movement in rates prior to financial close), 3.75% margin, 0.325% credit charge and other costs. The actual swap rate will be fixed when the loan is entered into, and may therefore change. The following sensitivities have been considered:
- If the swap rate remained at the estimated level and the 0.43% buffer was not required the cost of option 1 would reduce by £1.6m NPV.
 - As above, and with a further swap rate reduction of 0.25%, the cost of option 1 would reduce by £2.6m NPV.
 - An increase in the swap rate of 0.25% above the buffer would increase the cost of option 1 by £1m NPV.

Company credit checks

24. Company credit checks have been undertaken for the main contractors, including SITA Surrey's sub-contractors. The results are summarised below.

Company	Function	Credit rating	Turnover £m
SITA Holdings UK Ltd	Parent company of SITA Surrey Ltd	Good	£633m
SITA Surrey Ltd	Main contractor	Very good	£61m
MW High Tech Projects UK Ltd	EPC (engineer, procure & construct) contractor	Very good	£330m
Outotec OYJ (Finland)	Parent company of Outotec UK Ltd – gasification technology	No concerns identified	£1,104m
Monsal Ltd	Anaerobic digester technology	Good	£13m

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Waste programme governance arrangements:

Proposals for 28 April 2015 onwards

The waste programme at Surrey County Council is currently managed by a Strategic Waste Board (SWB) and a Waste Programme Delivery Board (WPDB).

Should Cabinet decide to proceed with the Eco Park development, it will be necessary to amend current arrangements to ensure operational delivery is managed appropriately. This paper sets out proposals for governance from 28 April 2015 onwards.

Oversight and scrutiny

The waste agenda will continue to be a matter for reporting to the council's oversight and scrutiny functions. Therefore, Chief Executive and Member oversight will continue in accordance with SCC's wider governance and reporting procedures.

Waste governance structure

The arrangements described in this report cover the officers directly responsible for delivering and overseeing the waste programme. The figure below shows the proposed governance structure for the start up phase of the Eco Park construction. A new group, the Operational Delivery Board, will be created to sit alongside the existing WPDB which will be responsible for managing the delivery of Eco Park development.

The two delivery boards will report into the SWB, which is composed of senior officers and DEFRA's lead 'transactor' for Surrey. There is also a line of responsibility from the Operational Delivery Board to the WPDB as the latter is responsible for delivering the entire waste programme, which includes matters other than the Eco Park.

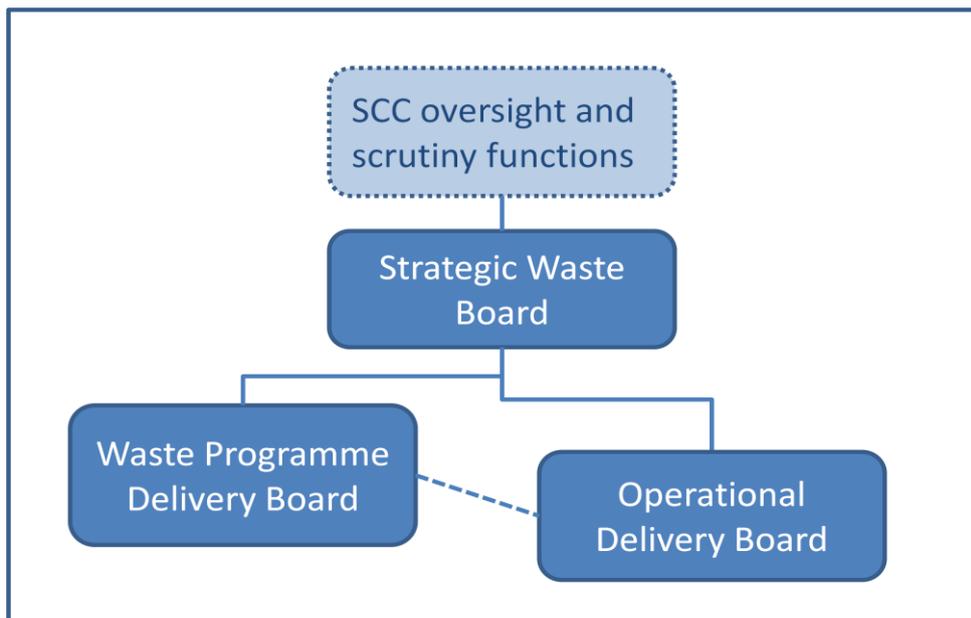


Figure 1: Proposed governance structure post 28 April 2015

Terms of reference

The tables below outline the proposed terms of reference for the three boards described above. These proposals are subject to amendment as the groups will review and formally agree their terms of reference if the decision to proceed with the Eco Park development occurs.

Strategic Waste Board	
Purpose	<ul style="list-style-type: none"> • Oversee delivery of Waste programme including Eco Park development • Set strategic direction • Resolve issues escalated by delivery boards • Report on progress to SCC oversight and scrutiny functions as appropriate (e.g. Cabinet, Select Committee)
Membership	<ul style="list-style-type: none"> • Strategic Director Environment and Infrastructure • DEFRA Transactor • Director of Legal and Democratic Services • Director of Finance • Assistant Director, Environment • Waste Programme Manager
Meeting frequency	<ul style="list-style-type: none"> • Monthly
Typical discussion points	<ul style="list-style-type: none"> • Contract update (including variations) • Risk register • Performance review • Forward programme • Budget position • Communications & stakeholder engagement • Project reviews • Compliance with PFI award conditions • DEFRA update

Waste Programme Delivery Board	
Purpose	<ul style="list-style-type: none"> • Ensure programme is set up to deliver overall strategy and targets • Ensure programme is delivering expected outcomes • Identify and manage risk • Ensure all waste disposal authority activities have a sound business case • Escalate issues to strategic board as required
Membership	<ul style="list-style-type: none"> • Assistant Director, Environment • Waste Operations Group Manager • Waste Development Group Manager • Finance Manager • Category Manager • Waste Programme Manager
Meeting frequency	<ul style="list-style-type: none"> • Fortnightly
Typical discussion points	<ul style="list-style-type: none"> • Project prioritisation and resourcing • Project reporting and reviews • Performance reporting • Budget monitoring • Risk management • Forward plan • Update on major developments • Partnership updates • Waste contract update

Operational Delivery Board	
Purpose	<ul style="list-style-type: none"> • Oversee delivery phase of Eco Park (construction and commissioning) • Ensure key milestones are met • Manage communications and stakeholder liaison • Resolve operational/construction issues as required • Ensure residual planning and permitting requirements are met • Escalate issues to strategic board as required
Membership	<ul style="list-style-type: none"> • Waste Operations Group Manager • Client Engineer • Waste Programme Manager • Specialist advisers as appropriate
Meeting frequency	<ul style="list-style-type: none"> • Weekly
Typical discussion points	<ul style="list-style-type: none"> • Construction/commissioning update • Detailed contractual issues • Risk management • Budget position • Planning/permitting update • Communications update

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SURREY COUNTY COUNCIL

CABINET

DATE: 28 APRIL 2015

REPORT OF: MR DAVID HODGE, LEADER OF THE COUNCIL

LEAD OFFICER: SHEILA LITTLE, DIRECTOR OF FINANCE

SUBJECT: YEAR END FINANCIAL BUDGET OUTTURN 2014/15



SUMMARY OF ISSUE:

The council takes a multiyear approach to its budget planning and monitoring, recognising that the two are inextricably linked. This report presents the Council's year end financial outturn position for 2014/15 and the impact of carry forward requests on 2015/16.

The details of this financial position are covered in the Annexes to this report.

RECOMMENDATIONS:

Recommendations to follow.

REASON FOR RECOMMENDATIONS:

This report is presented:

- to review and manage the budget outturn for the 2014/15 financial year in the context of a multi-year approach to financial management; and
- to approve final carry forwards to enable on-going projects to continue.

DETAILS:

1. The Council's 2014/15 financial year ended on 31 March 2015. The accounts for the financial year closed on 17 April 2015 and include year-end adjusting transactions, such as accruals and apportionments required for the formal financial statements.
2. At its meeting on 24 March 2015, Cabinet noted a forecast revenue position for 2014/15 of of -£13.4m underspend. This included indications of the need to fund £6.2m revenue spending on planned service commitments that will continue beyond 2014/15.
3. Annex 1 to this report sets out the Council's revenue budget outturn as at 31 March 2015. This reports final revenue income and expenditure and explains material variations from the budget, with a focus on staffing and efficiency targets. As a guide, an outturn variance of more than £1m is material and requires a commentary. For some services £1m may be too large or not reflect the service's political significance, so variances over 2.5% may also be material.

4. Annex 1 also provides the Council's capital budget outturn and outlines the changes in the Council's reserves and balances over the year. Additionally, it summarises level of debt owed to the Council after the proposed write-off of irrecoverable debts.
5. Appendix 1 provides details of services' efficiencies and revenue and capital budget movements.
6. Annex 2 updates and summarises the impact of 2014/15 carry forwards on 2015/16 revenue budgets and 2015/16 and subsequent years' capital budgets.

Consultation:

7. All Cabinet Members will have consulted the relevant Strategic Director on the financial positions of their portfolios.

Risk management and implications:

8. Risk implications are stated throughout the report and directors have updated their strategic and or service risk registers accordingly. In addition, the leadership risk register (elsewhere on this agenda) continues to reflect the increasing uncertainty of future funding likely to be allocated to the Council.

Financial and value for money implications

9. The report considers financial and value for money implications throughout and future budget monitoring reports will continue this focus. The Council continues to have a strong focus on providing excellent value for money.

Section 151 Officer commentary

10. The Section 151 Officer confirms that the financial information presented in this report is consistent with the council's general accounting ledger and that forecasts have been based on reasonable assumptions, taking into account all material, financial and business issues and risks.

Legal implications – Monitoring Officer

11. There are no legal issues and risks.

Equalities and Diversity

12. Any impacts of the budget monitoring actions will be evaluated by the individual services as they implement the management actions necessary.

Climate change/carbon emissions implications

13. The Council attaches great importance to being environmentally aware and wishes to show leadership in cutting carbon emissions and tackling climate change.
14. Any impacts on climate change and carbon emissions to achieve the Council's aim will be considered by the relevant service affected as they implement any actions agreed.

WHAT HAPPENS NEXT:

The relevant adjustments from the recommendations will be made to the Council's accounts.

Following a similar timetable to last year, the County Council's formal, financial statements for 2014/15 will be presented ,with Grant Thornton's external audit opinion, to the Audit & Governance Committee at its meeting on 27 July 2015. Any material changes to the financial statements arising during the audit of the accounts will be reported to Audit & Governance Committee. No material changes to either the revenue or capital outturn position as presented in this report and annexes are anticipated to arise from the audit.

The Council continues to seek to improve its corporate external reporting. Following progress last year, the 2014/15 annual report will be more succinct and better integrated. The annual report will also be presented at the Audit & Governance Committee on 27 July 2015. It will be published shortly afterwards.

Contact Officer:

Sheila Little, Director of Finance
020 8541 7012

Consulted:

Cabinet / Strategic Directors

Annexes:

Annex 1 – the revenue and capital budget outturn at 31 March 2015

Appendix 1 – Directorate financial information (revenue and efficiencies) and revenue and capital budget movements.

Annex 2 - 2015/16 Revenue budget and virement requests

Annex 3 – Annual report information

Sources/background papers:

None

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SURREY COUNTY COUNCIL**CABINET****DATE: 28 APRIL 2015****REPORT OF: MS DENISE LE GAL, CABINET MEMBER FOR BUSINESS SERVICES****LEAD OFFICER: SHEILA LITTLE, DIRECTOR OF FINANCE****SUBJECT: LEADERSHIP RISK REGISTER****SUMMARY OF ISSUE:**

The Surrey County Council Leadership risk register is presented to Cabinet each quarter and this report presents the Leadership risk register as at 31 March 2015.

RECOMMENDATIONS:

It is recommended that the Cabinet note the content of the Surrey County Council Leadership risk register (Annex 1) and endorse the control actions put in place by the Statutory Responsibilities Network.

REASON FOR RECOMMENDATIONS:

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.

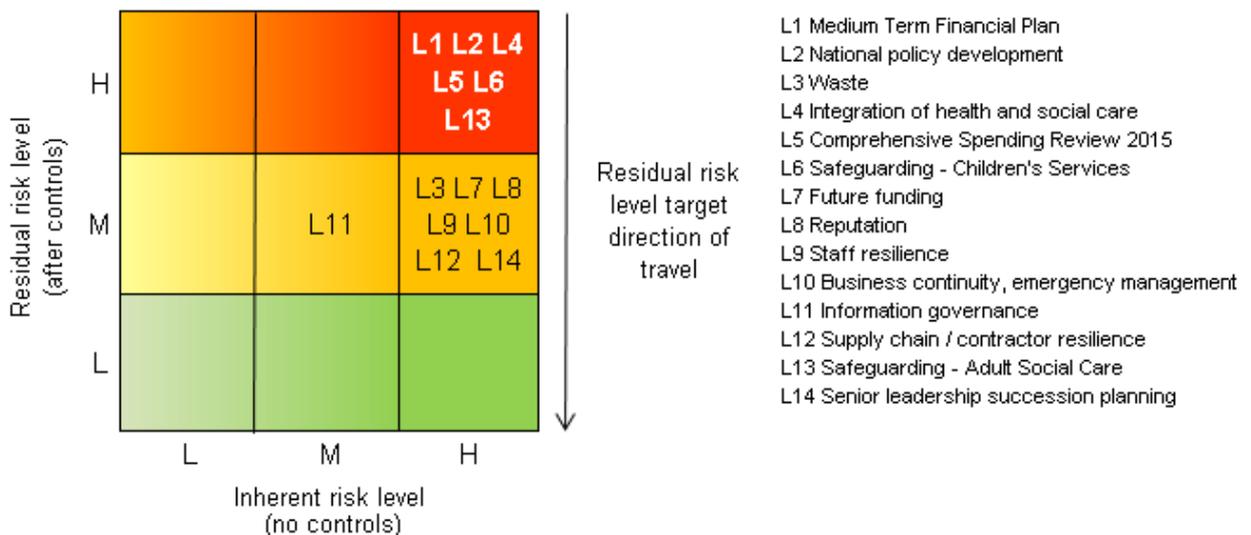
DETAILS:

1. The Surrey County Council Leadership risk register (Annex 1) is owned by the Chief Executive and captures Surrey County Council's key strategic risks. The risk register focuses specifically on the strategic risks facing the council as it strives to fulfil its purpose to ensure Surrey residents remain healthy, safe and confident about their future.
2. The role of the Cabinet is to assure itself that Surrey County Council's strategic risks are captured on the risk register and that appropriate actions are being taken to effectively mitigate the risks to a tolerable level. To confirm that all the strategic risks that face the Council have been identified, the Cabinet attended an informal risk workshop on 24 March 2015, which was facilitated by the Director of Finance and also attended by Strategic Directors and representatives of the Strategic Risk Forum. The workshop discussion confirmed that all the current strategic risks are reflected in the risk register.
3. Since it was last presented to the Cabinet in February 2015, the Surrey County Council Leadership risk register has been reviewed by the Audit and Governance Committee, the Strategic Risk Forum, the Statutory Responsibilities Network and the Directors reporting to the Chief Executive.

4. A number of changes have been made to the risk register (Annex 1) since it was last presented to the Cabinet in February 2015:
- Addition of a new risk with a medium residual risk level – Senior Leader Succession Planning (L14);
 - Wording changes have been made to the ‘processes in place’ and ‘controls’ for risks L2, L4, L6, L10, L11, L12 and L13; and
 - The risk descriptions have been updated for National policy development (L2) and Staff resilience (L9).

Residual risk level

5. The Surrey County Council Leadership risk register includes both the inherent and residual risk levels for each risk. Inherent risk is the level of risk before any control activities are applied. The residual risk level takes into account the controls that are already in place, detailed on the risk register as both ‘processes in place’ and ‘controls.’
6. There are 14 risks on the Surrey County Council Leadership risk register, of which 13 have a high inherent risk level, as illustrated in the table below. Despite mitigating actions, eight of these risks continue to have a medium residual risk level (L3,L7,L8,L9,L10,L11,L12,L14) and six continue to have a high residual risk level (L1,L2,L4,L5,L6,L13): showing the significant level of risk that the council is facing despite the processes and controls being put in place to manage the risks.



CONSULTATION:

7. The Surrey County Council Leadership risk register has been reviewed by a number of senior officer groups as detailed in paragraph 3. The Audit and Governance Committee reviewed the risk register on 9 April 2015.

RISK MANAGEMENT AND IMPLICATIONS:

8. Effective management of risks and financial controls supports the council to meet its objectives and enable value for money.

Financial and Value for Money Implications

9. There are no direct financial implications relating to the Surrey County Council Leadership risk register.

Section 151 Officer Commentary

10. The Section 151 Officer is well sighted of current and emerging risks through being chair of the Strategic Risk Forum, a member of the Statutory Responsibilities Network and a direct report to the Chief Executive Officer. She also facilitated the Cabinet risk workshop on 24 March 2015. Her attendance at key strategic meetings provides further insight and ensures an integrated risk approach.

Legal Implications – Monitoring Officer

11. There are no direct legal implications relating to the Surrey County Council Leadership risk register.

Equalities and Diversity

12. There are no direct equalities implications but any actions taken need to be consistent with the council's policies and procedures.

WHAT HAPPENS NEXT:

13. The Surrey County Council Leadership risk register will be presented to the Cabinet on a quarterly basis.

Contact Officer:

Cath Edwards, Risk and Governance Manager
Tel: 020 8541 9193

Consulted:

Strategic Risk Forum, Statutory Responsibilities Network, Chief Executive and direct reports, Audit and Governance Committee, Cabinet

Annexes:

Annex 1 – Leadership risk register

Sources/background papers:

None

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Leadership risk register as at 31 March 2015 (covers rolling 12 months)

Owner: David McNulty Annex 1

Ref	Dir. RRef.	Description of the risk	Inherent risk level (no controls)	Processes in place (ie the 'how' risks are being mitigated)	Controls (i.e. decisions needed)	Lead risk owner	Residual risk level (after existing controls)
L1	ASC2, 29 BUS01 CAC2 CSF4, EAI1, 3 FR72, 85	<p>Medium Term Financial Plan (MTFP) 2015-20</p> <p>Failure to achieve the MTFP, which could be as a result of:</p> <ul style="list-style-type: none"> not achieving savings additional service demand and/or over optimistic funding levels. <p>As a consequence, lowers the council's financial resilience and could lead to adverse long term consequences for services if Members fail to take necessary decisions.</p>	High	<ul style="list-style-type: none"> Monthly reporting to Continuous Improvement and Productivity Network and Cabinet on the forecast outturn position is clear about the impacts on future years and enables prompt management action (that will be discussed informally with Cabinet) Budget Support meetings (Chief Executive and Director of Finance) continue to review and challenge the robustness of MTFP delivery plans and report back to Cabinet as necessary Clear management action reported promptly detailing alternative savings / income if original plans become non deliverable or funding levels alter in year Monthly formal budget reports focus on funding levels comparing actual spend to forecasts Budget planning discussions with Cabinet and Select Committees Formal review of MTFP (2015-20) planned for summer 2015 once the new Government is formed. 	<ul style="list-style-type: none"> Prompt management action taken by Strategic Directors / Leadership Teams to identify correcting actions. (Evidenced by robust action plans) Members (Council, Cabinet, Select Committee) make the necessary decisions to implement action plans in a timely manner 	Director of Finance	High
L6	CSF2,3	<p>Safeguarding – Children's Services</p> <p>Avoidable failure in Children's Services, through action or inaction, including child sexual exploitation, leads to serious harm, death or a major impact on well being.</p>	High	<ul style="list-style-type: none"> Working within the frameworks established by the Children's Safeguarding Board ensures the council's policies and procedures are up to date and based on good practice. Adult Social Care and Children, Schools and Families are working as key stakeholders in the further development of the Multi-Agency Safeguarding Hub. 	<ul style="list-style-type: none"> Timely interventions by well recruited, trained, supervised and managed professionals ensures appropriate actions are taken to safeguard and promote the well being of children in Surrey. Actively respond to feedback from regulators. 	Strategic Director for Children's Schools and Families	High

Key to references:

ASC = Adult Social Care

BUS = Business Services

CAC = Customers and Communities

CEO = Chief Executive's Office

CSF = Children, Schools and Families

EAI = Environment and Infrastructure

FR = Fire and Rescue

Leadership risk register as at 31 March 2015 (covers rolling 12 months)

Owner: David McNulty Annex 1

Ref	Dir. RRef.	Description of the risk	Inherent risk level (no controls)	Processes in place (ie the 'how' risks are being mitigated)	Controls (i.e. decisions needed)	Lead risk owner	Residual risk level (after existing controls)
L100 Page 32					<ul style="list-style-type: none"> - Robust quality assurance and management systems in place to identify and implement any key areas of learning so safeguarding practice can be improved. - The Children's Safeguarding board (chaired by an independent person) comprises senior managers from the County Council and other agencies facilitating prompt decision making and ensuring best practice. 		
	ASC31, 32 BUS09	<p>Safeguarding – Adult Social Care</p> <p>Avoidable failure in Adult Social Care, through action or inaction, leads to serious harm, death or a major impact on wellbeing.</p>	High	<ul style="list-style-type: none"> • Working within the framework established by the Surrey Safeguarding Adults Board ensures that the council's policies and procedures are up to date and based on good practice. • A revised safeguarding structure is being put in place following a Peer Review. • Implications of the Care Act 2014 are being consulted on. • Adult Social Care and Children, Schools and Families are working as key stakeholders in the further development of the Multi Agency Safeguarding Hub. • Established a locality safeguarding advisor to assure quality control. • Close involvement by Associate Cabinet Member for Adult Social Care in safeguarding functions. 	<ul style="list-style-type: none"> - Continue to work with the Independent Chair of the Surrey Safeguarding Adults Board to ensure feedback and recommendations from case reviews are used to inform learning and social work practice. - Agree and embed agreed changes resulting from Care Act 2014 consultation. - Actively respond to feedback from regulators. 	Strategic Director for Adult Social Care	High

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Leadership risk register as at 31 March 2015 (covers rolling 12 months)

Owner: David McNulty Annex 1

Ref	Dir. RRef.	Description of the risk	Inherent risk level (no controls)	Processes in place (ie the 'how' risks are being mitigated)	Controls (i.e. decisions needed)	Lead risk owner	Residual risk level (after existing controls)
L2	ASC24, 29	National policy development Continuing national policy changes may put additional pressure on demand for all public services leading to an erosion of financial resilience and ability to deliver statutory and essential services.	High	<ul style="list-style-type: none"> Effective horizon scanning to ensure thorough understanding of intended policy changes (particularly in light of the May 2015 General Election) Implementation of a welfare reform programme including districts and boroughs covering: <ul style="list-style-type: none"> Advice and information Financial resilience Emergency assistance Localisation of council tax support Housing and homelessness Employment training and support Taking opportunities to influence central Government policy development e.g. via the Local Government Association. The Welfare Reform Task Group is monitoring the implementation of its recommendations, which are intended to manage the implementation of reforms on Surrey Residents. The Task Group reports regularly to the Council Overview & Scrutiny Committee. 	<ul style="list-style-type: none"> Working in partnership with other statutory partners (e.g. Clinical Commissioning Groups CCG's) to maximise opportunities for communities Members take the opportunities and make the necessary decisions to influence central Government Care Act Implementation Board in place and project programme set up to support ongoing discussion with partners. Through Association of Directors of Adult Social Services (ADASS), SCC leading best practice model in relation to financial management and working closely with Department of Health in the development of regulations that underpin the Care Act. 	Strategic Director for Adult Social Care	High
L4	ASC9 CEO13	Integration of health and social care Failure in partnership working reduces our ability to: <ul style="list-style-type: none"> co-ordinate/integrate health and social care services; improve health outcomes; and develop a financially sustainable model. 	High	Governance arrangements: <ul style="list-style-type: none"> Robust partnership governance arrangements are in place through the Better Care Board, Public Sector Transformation programme and Surrey's Health and Wellbeing Board Regular monitoring of progress and risks against key Health & Social Care integration workstreams and agreed financial governance framework (including the Better Care Fund) 	<ul style="list-style-type: none"> Progress discussions with Clinical Commissioning Groups in Surrey about plans for integration beyond the Better Care Fund. Inclusion of key partners in local whole systems planning. Members continue to endorse approaches to integration across the County. Increase focus on tracking 	Assistant Chief Executive	High

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Page 34				<ul style="list-style-type: none"> Prioritisation of resources and clear senior leadership across Council directorates to support the development of Health & Social Care workstreams. Continued focus on building and maintaining strong relationship with partners through regular formal and informal dialogue Surrey's Better Care Fund plan (which includes agreed financial plans, metrics to measure progress and risk sharing arrangements) has been approved by Surrey's Health & Well-Being Board and the national Better Care Fund team. Formal pooling agreements (section 75 agreements) being developed for the operation of the Better Care Fund. 	implementation and realisation of benefits through the Local Joint Commissioning Groups.			
	L5	BUS02	<p>Comprehensive Spending Review (CSR) 2015 Risk that CSR 2015:</p> <ul style="list-style-type: none"> reduces further the total public sector funding available, and introduces a revised distribution mechanism which lowers the councils financial resilience. 	High	<ul style="list-style-type: none"> Contribution to Local Government Commission to review Local Government Funding and development of scenarios for budget planning process is ongoing and will continue throughout 2015. Officers (Finance and Policy in particular) to sustain pro-active horizon scanning for insight into potential funding change. 	- Cabinet fully consider the implications of CSR in budget planning and agree an MTFP that reflects likely impacts.	Director of Finance	High
	L14	BUS13	<p>Senior Leadership Succession Planning A significant number of senior leaders leave the organisation within a short space of time and cannot be replaced effectively</p>	High	<ul style="list-style-type: none"> Workforce planning linked to business continuity plans High Performance Development Programme to increase skills, resilience and effectiveness of leaders Career conversations built into appraisal 	- Transparent succession plans	Chief Executive	Medium

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		resulting in a reduction in the ability to deliver services to the level required.		<ul style="list-style-type: none"> process looking forward five years Shaping leaders exercise 			
L3	EAI2	<p>Waste</p> <p>Failure to deliver the key elements of the waste strategy leads to negative financial and reputational impact.</p>	High	<ul style="list-style-type: none"> Implementation monitored by the Waste Programme Delivery Board with strategic overview provided by the Strategic Waste Board All major decisions are reported to Cabinet on a regular basis Cabinet paper in November outlined a strategy to work towards a single waste authority. Joint strategic partnership reinforces collaboration and will, if successful, strengthen the ability to deliver the key elements of the waste strategy Support from external strategic advisors assists senior officers in management and mitigation of key technical, financial and legal risks. Senior officers working closely with Government departments. 	<ul style="list-style-type: none"> Strong resourcing and project management regime in place to ensure prompt resolution of any issues that may hinder progress. Collaborative work with Districts and Boroughs is delivered through the Surrey Waste Partnership with close involvement of all Surrey Chief Executives The Waste Programme Delivery Board comprises senior managers from the service together with Procurement and Finance and is chaired by the Assistant Director Environment facilitating prompt decision making. 	Director of Environment and Infrastructure	Medium
L7	ASC2 BUS07 CSF4 EAI1	<p>Future Funding</p> <p>The council is highly dependent on Council Tax for funding, and the ability to increase that in real terms is constrained (by current Government policy). This could lead to a reduction in the council's financial resilience with the consequence that funding for key services will be seriously</p>	High	<ul style="list-style-type: none"> Structured approach to ensuring Government understands the council's Council Tax strategy and high dependence Targeted focus with Government to secure a greater share of funding for specific demand led pressures (in particular School Basic Need) Continued horizon scanning of the financial implications of existing and future Government policy changes 	<ul style="list-style-type: none"> Members make decisions to reduce spending and or generate alternative sources of funding, where necessary, in a timely manner. Officers unable to recommend MTFP unless a credible sustainable budget is proposed. 	Director of Finance	Medium

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		eroded.		<ul style="list-style-type: none"> Development of alternative / new sources of funding (e.g. bidding for grants) Review how systems and processes can lead to greater efficiencies. <p>Notwithstanding actions above, there is a significant risk of Central Government policy changes /austerity measures impacting on the council's long term financial resilience.</p>			
L8	ASC31, 32,34 BUS01 CSF3,4 CEO7 EAI2,14	<p>Reputation</p> <p>A significant failure to deliver within the organisation (caused by an event or individual), could lead to a loss of trust and confidence in the organisation by external stakeholders (e.g. residents, Government, Partners) or internal staff, affecting our ability to deliver services effectively and harming our freedoms and flexibilities from Government controls.</p>	High	<ul style="list-style-type: none"> Processes in place that minimise the likelihood of organisational failure include: <ul style="list-style-type: none"> Active learning by senior leaders from experiences / incidents outside the council inform continual improvement within the council Strong corporate values Robust Governance framework (including codes of conduct, health & safety policies, complaints tracking). 	<ul style="list-style-type: none"> Regular monitoring of effectiveness of processes is in place and improvements continually made as a result of learning. 	Chief Executive Officer	Medium
L9	ASC9, BUS06 CEO8	<p>Staff resilience</p> <p>Scale of public service transformation and budget challenge leads to loss in productivity, increased sickness and staff turnover, impacting on the ability to deliver services to residents.</p>	High	<ul style="list-style-type: none"> Communication, consultation and engagement is a priority for the council with an emphasis placed on thoroughly addressing the concerns of staff and their representatives Currently eight training courses available that address various aspects of change. Trained coaches who are available in all services to support staff. High Performance Development Programme being offered across the 	<ul style="list-style-type: none"> Decision by members on pay and reward system taken in timely manner and combine with staff and union consultation. Communications engagement plan to promote the benefits of working for Surrey and help to support engagement across the organisation to be delivered. 	Strategic Director Business Services	Medium

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Page 37				<p>organisation to support leaders to develop their own and the organisations behaviours.</p> <ul style="list-style-type: none"> Comprehensive range of surveys and focus groups provide a measure of the staff satisfaction with the council and its management of change. The smarter working framework and flexible working policy are in place to support managers and their teams to work differently. Promotion of support mechanisms for staff (eg. employee assistance). Staff are encouraged to get involved in finding innovative solutions to redesign services. Better Place to Work outcomes are implemented Training of managers in effective engagement of their staff to roll out over 2015. 			
	L10	CEO3 EAI4,5 FR06	<p>Business Continuity, Emergency Planning Failure to respond effectively to a known event or major incident results in an inability to deliver key services.</p>	High	<ul style="list-style-type: none"> The Council Risk and Resilience Forum reviews, moderates, implements and tests operational plans. Close working between key services and the Emergency Management Team to update plans and share learning Continued consultation with Unions and regular communication to staff. External risks are assessed through the Local Resilience Forum. Regular updates reported to Statutory Responsibilities Network. 	- Business Continuity Plans are in place and signed off (by heads of service) in timely manner	Assistant Chief Executive

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L12	ASC21 BUS10	Supply chain / contractor resilience Supply chain failure, lack of business continuity arrangements in place leading to increased costs, time delays or reputational damage and failure to promote service delivery.	High	<ul style="list-style-type: none"> Supply chain business continuity plans for strategic/critical contracts to meet required standards. Levels of compliance reported to Statutory Responsibilities Network. Consistent management of supply chain risks across all key suppliers through common reporting. Regular supplier intelligence reporting in place to track industry and supplier news. Risk management training provided to contract managers to enable a consistent approach. Mitigating actions are less effective for small/medium suppliers due to reduced business continuity. 	<ul style="list-style-type: none"> Supplier selection policy decision made to include financial resilience and business continuity arrangements Needs strong support from ELT (Extended Leadership Team) to ensure contract resilience and business continuity is in place and regularly up-dated 	Strategic Director Business Services	Medium
L13	ASC1, 30,33 BUS13 CEO7 CSF5	Information Governance Loss of protected data by the council leads to financial penalties, safeguarding issues and erosion of public trust.	Medium	<ul style="list-style-type: none"> Encrypted laptops – 100% coverage for our 5,500 Laptop estate Secure environment through the Egress encrypted email system Internal Audit Management Action Plans in place that are monitored by Audit & Governance Committee and Select Committees Twice-yearly communications campaign linked to known peaks for breaches, and a refreshed and re-launched information security e-learning package. SCC has received GCSx accreditation certificate Introduction of the Information Governance Board and the launch of the data classification project. Continuation of training for staff to improve awareness and ensure adherence to 	<ul style="list-style-type: none"> Information governance controls work effectively overseen by Information Governance and Caldecott Boards and audited annually Cabinet have reviewed IT security policy and as result the security policy, Code of conduct and social media policies are being updated to reflect changes agreed 	Strategic Director Business Services	Medium

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				<p>procedures</p> <ul style="list-style-type: none"> • Implement learning from feedback where breaches occur. • Directorates and Digital Delivery Team engaging with partners to deliver a platform that will enable appropriate sharing of information between agencies. <p>Despite the actions above, there is a continued risk of human error that is out of the council's control.</p>			

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Movement of risks

Ref	Risk	Date added	Current inherent risk level	Current residual risk level	Movement in residual risk level	
L1	Medium Term Financial Plan	Aug 12	High	High	-	-
L2	National policy development	Feb 13	High	High	-	-
L3	Waste	May 10	High	Medium	Jan 15	↓
L4	Integration of health & social care	June 13	High	High	-	-
L5	Comprehensive Spending Review 2015	Sep 14	High	High	-	-
L6	Safeguarding – Children’s Services	May 10	High	High	Jan 15	↑
L7	Future funding	Aug 12	High	Medium	-	-
L8	Reputation	Oct 14	High	Medium	-	-
L9	Staff resilience	May 10	High	Medium	Jan 12	↓
L10	Business Continuity, Emergency Planning	May 10	High	Medium	Aug 12	↓
L11	Information governance	Dec 10	Medium	Medium	Oct 14	↓
L12	Supply chain / contractor resilience	Jan 14	High	Medium	-	-
L13	Safeguarding – Adult Social Care	May 10	High	High	Jan 15	↑
L14	Senior leader succession planning	Mar 15	High	Medium	-	-

Risks removed from the register

Risk	Date added	Date removed
<i>IT risk</i>	<i>May 10</i>	<i>Oct 14</i>
<i>Resource Allocation System in adults personalisation</i>	<i>May 10</i>	<i>Aug 12</i>
<i>Integrated Children’s System</i>	<i>May 10</i>	<i>Feb 11</i>
<i>NHS reorganisation</i>	<i>Sep 10</i>	<i>May 13</i>
<i>2012 project management</i>	<i>Sep 10</i>	<i>Aug 12</i>
<i>LLDD budget transfer</i>	<i>May 11</i>	<i>Mar 12</i>
<i>2012 command, control, coordination and communication</i>	<i>Dec 11</i>	<i>Sep 12</i>

Leadership level risk assessment criteria

Due to their significance, the risks on the Leadership risk register are assessed on their residual risk level ie. the level of risk after existing controls have been taken into account, by high, medium or low.

Risk level	Financial impact	Reputational impact	Performance impact	Likelihood
	<i>(% of council budget)</i>	<i>(Stakeholder interest)</i>	<i>(Impact on priorities)</i>	
Low	< 1%	Loss of confidence and trust in the council felt by a small group or within a small geographical area	Minor impact or disruption to the achievement of one or more strategic / directorate priorities	Remote / low probability
Medium	1 – 10%	A sustained general loss of confidence and trust in the council within the local community	Moderate impact or disruption to the achievement of one or more strategic / directorate priorities	Possible / medium probability
High	10 – 20%	A major loss of confidence and trust in the council within the local community and wider with national interest	Major impact or disruption to the achievement of one or more strategic / directorate priorities	Almost certain / highly probable

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SURREY COUNTY COUNCIL**CABINET****DATE: 28 APRIL 2015****REPORT OF: MRS MARY ANGELL, CABINET MEMBER FOR CHILDREN AND FAMILIES****LEAD OFFICER: NICK WILSON, STRATEGIC DIRECTOR FOR CHILDREN, SCHOOLS & FAMILIES****SUBJECT: YOUTH JUSTICE STRATEGIC PLAN 2015 - 2020****SUMMARY OF ISSUE:**

Surrey has some of the most successful youth justice outcomes in England and Wales. For example, between April 2013 and 2014, Surrey had the lowest number of young people entering the criminal justice system for the first time per 100,000 of the population in England. This is a trend that has been established since 2011 through a strategic emphasis towards preventative and restorative interventions and means that a Surrey young person is less likely to enter adulthood with a criminal record than anywhere else in the country.

Within this high performing context, described by the Youth Justice Board for England and Wales as 'exceptional', the Youth Justice Strategic Plan 2015 -2020 seeks to build on success to date by continuing to drive a sustainable and innovative programme of delivery that will ensure that Surrey remains at the forefront of best national youth justice practice, serving the best interests of young people, victims and communities.

The Youth Justice Strategic Plan is produced to meet the council's obligations under the Crime & Disorder Act 1998 and is submitted to Cabinet for endorsement before being approved at the full County Council meeting in May 2015. Youth Justice relates to that area of the council's responsibilities for the management of young people who have committed criminal offences. These responsibilities are discharged in partnership with Surrey Police, Surrey & Sussex Probation and NHS Surrey. The organisation within the council with lead responsibility for youth justice is Surrey Youth Support Service (YSS).

The refreshed Youth Justice Strategic Plan 2015 – 2020 covers a 5-year period and has been co-produced with Youth Justice Partnership Board (YJPB) members. The clear partnership focus of the plan seeks to ensure that key services and agencies work together to deliver an effective youth justice system that provides value for money.

The decision to produce a 5-year plan represents a partnership consensus that a longer-term strategic plan provides the greatest opportunity to deliver sustainable high quality youth justice outcomes, which can withstand risks. The plan will be refreshed annually, reflecting any changes to the national and local youth justice landscape which impact on the strategic priorities.

The strategic priorities for the Youth Justice Strategic Plan are:

- **Prevent Youth Crime**
- **Reduce Re-offending**
- **Safeguard young people from harm**
- **Protect the public from harm**

In meeting the priorities, activity will include restorative justice approaches and the application of a clear safeguarding focus to prevent and reduce offending, improve victim satisfaction and raise public confidence.

RECOMMENDATIONS:

It is recommended that Cabinet:

1. endorses the Youth Justice Strategic Plan for 2015 – 2020 and recommends its approval to full Council.
2. congratulates Surrey Youth Support Service and the wider partnership on the outstanding performance and outcomes achieved in the youth justice arena.
3. acknowledges the exceptional political support and leadership provided in particular by the Lead Cabinet Member for Children and Families and the Leader of the Council that has contributed to the above performance and outcomes.

REASON FOR RECOMMENDATIONS:

The council has a duty under the Crime & Disorder Act 1998 to formulate a Youth Justice Plan setting out:

- How youth justice services in their area are to be provided and funded; and
- how the youth offending team or teams established are to be composed and funded,
- how they are to operate and what functions they are to carry out.

The Youth Justice Strategic Plan 2015-2020 is designed to deliver a sustainable and effective youth justice system that enables improved outcomes and value for money for Surrey residents.

DETAILS:

Local arrangements

1. In Surrey the statutory functions of the Youth Offending Team (YOT), in accordance with the Crime and Disorder Act 1998, are undertaken by the YSS. This includes the provision of a wide range of services to courts, young people who offend and their families, carers and victims. The Youth Justice Partnership Board (YJPB) oversees the activities of a range of partners who support and complement the work of the YSS in preventing and reducing youth crime, safeguarding young people and protecting the public. Partnership arrangements are outlined in Appendix A of the Youth Justice Strategic Plan (Annex 1).
2. The youth offending responsibilities of the YSS are funded through contributions from the statutory partner agencies in accordance with the Crime and Disorder Act 1998. These are the Local Authority, (covering Education and Social Care), the Probation Service, the National Health Service (NHS) and the Police Service. Further funding is provided through an annual grant from the Youth Justice Board (YJB) for England and Wales. Funding arrangements are outlined in Appendix C of the Youth Justice Strategic Plan (Annex 1).

3. Surrey YSS comprises local teams, one in each of the county's eleven boroughs and districts, that deliver services to young people who offend. The YSS also provides services to other young people who are homeless, who are deemed children in need (section 17 of the Children's Act 1989), who are open to but not engaged with the Children and Adolescent Mental Health Service (CAMHS) and who are Not in Employment, Education or Training (NEET). Young people who offend also often fall into these other cohorts, and vice versa. Therefore, an integrated service such as the YSS is of benefit to meeting a range of overlapping needs.

Youth Justice Interventions

4. The youth justice interventions and services provided through the YSS and supported by partners include:

a. Appropriate Adults

When young people are interviewed or otherwise processed at police stations a parent or other appropriate adult must be present. When parents are unwilling or unable to attend an appropriate adult is provided by the Surrey Appropriate Adult Volunteer Service (SAAVS)

b. Prevention

Targeted preventative work may be undertaken with young people at risk of offending where the young person's circumstances suggest that a casework approach is required. Referrals for this work come from a number of sources, including Community Incident Action Groups (CIAG) that monitor anti-social behaviour, schools, the police, and social services. Engagement at this stage is voluntary.

c. Pre-court / diversionary responses to offending

YSS is committed to avoiding the unnecessary criminalisation of children and young people. Central to Surrey's response is to approach young people's offending in a risk led, restorative manner. Thus young people's behaviour may be dealt with informally by officers on the street or through the Youth Restorative Intervention (YRI) or Youth Cautions, with or without conditions. The latter two are delivered by the YSS in partnership with Police and all serve to appropriately divert young people from prosecution through the courts.

d. Victims and restorative work.

The use of restorative justice is a cornerstone of the approach to youth crime in Surrey. This has included the development of the Surrey's Youth Restorative Intervention (YRI), sponsored by the Local Criminal Justice Board, which is the main disposal outcome for young people admitting all but the most serious offences. The YRI brings the victim and the young person together at heart of the system's response to offending, ensuring wherever possible that both have their needs met and harm is repaired. Key to the development of this approach has been an ongoing partnership with Surrey Police, which includes joint decision making processes in relation to whether young people who have offended can be dealt with out of court through the YRI.

e. Court work

For those young people who do go to court, the YSS provides a service by attending each youth court sitting to offer advice, undertake assessments of young people and make recommendations about the most appropriate responses in order to prevent further offending. As the YSS has a statutory duty to manage court orders, it is also

responsible for taking enforcement action when young people have consistently failed to comply with their order. This may mean that the young person is required to return to court where the YSS will prosecute the young person for the breach offence.

f. Supervising Court Orders

The YSS has a statutory duty to supervise a range of orders that are made in the courts. Most commonly orders are “community orders”, that is they are delivered whilst the young person lives in the community, and these are most often Referral Orders or Youth Rehabilitation Orders. The operating of these orders is subject to a set of national standards and is inspected by Her Majesty’s Inspectorate of Probation. A wide range of interventions can be agreed, dependant on a young person’s individual needs and level of risk, but most will require regular meetings between the YSS and the young person in order to support them into a constructive law abiding lifestyle.

g. Custodial Sentences

On the rare occasions when a young person goes to prison they normally serve the first half of their sentence in a secure/custodial setting and the second half in the community. The YSS maintains frequent contact with the young person and the prison and helps plan interventions both whilst in custody and in preparation for release. They then supervise the second half of the sentence in the community.

The Youth Justice Strategic Plan

5. The Youth Justice Strategic Plan (attached at Annex 1) for 2015 - 2020 follows a structure recommended by the Youth Justice Board for England & Wales and includes the following sections:
 - a. Introduction and context - sets out the context in which youth justice services are provided (section 1&2).
 - b. Ambition and strategic priorities – outlines the service’s high level strategy for the five years ahead (section 3&4).
 - c. Outcomes from 2013/14 – a review of service performance over previous 12 months (section 5 & Appendix B).
 - d. Resourcing & value for money – details how resources are deployed to deliver effective youth justice services to prevent offending and re-offending (Appendix C).
 - e. Partnership arrangements and governance – defines the partnership and governance arrangements which support integrated strategic planning and performance oversight and demonstrates the connectivity of services making a contribution to youth justice within the childcare and criminal justice system in the county (Appendix A).
 - f. Risks to future delivery - this section considers the risks that may undermine capacity to deliver effective youth justice services over the term of the plan (section 6).

6. The review of performance detailed in the plan (section 5 & Appendix B) demonstrates why Surrey is considered to have one of England and Wales’ foremost youth justice partnerships. Notable achievements include:
 - Young people in Surrey are significantly less likely to enter the criminal justice system than in any other authority in the country.

- Surrey is leading a regional programme to reform responses to looked after children's offending. Building on its success in keeping looked after children out of the criminal justice system in Surrey.
 - Surrey's restorative justice programme is nationally recognised as at the forefront of best practice putting victims at the heart of the justice process and records high levels of victim satisfaction.
 - Surrey detains fewer of its children and young people than ever before and fewer than any comparable authority in the country.
 - Offending by young people in Surrey is reducing and reductions in re-offending are most marked for those who have been subject to a youth restorative intervention.
7. The Youth Justice Strategic Plan 2015 - 2020 sets out how a partnership approach led by Surrey Youth Support Service (YSS) will deliver against the core strategic priorities and recognises that a longer-term plan is essential to provide the foresight and resilience required to enable us to sustain our outstanding performance, whilst also further reforming key areas of the youth justice system locally and regionally. This includes continuing to strive to use resources in the most effective way by preventing the costs of crime through early targeted intervention and promoting restorative justice processes to help a young person make amends for their behaviour and repair the harm caused to victims. Wherever appropriate this will be done without requiring recourse to the formal criminal justice system.
 8. At the same time, the plan seeks to lead a transformational shift in how work is undertaken with the smaller group of young people whose circumstances mean they are more likely to have prolonged contact with the youth justice system. This will be achieved through better understanding and addressing the needs underpinning their offending, which often reflect safeguarding and vulnerability concerns, as the route to reducing youth crime, creating fewer victims and making communities safer.
 9. For example, research highlights that those at greatest risk of offending are the least likely to be positively participating in the life of their communities; they are more likely to be out of education or employment and they can often be marginalised from services and opportunities, which perpetuates their vulnerability. By placing our youth offending services at the heart of a holistic, integrated partnership approach to meeting the needs of vulnerable young people we instead optimise our opportunity to return them to the heart of their communities and equip them with the skills to become contributing, non-offending adults.

CONSULTATION:

10. The Youth Justice Strategic Plan was considered by the Children and Education Select Committee on 26 March 2015 and was co-produced by the Youth Justice Partnership Board (YJPB). Nick Wilson, Strategic Director for Children, Schools and Families is the chair of the YJPB. The plan was also shared for consultation and feedback with the membership of the Youth Justice Advisory Committee and the Children, Schools and Families Directorate Leadership Team.
11. Feedback from the Children and Education Select Committee has contributed to a greater emphasis in the plan on support for young carers and those with mental health issues, transition between youth and adult services and the role of schools in supporting the prevention of offending.

RISK MANAGEMENT AND IMPLICATIONS:

12. The Youth Justice Strategic Plan identifies four areas of risk affecting the services capacity and capability to deliver effective youth justice services. These are detailed at section 6 of the plan together with corresponding mitigating action.

Financial and Value for Money Implications

13. The funding available for delivering year 1 of the Youth Justice Strategic Plan 2015 – 2020 is set out in appendix C of Annex 1 in a table that lists the contributions from partner agencies. The £1.429m contribution from Surrey County Council is an estimate based on the proportion of the YSS budget attributable to this area of work.
14. Costs are funded by contributions from partner agencies, a grant from the Youth Justice Board and the agreed revenue budget for the YSS. In addition, there is an annual bidding process for a grant from the Office of Surrey's Police and Crime Commissioner.

Section 151 Officer Commentary

15. Whilst it is recognised that the Youth Justice Strategic Plan is for 5 years, the funding to deliver the plan is generally agreed on an annual basis. Given that the funding available could change, the Section 151 Officer would expect the priorities and outcomes in the plan to also be reviewed on an annual basis to ensure delivery costs remain within the funding agreed.

Legal Implications – Monitoring Officer

16. The production of a Youth Justice Plan is a statutory requirement (Crime and Disorder Act 1998) and forms part of the county council's policy framework. The plan outlines how duties in respect of the youth justice system will be discharged by the council and its partners. There are no new commitments within the plan which impact upon the council's legal responsibilities.

Equalities and Diversity

17. Youth justice services support vulnerable young people to prevent further offending and to enable young people to make a successful transition to adulthood.
18. The youth justice partnership, including the YSS is acutely aware of the over representation of some minority groups within the criminal justice system and works actively to mitigate the impact on young people.

Corporate Parenting/Looked After Children implications

19. The plan provides for a continuing focus on reducing the over-representation of looked after children in the youth justice system. This builds upon the significant success in recent years in reducing looked after children's involvement in the youth justice system.

Safeguarding responsibilities for vulnerable children and adults implications

20. The plan commits the partnership to delivering outstanding services to safeguard young people and ensure protection of the public. The plan leads a transformational shift in recognising that persistent offending is often intertwined with significant safeguarding and vulnerability issues and,

therefore, that addressing safeguarding need is a likely starting point for successfully reducing entrenched youth offending behaviour.

Public Health implications

- 21. The plan's priorities include tackling risk factors associated with drugs and alcohol; emotional and mental health problems and sexual health/exploitation and cyber-bullying.

WHAT HAPPENS NEXT:

- 22. This is a rolling five year strategic plan setting out the ambition of the council and the wider youth justice partnership to prevent offending, address offending more effectively through ensuring a sufficient safeguarding focus, improve victim satisfaction, raise public confidence and where appropriate to divert young people from the criminal justice system through restorative justice processes.
- 23. The plan will be refreshed each year with the annual action plan (appendix D of Annex 1) reviewed and updated

Contact Officer:

Ben Byrne, Head of Youth Support Service Tel: 01483 517014

Consulted:

Children and Education Select Committee
Youth Justice Partnership Board
Surrey Youth Justice Advisory Committee
CSF Directorate Leadership Team

Annexes:

Annex 1: The Youth Justice Strategic Plan 2015 – 2020

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Youth Justice Strategic Plan 2015-2020

Surrey Youth Justice Partnership

A partnership commitment to reducing youth
crime and creating safer communities
in Surrey

Foreword by Nick Wilson, Director of Children Services for Surrey

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As chair of Surrey Youth Justice Partnership Board, I am delighted to introduce our 5-year strategic youth justice plan for 2015-2020, which reflects our successes as a partnership and sets out how we will continue to deliver high quality, high performing youth justice services over the next 5-years.

In Surrey we are rightly proud of the fact that we continue to have some of the best youth justice outcomes in England and Wales. For example, Surrey has 60% fewer children and young people coming into the criminal justice system than it did four years ago, meaning that a young person living in this county has been consistently less likely to enter adulthood with a criminal record than anywhere else in England and Wales. In the same period, the number of young people committing offences has halved, which means there are many fewer victims too. Courts also imprison fewer juveniles here than virtually anywhere else in the country because they are confident the community alternatives that young people will experience in Surrey work, changing behaviour and reducing re-offending. These achievements are recognised nationally, as well as locally, and Surrey is at the forefront of best practice, achieving what the Youth Justice Board for England and Wales describe as 'exceptional performance'. At the heart of this success is the commitment and skill of practitioners, drawn together from an array of different disciplines and professional backgrounds, all of whom are intent upon making a difference to their community through their work.

However, we must not allow ourselves to become complacent about our successes, given that over the next 5-years further significant changes are anticipated across the criminal justice system within a context of continuing reductions in public service budgets. Therefore, as a youth justice partnership board, we wholeheartedly believe that a longer-term plan is essential to provide the foresight and resilience required to enable us to sustain our strong performance and further reform key areas of the youth justice system locally and regionally. At the heart of our strategy and plan is an unswerving commitment to deliver an effective youth justice system as a partnership, optimising relevant skill, knowledge and resources through joint action, rather than developing a plan that centres largely upon the activities of a single youth offending team.

Our plan clearly sets out how we will deliver against the core objectives of a youth justice system – to prevent and reduce youth crime, safeguard children and young people at risk of, or involved in, offending and protect the public from harm. This will include continuing to strive to use resources in the most effective way by preventing the costs of crime through early targeted intervention and promoting restorative justice processes to help a young person make amends for their behaviour. Wherever appropriate this will be done without requiring recourse to the formal criminal justice system. At the same time, we will identify the smaller group of young people whose circumstances mean they are more likely to have prolonged contact with the youth justice system and lead a transformational shift in how we work with them by understanding and addressing the needs underpinning their offending, which often reflect safeguarding and vulnerability concerns, as the route to reducing youth crime, creating fewer victims and making communities safer.

Nick Wilson
Chairman, Youth Justice Partnership Board

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Ambition

Our ambition is that, through effective partnership working, children and young people at risk of, or involved in offending, will be engaged and supported to lead safe, law abiding lives, in order to reach their full potential and make a positive contribution to their community.

Introduction and Context

The Crime and Disorder Act 1998, requires Local Authorities to have a Youth Justice Plan which is annually updated to set out how youth justice will be delivered locally within available resources. This Plan will cover a 5 year period from 2015 – 2020 and has been co-produced with Youth Justice Partnership Board (YJPB) members and influenced by national research and evidence of effective practice. It will be refreshed each year, reflecting any changes to the national and local youth justice landscape which impact on the strategic priorities and the way in which the whole youth justice partnership will deliver a range of services designed to reduce youth offending within Surrey.

The strategic priorities, which will underpin our action planning cycle over the 5-year period, are congruent with the principal aims of the youth justice system. They are:

- **Prevent Youth Crime**
- **Reduce Re-offending**
- **Safeguard young people from harm**
- **Protect the public from harm**

The previous Youth Offending Team (YOT) management board developed into a Youth Justice Partnership Board (YJPB) in 2012 that is focused less on oversight of a single service and more on the activities of all partners that impact upon young people's involvement with offending. This plan will reflect that development, ensuring that priorities and actions are a partnership endeavour, rather than a plan related to oversight of a single youth offending service. The YJPB will retain a clear focus on the principal aim of reducing offending and re-offending and maintains strategic oversight of the delivery and performance of the local youth justice system and contribution from all partners. The membership of the board (see appendix A for full membership details) provides senior representation from key partners to ensure that young people involved in the youth justice system have access to a range of services to support the partnership's responsibilities under Crime & Disorder Act 1998 to:

- Co-ordinate the provision of youth justice services for all those in the authority's area who need them
- Carry out such functions assigned in the youth justice plan formulated by the local authority.
- In addition, by providing the youth justice services outlined at Section 38 (4) of the Act, the local authority also addresses its duty, under the Children Act 1989, to take reasonable steps designed to encourage children and young people within the area not to commit offences.

This 5-year youth justice strategy reflects a dynamic youth justice partnership committed to establishing long-term strategic objectives. These objectives will be achieved through continuing to provide innovative, partnership and solution-focused leadership to support the delivery of our key priorities. Such an approach recognises a fundamental need for the partnership to remain agile and responsive to changing legislation, policy, demographic and funding scenarios without sacrificing quality or our commitment to strive to prevent and reduce youth crime. A restorative approach to our work with young people, which puts victims at the heart of the youth justice process, will be a key theme running throughout our partnership activity to deliver upon our strategic priorities.

How is youth justice delivered in Surrey?

In Surrey the statutory functions of the YOT (as required by the Crime and Disorder 1998) are undertaken by the Youth Support Service (YSS). The Youth Justice Partnership oversees activities of a range of partners, beyond those of the YSS, which contribute to the principal function of the youth justice system of preventing offending by children and young people. The strategic shift away from a YOT and the previous YOT Management Board reflects a partnership approach which recognises that preventing youth offending is not the preserve of any single agency but requires wide-ranging, co-ordinated partnership activity. It also reflects a belief that young people who offend are first and foremost young people, and they often present with multiple needs which are not best met through a discrete service for 'young offenders'.

As the starting point for provision of services to a range of adolescents in need, the YSS is designed to deliver support that enables vulnerable young people to overcome barriers, including offending, that may inhibit them from achieving their full potential with an overall focus on increasing their employability, given the evidence of the positive impact this can have on life-course outcomes. Within this integrated response to young people's needs a key focus remains on ensuring offending is addressed, sentences are served and National Standards for youth justice are fulfilled. The breadth of services available within the YSS, including health (physical and emotional), welfare, housing, and employment makes the Surrey's integrated approach a more credible and evidenced based response to offending than arrangements elsewhere.

A range of partner organisations and services support and complement the work of the YSS in preventing and reducing youth crime, safeguarding young people and protecting the public. Many of these organisations are represented on the current Youth Justice Partnership Board. It is recognised that progress is achieved through effective and innovative partnership working and that positive youth justice outcomes across the whole system cannot be delivered through a single agency or strategy.

Our Ambition for 2015 to 2020

Our ambition is that children and young people at risk of, or involved in offending, are engaged and supported to lead safe, law abiding lives, in order to reach their full potential and contribute positively to their communities. We will achieve this through effective and innovative partnership approaches that continue to reform youth justice in Surrey at all stages from prevention to statutory youth justice practice. To this end, improved youth justice outcomes will be achieved through partnership endeavour, as reflected within the strategy action planning.

Since 2011, local partnership arrangements have had a transformational impact on youth justice, reforming many elements of the system and improving outcomes for young people, victims and communities. This has been underpinned by the establishment of Surrey Youth Support Service (YSS) in 2012, providing a holistic and integrated case management response in supporting vulnerable young people to overcome barriers, including offending, that may inhibit achievement of full potential in adulthood. In addition, the development of a restorative justice partnership approach to tackling youth crime through the implementation of the Youth Restorative Intervention (YRI) has contributed to exceptional reductions in overall amounts of youth crime and the number of young people entering the formal youth justice system for the first time and needing to be managed via a statutory framework. In turn, this shift from reliance on formal responses to youth crime has enabled funding to be re-directed from expensive, acute provision towards more preventative, early intervention with those identified as at risk of offending.

Our strategy over the next 5-years will continue to optimise the transformational opportunities of this approach and the shifting of resource towards prevention, which provides better value for money and opportunities to reduce youth crime and equip young people with the skills to become independent, contributing adults. This will include re-commissioning Surrey YSS as the lead agency for delivering youth justice outcomes in partnership with others from 2015. It will also include ensuring that the priorities of this strategy are aligned and embedded with other key complementary strategies, such as Early Help.

Whilst we have achieved a transformational impact in a number of key areas of the youth justice system, we recognise that there are others where we can do more to lead further reform through partnership. Firstly, through our strategy we want to increase a greater partnership understanding of adolescent development, which recognises that increased risk taking and boundary testing is often a normal part of growing up and needs to be seen within that context when responding to youth crime so that responses to adolescent 'transgression' are not disproportionate and avoid criminalisation wherever possible.

At the same time, we want to further develop a partnership approach that can differentiate those young people who are at risk of, or are experiencing, a combination of safeguarding and vulnerability factors that, unless addressed, make prolonged contact with the youth justice system more likely. This will require a strategic paradigm shift where the starting point for understanding youth offending is as an indicator of safeguarding need, until proved otherwise. Analysing offending through a safeguarding 'lens' where the most prolific young people are recognised as also the most 'troubled', rather than 'troublesome', will lead to a transformational shift of how youth justice services and interventions are delivered over the next 5-years and how offending by young people is understood. It will be complemented with transferring the benefits of restorative justice evident in the informal system to support a reduction in the offending of the relatively small number of young people in the formal criminal justice system where high likelihood of re-offending and significant safeguarding risks overlap.

A greater safeguarding focus will include recognising and seeking to reduce the potential adverse impact that formal youth justice processes from arrest to sentence can inadvertently have on the wellbeing of young people. This includes considering the experience and impact of attendance at court or detention in police custody, especially overnight, and the emotional distress that may be experienced by young people if they experience long-term uncertainty over charging decisions. In addition, the youth justice partnership will be at the forefront of safeguarding those adolescents whose offending behaviour is heavily influenced by their own experiences of exploitation and abuse by others, for example those experiencing child sexual exploitation or domestic abuse.

We believe that this 5-year strategic plan provides the greatest opportunity to deliver sustainable high quality youth justice outcomes, which can withstand short, medium and longer term risks. To deliver the partnership strategy we will align youth justice partnership activity with four strategic priorities that, through complementary quality assurance, workforce development and governance, will provide a foundation and framework for planning the delivery of exceptional youth justice outcomes over the next 5-years.

Strategic Priorities 2015-2020

Prevent youth
crime

Reduce re-
offending

Safeguarding

Protecting the
public

Quality Assurance
Workforce development
Partnership activity
Governance

Strategic Priority 1 - Prevent Youth Crime

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Why is this a priority?

Crime and Disorder Act s.37. (1) It shall be the principal aim of the youth justice system to prevent offending by children and young persons.

Intervening earlier to address risk and vulnerability factors and build upon strengths prevents young people identified as at risk of offending from going on to become established offenders thereby improving their life chances and reducing the harm caused to others. The factors associated with persistent offending can be recognised and addressed before they lead to patterns of behaviour which will be harmful for the young person and others.

What we aim to achieve

- * To improve the life chances of children and young people in Surrey, including improved emotional health, improved participation in education, training and employment, improved attainment by those with specific barriers to learning and improved family relationships, thus reducing the likelihood of offending.
- * To identify and intervene earlier with those young people whose vulnerability and safeguarding factors are likely to contribute to an increased risk of offending, in order to prevent and divert. For example, where young people are at risk of, or experiencing, child sexual exploitation or domestic abuse.
- * To optimise the use and benefits of restorative approaches in the youth justice, in education, care and supported accommodation settings, and in families to prevent offending behaviour, develop empathy amongst young people, to repair harm to victims, and avoid unnecessarily criminalisation.
- * To understand and respond to the potentially changing nature of youth crime e.g. cyber and on-line crime, crime committed within the context of being exploited by others e.g. extremism and radicalisation and child-sexual exploitation and gang associated drug dealing expanding along 'county lines' outside of London.
- * To avoid a siloed 'crime focus' by ensuring our youth justice partnership strategic prevention priority and approach is embedded in early help and other relevant safeguarding arenas such as the Multi-Agency Safeguarding Hub (MASH).
- * Recognise that transgression is a normal part of adolescent development and ensure responses to young people's behaviour recognise their developmental needs and provide room to make mistakes without negatively shaping their futures. In this context over-reaction and unnecessary criminalisation need to be avoided.

What we will do?

- * Maintain a low level of first time entrants (including looked after children and other identifiable vulnerable groups) into the youth justice system through the YSS and Surrey Police joint decision making partnership panel.
- * Develop an action plan led by Surrey Police to reduce the number of children and young people arrested and dealt with in police custody suites with particular attention to reducing overnight detention through the implementation of a new protocol.

- * The YSS and Surrey Police partnership will lead on implementing the actions stemming from the independent evaluation of the YRI carried out in 2014 and the multi-agency Out of Court Disposals scrutiny panel will continue to monitor decision making and practice.
- * Further develop the restorative learning and development partnership hub led by Surrey County Council which will train a range of professionals in Surrey in restorative approaches and practices to repair harm at the earliest opportunity and reduce demand for formal criminal justice responses.
- * Ensure all eligible families are considered for the Family Support Programme (FSP) in each borough in order to optimise referrals and potential preventative benefits.
- * Implement the opportunities within the new anti-social behaviour legislation to work in partnership to address anti-social behaviour committed by young people earlier and restoratively to prevent criminal behaviour emerging.
- * Embed the South East Looked After Children (LAC) Offending protocol, to improve outcomes and avoid criminalising this vulnerable group.
- * The YSS will develop a healthy relationships programme for adolescents in conjunction with partners from children's services, public health and education that will aim to prevent young people from entering exploitative or abusive relationships.
- * Members of the YJPB will harness the current commissioning and re-commissioning of early help and preventative services to reduce the likelihood of offending by children and young people – Services for Young People, family/parenting, housing, substance misuse, education, training and employment, emotional health.
- * YSS and the Child and Adolescent Mental Health Service (CAMHS) will develop the current 'No Labels' offer to intervene earlier with young people exhibiting emotional distress, who have not met the CAMHS threshold. In addition CAMHS re-commissioning will broaden the early help offer in relation to emotional health.
- * The recommendations of the Adolescent Care Group will be taken forward in relation to intervening earlier to support families so that young people are less likely to come into care, given that this is a risk indicator in relation to offending.
- * YSS to work with area education colleagues to explore how the YSS might complement the offer to schools with regard to supporting young people at risk of exclusion to maintain their education within a mainstream setting or suitable alternative, given that education is a protective factor in relation to offending.

How will we know we are succeeding?

- * The rate of first time entrants to the criminal justice system continues to decline and there are fewer young people entering adulthood with a criminal record.
- * Effective early help services mean that fewer adolescents are requiring acute responses from the statutory youth justice system, care and child protection systems or specialist tier three CAMHS.
- * Schools report less fixed term exclusions and improved behaviour of those students identified as at greatest likelihood of offending.
- * Fewer looked after children and care leavers will become involved in the criminal justice system.
- * The prevalence of young people in Surrey identified as at risk of child sexual exploitation or domestic abuse is reducing.

Strategic Priority 2 – Reduce re-offending

Why is this a priority?

Reducing re-offending is one of three national indicators for youth justice and the number one priority for the national Youth Justice Board

Reducing re-offending by young people can significantly improve their life course outcomes. Breaking the cycle of re-offending, particularly where this offending has become prolific and contributes to a disproportionate amount of total youth crime, means that our communities will be safer and there will be fewer victims of crime. The savings from reduced re-offending and the need for formal, acute youth justice intervention also enables a shift of resource towards prevention of offending.

What we aim to achieve

- * To reduce re-offending by young people in Surrey with a particular focus on the relatively small proportion of young people who commit a disproportionate amount of crime in the county.
- * To develop responses to re-offending that recognise those who persistently offend have overwhelming experienced the most damaging upbringings. Repeat offending should therefore be viewed as an indicator of safeguarding need.
- * To ensure that those committing offences are seen as young people first rather than 'young offenders' and ensure they have access to mainstream opportunities (e.g. education, employment, positive activities) and are supported to be full participants in their communities.
- * To ensure the benefits of restorative practice are fully embedded throughout the youth justice system (not just as an alternative to the formal criminal justice system).
- * To develop high quality, evidence based community interventions that contribute to reducing re-offending and maintain the confidence of partner agencies, the Courts and the general public.
- * Ensure the highest quality though care and resettlement planning is available, utilising the full YSS and partnership resources, for the small number of young people who enter a custodial institution.

What we will do

- * The YSS will lead implementation of the partnership actions within the Re-offending Plan (2014-17). This includes maximising the opportunities for restorative justice (and particularly direct mediation) to occur within statutory youth justice work. It also commits the YSS, with partner support, to continuing to deliver an integrated and holistic service that meets a range of needs and supports a reduction in youth offending. The plan will be monitored and reviewed by the YJPB.
- * Given the evidence of the impact of restorative justice in reducing offending behaviour, youth justice partners will take forward the development of a restorative Youth Court.
- * The YSS and other relevant agencies will continue to support a young person at risk of re-offending following completion of a court order or will ensure appropriate 'step down' support from commissioned services within, or external to, Services for Young People (SfYP).

- * Through the YSS quality assurance framework we will ensure that case management of young people in the statutory youth justice system fulfils the expectations of Her Majesty's Inspectorate of Probation (HMIP) and National Standards for youth justice.
- * The YSS will review the effectiveness of current 1-1 and groupwork approaches and interventions to reducing re-offending, particularly those aimed at the most prolifically offending young people, and will develop and re-design accordingly, with a greater focus on how safeguarding and diversity needs (e.g. communication and learning styles) are being met. This should involve co-production with young people.
- * The above review will include specific focus on the YSS and Surrey Police Priority Young Person (PYP) partnership scheme, which is aimed at reducing the re-offending of the most persistently offending young people in the community through a joint approach.
- * Given the shared responsibility of YSS & Community Safety Partnerships (CSP's) to reduce offending, we will ensure that local delivery plans are integrated and reflect the needs assessment of each borough.
- * The YSS, National Probation Service (NPS) and Community Rehabilitation Company (CRC) will review and revise the joint transfer protocol for young people approaching and turning 18 to ensure effective transition between youth and adult criminal justice agencies. The seconded Transition Probation Officer's within YSS will continue to have a crucial role in promoting and delivering best practice. Additionally the leadership of the YSS and relevant partners will explore opportunities with the CRC provider and NPS to influence a more restorative young adult criminal justice offer.

How will we know we are succeeding?

- * Re-offending, particularly amongst those who are disproportionately committing the most youth crime, is reducing.
- * The above is supported by a revised offer of interventions that address reducing re-offending with sufficient focus upon the safeguarding and vulnerability of young people who offend as well as their offending behaviour.
- * The re-offending of the group of young people transitioning between youth and adult probation services is reducing.
- * Successful HMIP inspection outcomes.

Strategic Priority 3 - Safeguard young people from harm

Why is this a priority?

Safeguarding is a statutory duty for youth justice agencies resulting from the Children Act 1989 and 2004 and Working Together to Safeguard Children 2013

We have a duty to take all reasonable steps to protect young people from harm both when they are victims and perpetrators of offences. Young people involved in offending or at risk of offending are significantly more likely to be victims of abuse or neglect and disproportionately affected by poverty, inconsistent parenting, reduced educational and employment opportunities and mental health problems. Young people who offend often take part in other risky behaviours such as drug taking, alcohol misuse or inappropriate sexual activity. This can make them vulnerable to sexual exploitation, violence and abuse from others. In addition safeguarding concerns can be exacerbated where a young person enters the custodial estate.

What we aim to achieve

- * To ensure that all young people who are at risk of, or involved in offending, which makes them more vulnerable to harm from their own behaviour or that of others are supported in reducing their vulnerability and increasing their safety.
- * To recognise that risk taking is a normal part of adolescent development and to encourage and provide opportunities for this to be done safely.
- * To ensure that where vulnerability and risk to the public overlap, safeguarding needs are given sufficient attention in agency plans to address offending behaviour. For example, where young people's offending behaviour is being influenced by their own experiences of exploitative and abusive relationships.
- * To continue to reduce the use of prison/secure custody for Surrey young people, given the adverse impact on safeguarding risks and to also ensure that time spent in police custody is minimised and the environment is more young person friendly.
- * Promote improved engagement between young people and the police to enable young people to recognise that the police are there to protect them.
- * To ensure that where a child or young person is a victim of crime they have the support they need to cope and recover and are appropriately safeguarded if they are required to be involved in criminal justice proceedings. Similar protection should be afforded to young witnesses.
- * To seek to safeguard those whose offending is most likely to be influenced by their vulnerability such as looked after children, young carers, mentally unwell young people, sexually exploited adolescents and those in abusive partner relationships or witnessing domestic abuse within a family context.

What we will do

- * We will seek to improve the early identification of and response to safeguarding issues associated with young people who have offended or come to the notice of the police and children's services as potential victims by improving links between the MASH and YSS/Police YRI partnership panel. This may include the co-location of YSS representation within the hub, alongside police and children's services.

- * We will review joint working practices between YSS and Children's Services or Health Services where they working with the same young person due to offending behaviour and well-being/safeguarding needs e.g. child protection, looked after children, young carers, emotionally unwell young people, to ensure that planning is always integrated and joined up in practice.
- * We will maintain low numbers of young people entering the youth justice system for the first time, in recognition that the unnecessary criminalisation of young people can be a safeguarding risk in itself.
- * The YSS will use the early help network to 'step down' all youth justice cases that do not meet children's services thresholds but are still identified with safeguarding needs at the point of YSS case closure.
- * All relevant partnership professionals should complete safeguarding training relating to child sexual exploitation awareness, early identification and appropriate responses.
- * The YSS will develop a healthy relationships programme for adolescents in conjunction with partners from children's services, public health and education that will aim to prevent young people from entering exploitative or abusive relationships or support them to recognise and protect themselves from exploitation and abuse where it is already occurring.
- * A working group of YSS, Police and Children's Services will review current arrangements in relation to the arrest and detention of young people in police custody, particularly overnight, with a view to ensuring that safeguarding is maximised through seeking alternatives e.g. voluntary attendance suites, improving the experience of police custody and ensuring that young people are detained for the minimum amount of time possible following arrest with access to appropriate accommodation through Police and Criminal Evidence Act, 1984 (PACE) beds if charged. This will be monitored via the YJPB and the Surrey Safeguarding Children Board (SSCB).
- * We will re-commission an appropriate adult service that supports some of the most vulnerable young people entering police custody and works with relevant partners to ensure that young people are transferred to a more appropriate setting as expediently as possible. This re-commission will also include a requirement for appropriate adults to undertake independent return interviews with relevant young people who have been missing and share concerns appropriately.
- * A working group through the local criminal justice board will be established to seek to improve the timeliness between arrest, charge and court outcome, given the impact on young people's vulnerability where such processes are excessively lengthy.
- * A multi-agency working group commissioned by the YJPB will ensure that mental health diversion schemes within police custody are available for and tailored to supporting young people to ensure appropriate diversion and response to need.
- * The YSS and partners will continue to develop effective interventions for young people at risk of child sexual exploitation, those affected by parental domestic abuse or experiencing domestic abuse within their own intimate partner relationships or those engaging in sexually harmful behaviour.
- * The Safeguarding and Public Protection Overview Group will review and implement learning from any relevant critical learning or serious case reviews of youth justice cases where safeguarding was a feature and will escalate key learning to the YJPB and SSCB.
- * We will further reduce the use of custody (both sentence and remand) by retaining the confidence of the youth and crown court in alternative sentences and bail packages in the community. Where young people are sentenced to custody or remanded the YSS will ensure that co-ordinated resettlement planning with the secure estate and other partners begins immediately, in order to reduce vulnerability upon release.
- *Working with the Criminal Justice Partnership Board (CJPB) and Office for the Police and Crime Commissioner (OPCC) we will ensure young victims and witnesses are provided with appropriate support and protection within criminal justice proceedings and have access to services that will support their recovery.

How will we know we are succeeding?

- * Fewer young people are entering the formal criminal justice system.
- * The relevant professional network is demonstrating a better understanding of adolescent development and indicators of vulnerability related to offending and is responding accordingly as indicated through quality assurance and inspection processes.
- * The administration and process of justice, including decision making about charge is quicker and less uncertain for young people.
- * Effective interventions are available and utilised by young people involved in offending who may also be experiencing emotional ill health, abuse in teen relationships, domestic abuse in the family, caring responsibilities, child sexual exploitation or sexually harmful behaviour.
- * The prevalence of young people in Surrey identified as at risk of child sexual exploitation or domestic abuse is reducing.
- * Fewer young people are being detained in police custody and transfer arrangements to local authority care are being utilised.
- * Fewer young people are receiving custodial sentences and fewer are remanded in custody.
- * A bespoke mental health liaison and diversion scheme for young people has been implemented.

Strategic Priority 4 – Protect the public from harm

Why make this a priority?

It is the first responsibility of all criminal justice agencies to protect the public.

Effective risk assessment and management practices that seek to protect the public from harm and reduce the impact of offending on the local community are crucial in meeting this priority and are more likely to be achieved through an integrated, multi-agency partnership approach. There are relatively few young people in Surrey whose offending presents a significant risk of serious harm to the public but where this is present management of the risk must be prioritised.

What we aim to achieve

- * To ensure that children and young people who pose a risk of harm to others are appropriately assessed and effectively supervised to promote a reduction in that risk.
- * To recognise and respond to emotional ill-health at the earliest opportunity, where it is an indicator of potential harm to others.
- * To recognise that serious harmful behaviour to others is often a symptom of significant distress and vulnerability, which needs to be addressed through a safeguarding approach for that risk to reduce.
- * To minimise the potential for a 'transition gap' between youth and adult services where risk of harm to others is relevant.
- * Ensure that the need for bespoke adolescent responses are understood and employed within the Multi-Agency Public Protection Arrangements (MAPPA)

What we will do

- * Maintain an accurate YSS risk register that details all those young people known to the service deemed to present a high risk of harm to others. Senior management oversight of the register will be undertaken through the Surrey Public Protection and Overview Group (SPPOG), which includes representation from YSS, Children's Service and health to ensure a partnership response.
- * Through the YSS quality assurance framework we will ensure that practice in relation to risk of harm to others is robust and meets the expected standards of HMIP.
- * Implement the MAPPA protocol for managing those young people transitioning to adulthood who continue to present a high risk of harm but are not subject to a statutory order and thus the responsibility of any one agency.
- * Relevant cases will be continue to be referred to MAPPA and the seconded probation officers within the YSS will attend all meetings where a young person is on the agenda, or where an adult is due to be discussed who presents a risk to a young person known to the YSS.

* Through a workshop the YSS safeguarding and public protection leads will raise MAPPA chairs awareness of adolescent development and the need for differentiated responses in managing the risk of serious harm posed by young people as opposed to adults.

* Increased access to restorative justice will be available to young people and victims where offending causing significant harm to others has occurred.

How will we know we are succeeding?

* Incidents of significant harm to the public are reducing, including a reduction in notifications to the Youth Justice Board (YJB) for further serious incidents committed by young people under statutory youth justice supervision.

* There is a reduction in cases needing to be notified to and managed through MAPPA.

* Victims of serious youth offending are accessing appropriate support and restorative justice is always made available to them.

* There is evidence that restorative justice processes are helping to develop increased empathy towards others and thus enabling young people to present a reduced risk of harm to others.

* Quality assurance processes reflect increased quality of assessment and risk management

* Successful HMIP inspection outcome.

5. Performance overview 2013/14 - What have we already achieved in relation to our priorities?

There are three National Indicators for the Youth Justice System introduced in April 2011. These are:

- 1. First time entrants to the youth justice system**
- 2. Reoffending of young people in the youth justice system**
- 3. Use of custody for young people**

1. First time entrants

Preventing entrance to the criminal justice system is closely related to the safeguarding and preventing offending priorities.

Surrey has seen an exceptional reduction in the number of first time entrants to the formal youth justice system. This is largely attributable to the innovative Youth Restorative Intervention (YRI), developed in collaboration with Surrey Police and other partners in 2011, which has introduced a restorative response to youth offending that puts victims at the heart of a process where harm caused by offending behaviour can be repaired without recourse to the courts. Satisfaction rates amongst victims of crime in Surrey are highest for the YRI (between 85-90%) despite the fact that this does not result in a formal sanction for the young person. The YRI has contributed to an overall 90% reduction in First time Entrants between 2008 and 2014 and means that a Surrey young person has been consistently less likely to enter the criminal justice system and have a criminal record than anywhere else in England and Wales. In addition to the benefits for victims and young people who have offended, this approach is estimated to have saved £3 for every £1 invested as outlined in the 2014 independent YRI evaluation report. This enables the partnership to commit greater resources towards more preventative youth justice activities that are aligned with the early help strategy.

Since 2008/9, Surrey has seen a fall of half in the number of children and young people identified as offending or linked to an offence, and a 60% fall in serious offences (which are more likely to cause significant harm) committed by them. Surrey's approach to youth justice, built upon restorative diversion, rather than reliance on formal court outcomes has contributed to this success, diverting young people from crime at an earlier stage, with additional safeguarding and public protection benefits.

Notably, local reforms and earlier intervention have also seen a rising age of entrants to the local justice system. Only 4 % of those receiving formal outcomes in the last two years have been under the age of fourteen compared to 12% in 2008/09. Thus younger children are being safeguarded from entering the criminal justice system.

2. Reoffending of young people in the youth justice system

The proven rate of re-offending relates to strategic priorities around reducing re-offending, safeguarding, public protection.

The re-offending of the relatively small proportion of young people within the formal system has remained below the regional and national average and in line with Surrey's base line from 2005. This is in spite of the fact that this cohort is now more complex than prior to the availability of the YRI when young people who presented a low risk of re-offending were much more likely to be processed through a formal system. The YSS is working hard to achieve a reduction in the number of young people re-offending, not only through

ensuring the YRI is considered for those already in the statutory criminal justice system, but also via a more integrated approach to participation, a greater focus on the family and by preventing homelessness and emotional ill-health. Reducing the number of young people re-offending is a national issue and the Youth Justice Board (YJB) and Ministry of Justice (MOJ) have commissioned a project to analyse the changing nature of the cohort and share effective practice. Locally, YSS has engaged with this project and the Assistant Director for Services for Young People has sponsored the implementation of a 3-year Reducing Re-offending Plan (2014–17).

A recently published independent YRI evaluation report (2014) has found that the YRI has been significantly more effective in reducing re-offending than more traditional methods of youth justice. This highlights the importance of maximising the opportunities of this approach in reducing the offending of those already involved in the formal youth justice system and on statutory court orders.

3. Use of custody for young people

The use of custody relates to safeguarding, reducing re-offending & protecting the public priorities.

Surrey courts continue to make very low use of custody, with fewer than 10 young people sentenced to custody in each of the last two years, making the county the 8th lowest user of this sentencing option in England and Wales. This continues a trend that was established prior to transformation in 2012 and is underpinned by the courts' confidence in the YSS to effectively manage young people who have offended in the community. This has additional benefits for young people and the community, given the re-offending and safeguarding risks associated with custodial experiences.

Local Performance Indicators 2013-14

Looked After Children's Offending

Surrey continues to be highly successful and a national and regional leader in preventing looked after young people from becoming criminalised.

21 (5.6%) looked after young people received a substantive YJ outcome in 2013/14 out of a total cohort of 378 young people. This is lower than the April 2013 cohort (6%) and continues a trend established over the last five years of a year-on-year reduction in offending. Of the 21 looked after young people offending, 9 were in-county (4.6%) and 12 (6.5%) were out county placements. Surrey's ambition is to ensure a consistent approach to offending for all looked after children whether or not they live within the local authority boundaries and the local authority and partners have led this change across the South East of England through the South East Reducing Offending and Criminalisation of Children in Care protocol.

Work to reduce offending by looked after young people is driven through the Corporate Parenting Board and its Reducing Offending sub-group which draws together professionals from across Children's Service, Police and YSS.

Offending by Priority Young People (PYP)

The priority young person (PYP) scheme was introduced in Surrey in May 2012, as an evolution and improvement to our previous deter young offender (DYO) arrangements. It involves the YSS case managing the most prolifically offending young people in partnership with police colleagues located within the youth integrated offender management (IOM) unit. The focus of this joint approach is to identify relevant young people at the earliest opportunity and engage them in restorative approaches wherever possible, in order to change behaviour. This early focus has led to far fewer young people needing to be managed under the current scheme due to prolific offending (currently 12) compared to under the previous

deter young offender scheme (approximately 40 at any one time). This then enables joint working to be more focused and effective with a smaller group whose persistent offending needs to be challenged and reduced so that it does not become entrenched in adulthood.

Risks and Resources

Resources

Youth justice in Surrey costs considerably less than it did three years ago (prior to the youth services transformation). The Youth Justice Service spent three quarters of its £4m budget on court ordered interventions with the remain £1m spent on preventative activity. This balance has now reversed with less than £1m per annum is spent on statutory intervention with resources being shifted to restorative and preventative interventions – this includes work to support families, prevent youth homelessness, promote emotional well-being and employability.

The youth justice resourcing strategy will continue to promote a shift from expensive, formal and acute intervention to informal and preventative approaches, building upon the virtuous cycle which has been established through the dampening down of the formal system.

In order to inform commissioning decisions within the youth justice system and in the wider children and families system greater understanding is required of the cost of inputs, their effectiveness and relationship to outcomes. The interdependence of partner funding and impact of funding decisions for all partners also needs to be better understood.

The current investment in YSS activity is captured in appendix C but this does not reflect the broad contribution of Surrey Police to preventative and criminal justice activity in relation to young people nor that of the health, children’s services or boroughs and districts to activity which directly or indirectly prevents youth offending.

The current youth justice strategy can be seen to have delivered savings for a range of partners through reduced reliance upon the formal justice system and reducing demand for acute services. If existing levels of funding by partners are maintained the ‘virtuous cycle’ of reduced crime and victimisation leading to reduced demand for services is likely to be continued.

Risk to future delivery	Actions
<p>National stock-take of youth justice services and break-up of existing provision with impact on current outcomes</p>	<p>Work with Ministry of Justice to promote Surrey model of youth justice delivery</p>
<p>Continued reduction in partner budgets leading to loss of funding or services to prevent offending</p>	<p>Develop better understanding of youth justice inputs and social and financial return on investment for respective partners.</p>
<p>Difficulty recruiting and retaining social workers leading to reduced safeguarding capability</p>	<p>Review social work posts within YSS and consider parity with children’s service.</p>
<p>Impact on delivery resulting from developing crime types: cyber crime, exploitation, ‘county lines’ offending, gang activity, organised crime, and radicalisation</p>	<p>Partner information sharing and developing flexibility to respond to developing crime types</p>

Appendix A – Youth Justice Partnership Board governance and membership

9

The previous YOT management board developed into a Youth Justice Partnership Board (YJPB) in 2012 that is focused on the activities of all partners that impact upon young people's involvement with offending. The YJPB retains a clear focus on the principal aim of reducing offending and re-offending and maintains strategic oversight of the delivery and performance of the local youth justice system. The membership of the board provides senior representation from key partners to ensure that young people involved in the youth justice system have access to universal and specialist services delivered by partners and other key agencies.

Name	Post	Agency
Chairman: Nick Wilson	Director of Children Services	Surrey County Council
Mary Angell	Cabinet Member for Children and Families	Surrey County Council
Garath Symonds	Assistant Director for Young People	Surrey County Council
Frank Offer	Head of Commissioning	Surrey County Council
Ben Byrne	Head of Youth Support Service	Surrey County Council
Gordon Falconer	Community Safety Unit Senior Manager	Surrey County Council
Norman Fullarton	Area Head, Surrey Children's Service	Surrey County Council
Gavin Stephens	Assistant Chief Constable	Surrey Police
TBC	Director, Kent, Surrey & Sussex Community Rehabilitation Company	Kent, Surrey and Sussex Community Rehabilitation Company
Victoria Jeffries	Director, National Probation Service	National Probation Service (Surrey)
Jeff Harris	Deputy Police and Crime Commissioner	Office of the Police & Crime Commissioner
Meg Webb	Magistrate	SW Surrey Bench
Douglas Spinks	Deputy Chief Executive	Woking Borough Council
Julie Cook	Chief Housing Officer	Elmbridge Borough Council
Shelley Greene	Head of Business Area South East	Youth Justice Board
Vicky Stobbart	Executive Nurse, Director of Quality and Safeguarding	NHS Guildford and Waverley Clinical Commissioning Group
Heather Ryder	Senior Public Health Lead Substance Misuse Commissioning Public Health	Surrey County Council

Wider Context

The YJPB is one of six partnership groups delivering statutory responsibilities for children and young people in Surrey. The priorities of these groups significantly overlap and are integrated in the Children and Young Person Partnership Plan (2014-17). The other partnership groups are:

- Surrey Health and Wellbeing Board – through the Children's Health and Wellbeing Group.
- The Children and Young People's Partnership – the strategic group and operational board (this replaces the historical Surrey Alliance).
- Surrey Safeguarding Children Board (SSCB).
- The Corporate Parenting Board.
- The Schools Forum.

Youth offending functions within the local authority are delivered through Surrey Youth Support Service (SYSS) which sits within Services for Young People (SFYP) in the Children, Schools and Families (CS&F)

Directorate. Consequently, this plan is also closely aligned with a number of other key complementary strategies and plans which include:

- Surrey CS&F Directorate Strategy 2014-2019
- Services for Young People Re-commissioning Strategy 2015–2020
- Early Help Strategy 2013-2017
- Surrey Safeguarding Children Board (SSCB) Child Sexual Exploitation Strategy
- Surrey Criminal Justice Board (SCJB) Plan (including Restorative Justice Strategy)
- Surrey Police and Crime Plan
- Surrey Strategic Alliance Assessment and borough Community Safety Partnership Plans
- Key commissioning, delivery and strategic plans of other main partner agencies (Probation, Health)

In addition, effective partnership arrangements are in place between YSS (YOT) statutory partners and other local partners that have a stake in delivering effective local youth justice services.

Partnership	Benefits to the YOT/YSS
Child and Adolescent Mental Health Service (CAMHS) Strategy Board	Opportunity to influence priorities & planning for CAMHS re-commissioning & related services including maintaining commitment to existing resources (2 x Band 7 Health post) and access to universal & specialist mental health resources.
Criminal Justice Board (CJB)	Board membership provides significant access to key decision makers & opportunities for influence on youth related matters.
Corporate Parenting Group (CPG)	YSS representation on the corporate parenting groups ensures that we can promote strategies to reduce looked after children's involvement in the criminal justice system.
Youth Justice Advisory Committee (YJAC)	Quarterly meeting with the Resident Judge, Youth Panel Chairmen, legal advisers & CPS prosecutors which builds & maintains the confidence of sentencers.
Integrated Offender Management Unit (Youth)	Effective integrated working between YSS staff & Police Officers to administer & support the delivery of the Youth Restorative Intervention to both victims & offenders & the Priority Young Person (PYP) scheme for those at the greatest likelihood of repeat offending.
Out of Court Disposals Scrutiny Panel	'Deep-dive' scrutiny of out of court disposal casework. (Membership includes panel chairs (magistrates), community panel members, Crown Prosecution Service, HM Court Service, & an independent 'Victims Champion').
Drug and Alcohol Action Team (DAAT) Executive & DAAT Commissioning Group	Board membership provides opportunities to influence priorities & shape provision for young people.
Community Safety Board (CSB)	Range of community safety responsibilities, linkages to 11 Community Safety Partnerships. Opportunities for YSS to influence priorities & resource allocation.
Safeguarding Children's Board (SCB)	Promote an appropriate focus on vulnerable teenagers including runaways & child exploitation as well as involvement in serious case reviews & quality assurance of safeguarding & public protection reports to the YJB.
14-19 Partnership Board	Increasing participation for vulnerable learners with opportunities for the YSS to shape & influence the 14-19 agenda.
Children's and Young People's Partnership Board	An overarching group that promotes the well-being and achievement of Surrey's young people
Multi Agency Public Protection Area (MAPPA) Strategic Management Board	Ensures effective strategic management of a very small number of high risk offenders (including some young people) who pose a risk to the public.
Health & Well-being Board	This board is critical to developing the health & well-being of young people, especially those in more marginalised groups.

Youth justice is part of the integrated YSS. The role of Youth Offending Team manager has been retained to give a strong strategic focus and Surrey's youth justice outcomes continue to be some of the best in the country as reflected by the three Youth Justice Board national performance indicators:

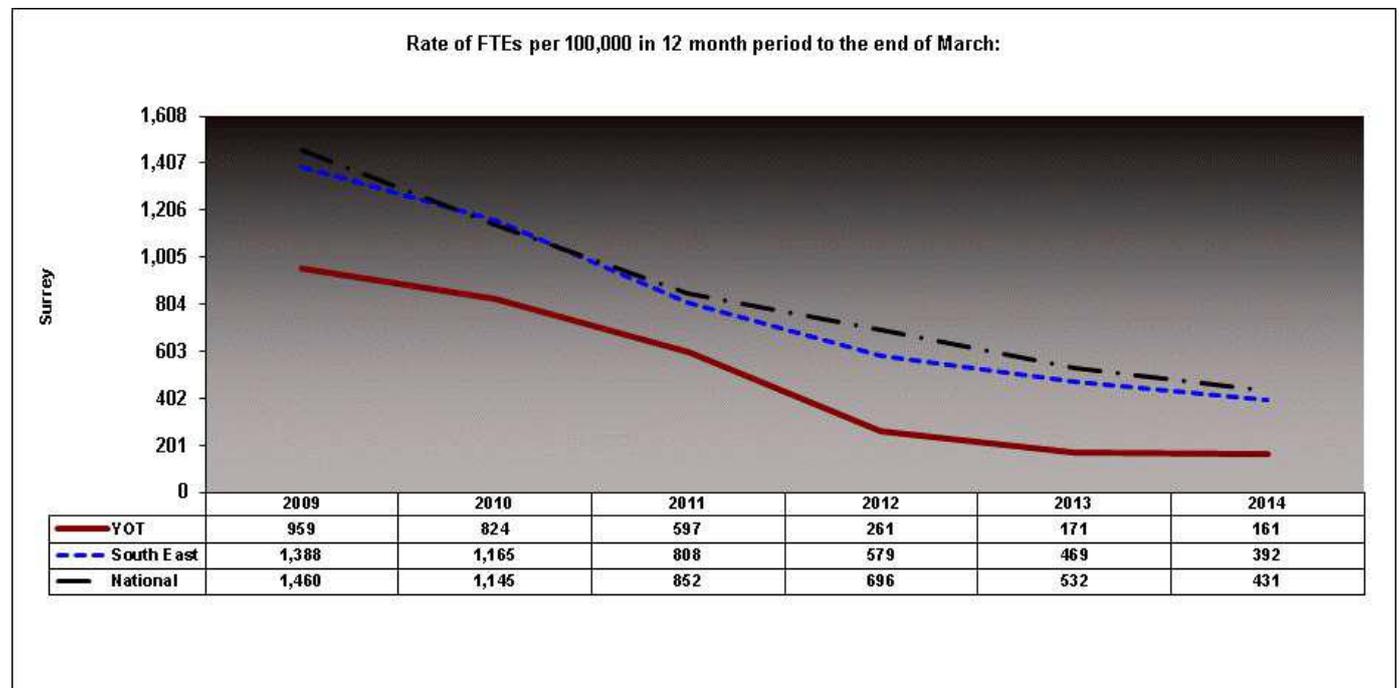
First Time Entrants

There were 161 first time entrants between April 2013/14, which is below our target of <200. Surrey continues to sustain a low number of first time entrants to the criminal justice system and 70% of young people that offend are diverted from the criminal justice system by way of the YRI.

Between April 2013-14, Surrey had the lowest number of First Time Entrants per 100,000 population in England. The latest published Ministry of Justice figures taken from the Police National Computer (PNC) are shown below:-

First Time Entrants rate per 100,000 of 10-17 population

First time entrant rate				Surrey's ranking	
	Surrey	South East	England	against South East	against England
April 13 – March 14	161	392	431	1 of 19	1 of 142
% change compared to Apr 08 - Mar 09 baseline	-83.2%	-71.7%	-70.5%		

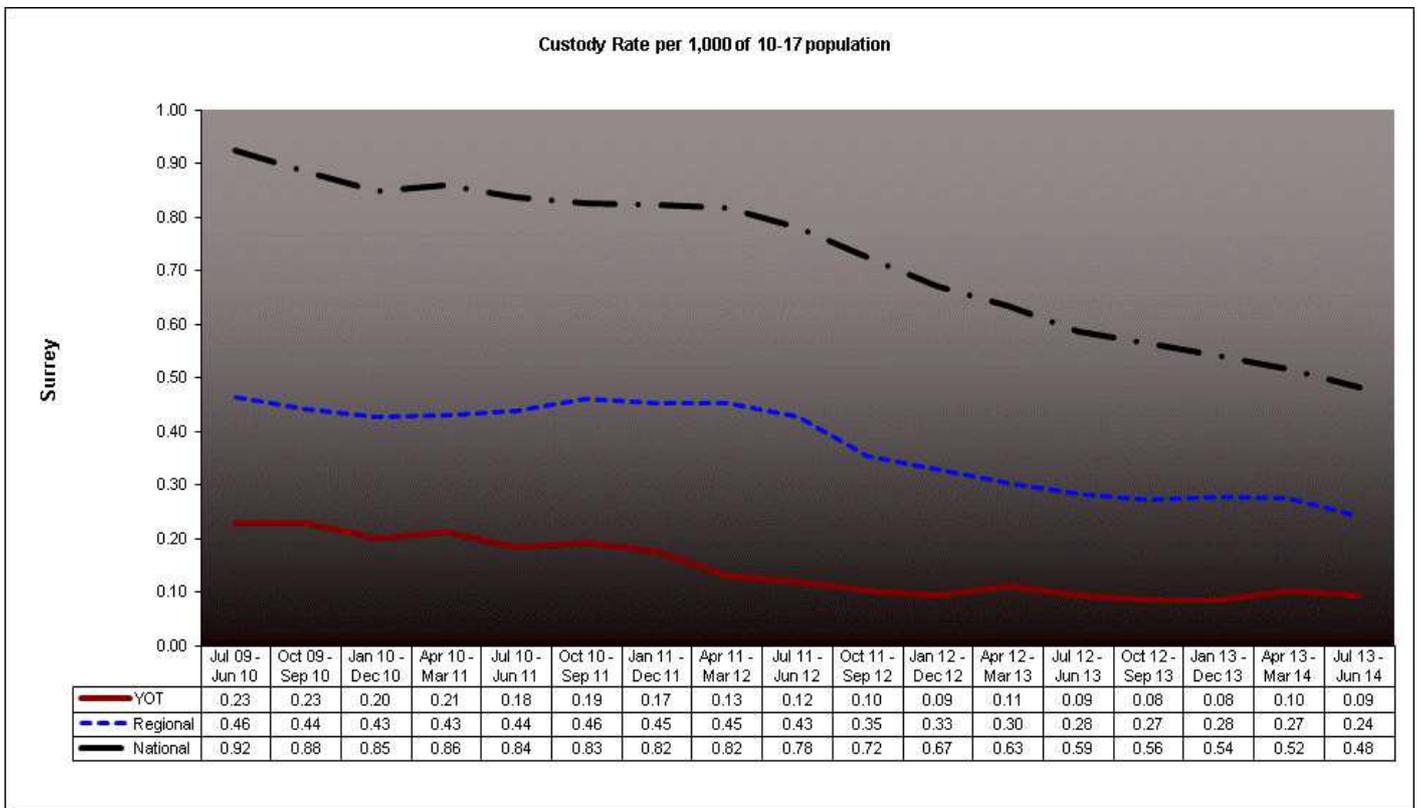


Use of the Secure Estate

There were 9 young people sentenced to custody in 2013/14 which is within our target of <10. Surrey remains one of the lowest users of youth custody in the South East and England and is the lowest per capita use of custody in England for any sizeable authority.

Use of Custody rate per 1,000 of 10-17 population

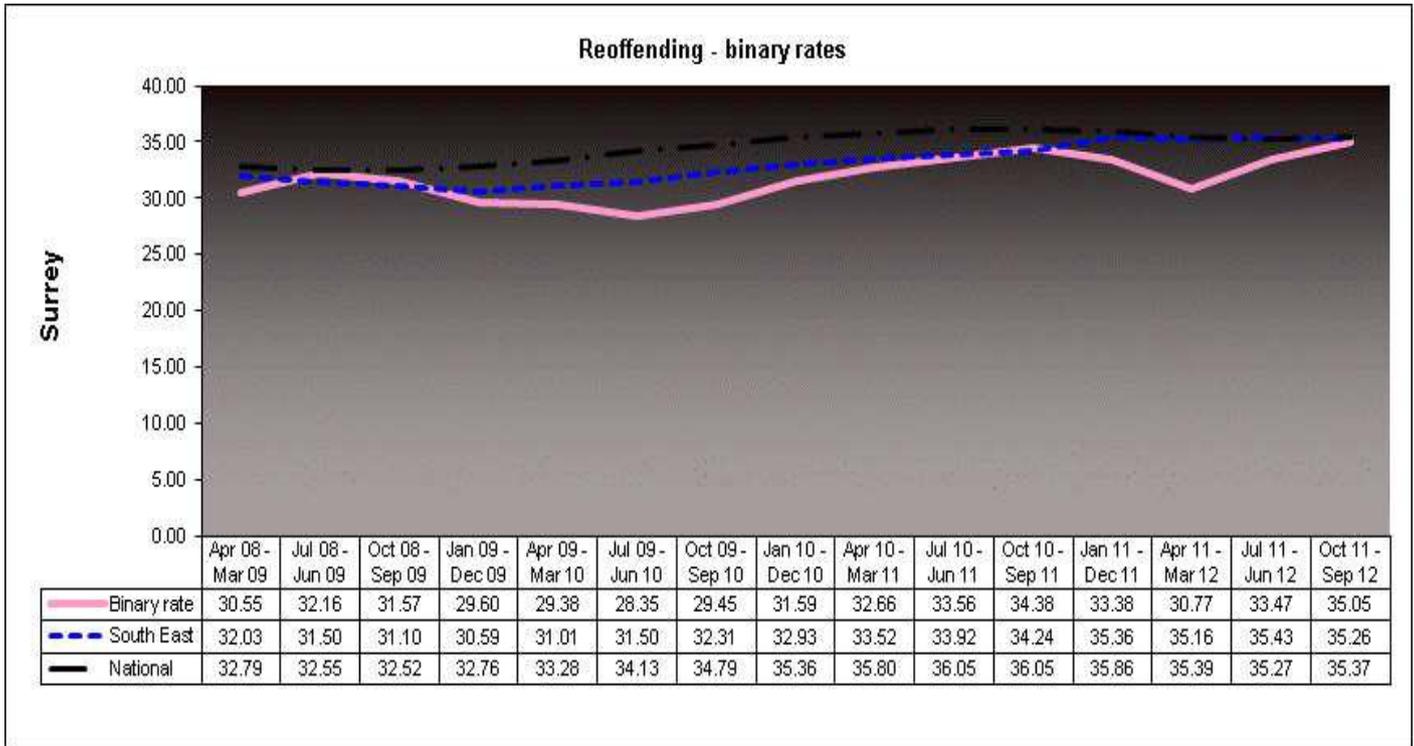
	Custody rate			Surrey's ranking	
	Surrey	South East	England	against South East	against England
April 2013 to Mar 2014	0.08	0.28	0.55	3 of 19	8 of 142
Change from April 2010 to March 2011 baseline	-0.13	-0.16	-0.35		



Rate of Proven Re-Offending

This indicator remains a challenge as the success of reducing first time entrants over the past five years has reduced the number of young people that offend, especially the pre-court population who are at lower likelihood of re-offending. This has meant that there is now a much smaller cohort of young people in the formal system, presenting with more complex entrenched needs and risk factors that make re-offending more likely. In response, the YSS is working with partners on a 3-year Reducing Re-offending Plan to achieve a reduction in the number of young people re-offending through a range of innovative measures including Youth Restorative Interventions (YRIs), a more integrated approach to participation, a greater focus on the family and by preventing homelessness. The latest re-offending data published by the Ministry of Justice taken from the Police National Computer (PNC) is shown below:-

Re-offenders				Surrey's ranking	
	Surrey	South East	England	against South East	against England
October 2011 to Sep 2012 cohort (latest period)	35.05%	35.3%	35.4%	11 of 19	68 of 142
Percentage change compared to July 2008 to June 2009 baseline	2.9%	3.8%	2.8%		



Appendix C - Resourcing & Value for Money

9

The Youth Offending responsibilities of the Youth Support Service are funded through contributions from the statutory partner agencies in accordance with the Crime and Disorder Act 1998. These are the Local Authority, (covering Education and Social Care), the Probation Service, the National Health Service and the Police Service. The table below shows the amount of funding from each of the partner agencies for the year **2014 – 2015**. These contributions are reviewed each year. In addition, the YSS receives a Youth Justice Grant from the Ministry of Justice and Department For Education which is passported through the Youth Justice Board and a grant from the Surrey Police and Crime Commissioner in respect of which there is an annual bidding process.

Agency	Contributions to Staffing Costs	Other Delegated Funds from Partner Agencies	Total
Police	£ 92,000		£ 92,000
PCC	£ 54,000		£54,000
Probation	£ 90,000		£90,000
Health	£129,000		£129,000
Local Authority	£ 1,382,000		£ 1,382,000
YJB	£ 944,000		£ 944,000
Total	£ 2,691,000	£0	£ 2,691,000

The following table below shows the amount of funding from each of the partner agencies for the year **2015 – 2016** (Draft figures as final contributions still to be confirmed). This highlights a net reduction in overall budget, which will be mitigated by partnership collaboration to achieve further efficiencies in the youth justice system and seeking opportunities afforded by social and financial return investment models.

Agency	Contributions to Staffing Costs	Other Delegated Funds from Partner Agencies	Total
Police	£ 124,000		£ 124,000
PCC	£ 54,000		£ 54,000
Probation	£ 92,000		£ 92,000
Health	£128,000		£128,000
Local Authority	£ 1,429,000		£ 1,429,000
YJB	£ 807,000		£ 807,000
Total	£ 2,634,000	£0	£ 2,634,000

Strategic Priority – Prevent Youth Crime

Priority	Action	Lead Agency or Agencies	Timescale	Success Criteria/Surrey Young People's Outcome Framework Ref
Early and effective responses for young people & victims of crime	Continue to work in partnership to deliver the Youth Restorative Intervention (YRI) in Surrey in all appropriate cases	Surrey YSS & Surrey Police (oversight from out of court disposal scrutiny panel)	Ongoing - 2015	<p>The rate of first time entrants to the criminal justice system continues to decline (by 10% in 2015/16)</p> <p>Victim satisfaction rates are maintained or improved beyond 85%</p> <p>Surrey Young People's Outcome Framework ref (SYPOF) – 3.1 & 3.2</p>
	Implement the recommendations from the independent YRI evaluation	Surrey YSS & Surrey Police (oversight from YRI scrutiny panel)	Ongoing - 2015	
	YSS Team Managers to co-ordinate 1-1 early help referrals & offer in each borough & ensure that local schools are engaged with the offer	YSS, Local Prevention Provider & schools	From Sept 2015	
	Develop a Restorative Learning & Development Hub led by Surrey County Council to support implementation of the Community Remedy disposal in line with the Anti-Social Behaviour (ASB), Crime & Policing Act 2014	Community Safety Partnership (CSP), YSS, Police, Office for the Police and Crime Commissioner (OPCC)	Ongoing - 2015	
Reduce the involvement of Surrey's Looked After Children (LAC) in the criminal justice system (CJS)	Embed the South East Looked After Children (LAC) Offending protocol & review the Surrey wide protocol to prevent LAC involvement with the criminal justice system	Surrey YSS & Police	Ongoing - 2015	<p>Protocols reviewed & embedded & support further reduction in LAC involvement in CJS</p> <p>SYPOF – 3.1 & 3.2</p>

Priority	Action	Lead Agency or Agencies	Timescale	Success Criteria/Surrey Young People's Outcome Framework Ref
Work in partnership to reduce the risk factors that contribute towards youth crime	Ensure all eligible Phase 2 families are considered for the Family Support Programme (FSP) in each borough in order to optimise referrals	FSP & YSS	From Spring 2015	All eligible & appropriate referrals are made SYPOF – 1.2, 3.1, 4.1, 4.4
	Pilot an extended offer of 'No Labels' intervention in North West Surrey YSS & review after 6-months	YSS & CAMHs	From February 2015	Improved adolescent mental health intervention available in North West Surrey SYPOF – 2.2, 2.3
	Leadership within YSS & Community Safety Unit (CSU) to ensure integration of YJPB Plan & Surrey Strategic Assessment with shared priorities that can be delivered locally through borough CSP plans	YSS, CSU & CSP's	Ongoing – 2015	Improved interface with Community Safety Partnerships around shared borough priorities in relation to ASB & crime SYPOF – 3.1, 3.2
	Surrey Police led Children & Young People's Oversight Group to seek improved knowledge, understanding & response to emerging (often interrelated) youth crime – cyber & on-line, extremism, exported gang associated drug dealing, Child Sexual Exploitation (CSE) & Interpersonal Violence (IPV) related	Surrey Police - action planning shared with Surrey Safeguarding Children's Board (SSCB)	Ongoing - 2015	Development of partnership action plan to address SYPOF – 3.1, 3.3
	Further develop the Restorative Learning & Development Hub led by Surrey County Council (SCC) to train partner agency professionals in restorative approaches that support prevention of homelessness & education exclusion	YSS (SCC)	Ongoing – 2015	Develop a fully operational Restorative Learning & Development Hub SYPOF – 3.1, 4.1, 4.3, 4.4

Strategic Priority 2 - Reduce re-offending

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Priority	Action	Lead Agency/Agencies	Timescale	Success Criteria/SYPOF Ref
Effective interventions support young people to reduce their offending	Implement the partnership actions in the YSS Re-offending plan (2014-17)	YSS (with Youth Justice Board (YJB) oversight)	Ongoing - 2015	10% reduction (2015/16) in re-offending by young people who have received an informal or formal outcome SYPOF – 1.1 – 1.5, 3.1, 3.2, 4.1 – 4.4
	YSS Quality Assurance (QA) framework to support effective case management of young people who have offended	YSS	Ongoing - 2015	QA framework demonstrates completion of quality & timely assessment and plans & minimum 85% compliance with National Standard's SYPOF – 3.1, 3.2
	Annual evaluation & review of the Priority Young Person (PYP) partnership scheme & implement recommendations	YSS & Surrey Police	Review by June 2015	Scheme evaluated & recommendations implemented SYPOF – 3.1, 3.2
	Youth justice partners to establish a working group to take forward the development of a restorative youth court	YSS, Courts, CPS, Police	July 2015 onwards	To have agreed plans for a restorative youth court SYPOF – 3.1, 3.2
	YSS & relevant partners to 'stock take' & review the effectiveness of current 1-1 and groupwork interventions with young people (& their families) who have offended (including those in/released from custody)	YSS	April - July 2015	Interventions are reviewed and benchmarked against best practice SYPOF – 3.1, 3.2, 3.3
	To support above YSS to enable young people to complete Viewpoint eSurvey re feedback on service user experience	YSS	Survey completed - Feb 2015	55 survey returns which are then used to ensure service user feedback informs interventions SYPOF – 6.3

Effective interventions support young people to change their behaviour	Implement YSS Referral Order review recommendations, including developing a plan to encourage more victims to attend Panel	YSS	Ongoing - 2015	Deliver enhanced victim participation and satisfaction at Referral Order Panels by end of 2015 SYPOF – 3.2, 6.2
	Revise the YSS & National Probation Service (NPS)/Community Rehabilitation Company (CRC) joint transfer protocol & transfer practice guidance, ensuring that the transitions workbook is utilised	YSS & Probation (NPS/CRC) * includes commitment to maintain the seconded transition officer role x 2 within YSS	February 2015	All eligible cases experience an effective transition between YSS & NPS/CRC SYPOF – 3.2

Strategic Priority 3 - Safeguard Young People from Harm

Priority	Action	Lead Agency/Agencies	Timescale	Success Criteria/SYPOF Ref
Further reform of the CJS to ensure that its practices better safeguard young people	YSS, Police & Children's Services (CS's) to develop, agree & implement a partnership protocol that minimises the overnight detention of young people in police custody & ensures the availability of PACE beds	YSS, Police, CS's	Protocol agreed & implemented – March 2015	No inappropriate overnight detentions of U-18's in police custody SYPOF – 3.3
	YSS, Police & Surrey Appropriate Adult Volunteer Service (SAAVS) to agree a protocol & action plan to increase the use of voluntary attendance suites to interview young people	YSS, Police, SAAVS	Protocol & Action Plan by April 2015	Reduction in young people being brought into police custody following arrest SYPOF – 3.3
	Phase 2 development of Criminal Justice Liaison Diversion Scheme (CJLDS) includes bespoke intervention for U-18's, where mental health warrants diversion from the Criminal justice system.	CJLDS, YSS, Police, CAMH's	Project Group established February 2015	All appropriate cases are diverted SYPOF – 2.2, 2.3, 3.3

	Criminal Justice System Efficiencies sub-group of the Surrey Criminal Justice Partnership Board (CJPB) will develop a protocol & action plan to improve the timeliness between arrest, charge & court outcome.	YSS, Police, CPS, Courts (CJPB sign off)	Action Plan by September 2015	Partnership protocol & action plan to speed up youth justice is agreed by CJPB SYPOF – 2.2, 3.3
	CJPB to review the You & Co Service that supports young victims & witnesses through criminal justice proceedings & beyond. Re-commission this or another provider through the Office for Police & Crime Commissioner (OPCC)	YSS, Police, Office of Police & Crime Commissioner courts, Victim Support (You & Co)	April 2015	Review completed & provision commissioned through OPCC SYPOF – 2.2, 3.3
Safeguarding is identified & managed to increase well-being & safety & avoid criminalising	YSS, Police & Children's Services to share intelligence, identify those at risk & plan integrated training & responses that seek to keep those young people safe & avoid criminalisation where exploitation is an associated factor in offending	YSS, Police, CS's	By March 2015	Improved identification, a single register of those deemed at risk & co-ordinated multi-agency responses. All young people considered for diversion from CJS where offending is related to their sexual exploitation SYPOF – 2.2 – 2.4, 3.1 – 3.3
	Youth Integrated Offender Management (IOM) & Multi-Agency Safeguarding Hub (MASH) Team reps to meet regularly to co-ordinate early safeguarding response for young people who have offended or come to the notice of the police & CS's as potential victims	Youth IOM & MASH	Jan 2015 onwards	Ensure all appropriate young people are allocated to a relevant agency to receive relevant safeguarding services SYPOF – 3.3
	'Sliding Doors' Programme for those young people at risk of child sexual exploitation (CSE) is available in all 4 areas of the county & takes referrals from YSS, Police & Children's Services	YSS	Currently available in 3 and 4 th by April 2015	Young people at risk of CSE are more aware & better able to protect themselves SYPOF – 2.2, 3.3, 5.2, 5.4

Safeguarding is identified & managed to increase well-being & safety & avoid criminalising	Joined up partnership response to E-safety is developed	YSS, Police, OPCC, CS's, education providers	Ongoing – 2015	Partnership Action Plan developed SYPOF – 2.2, 3.3, 5.2, 5.4
	Safeguarding & Public Protection Overview Group (SPPOG) to establish monthly YSS 'risk panels' to improve oversight of CSE & other vulnerability related YJ cases	SPPOG (YSS, Police, CS's, SFYP Commissioning & Development (C&D))	Start Jan 2015	Monthly Panels established SYPOF – 3.3
	SPOGG to review & implement learning from any relevant critical learning or serious case reviews of youth justice cases where safeguarding was a feature & escalate key learning to the YJPB & SSCB	SPPOG (YSS, Police, CS's, C&D)	Ongoing 2015	Learning disseminated & auditing demonstrates it is embedded SYPOF – 3.3
	Duke of Edinburgh (DofE) Scheme & Surrey Outdoor Learning & Development (SOLD) to develop a plan with YSS to increase participation of young people at likelihood of offending in law abiding risk taking activities safely	YSS, DofE, SOLD	Ongoing - 2015	Plan developed & relevant young people access DofE & SOLD SYPOF – 2.1, 2.2, 3.1, 5.3
	YSS Quality Assurance (QA) framework to audit whether assessments & plans in youth justice cases sufficiently consider & address relevant safeguarding factors	YSS	Ongoing - 2015	QA'd cases demonstrate sufficient safeguarding assessment & planning practice that contributes to a reduction in youth offending. SYPOF – 3.1 – 3.3

Strategic Priority 4 – Protect the Public from Harm

Priority	Action	Lead Agency/Agencies	Timescale	Success Criteria/SYPOF Ref
	YSS QA framework to audit whether assessments & plans (A&P's) in YJ cases sufficiently consider & respond to risk of harm (ROH) to others	YSS	Ongoing - 2015	QA'd cases demonstrate sufficient ROH A&P practice that contributes to public safety SYPOF – 3.1, 3.2

Incidents of significant harm to the public are reducing & all reasonable actions are taken to avoid	SPPOG to establish monthly YSS 'risk panels' to improve management oversight of cases where there is a potential high risk of harm to others	SPPOG (YSS, Police, CS's, C&D)	Start Jan 2015	Monthly Panels established SYPOF – 3.1, 3.2
	Annual Multi Agency Public Protection Arrangements (MAPPA) audit to include youth cases	MAPPA Audit Group	May 2015	Youth MAPPA cases are managed effectively & in line with best practice SYPOF – 3.2
	Protocol embedded through MAPPA Strategic Management Board (SMB) to improve transition in relation to young people on MAPPA who remain a risk to others upon reaching adulthood but are not subject to statutory supervision	YSS & MAPPA SMB	Ongoing – 2015	Protocol embedded & followed in all relevant cases SYPOF – 3.1, 3.2, 3.3
	YSS will continue to attend all MAPPA meetings where a young person is on the agenda, or where an adult is due to be discussed who presents a risk to a young person known to the YSS.	YSS	Ongoing - 2015	100% attendance & contribution to MAPPA planning SYPOF – 3.1, 3.2
	YSS to develop a plan to increase greater direct victim involvement in cases managed within the formal youth justice system	YSS	By end of 2015	Increase access to restorative justice where offending is managed through the formal youth justice system SYPOF - 3.1, 3.2, 3.3

Appendix E - Glossary

ASB	Anti-Social Behaviour
CAMHS	Child and Adolescent Mental Health Service
CJLDS	Criminal Justice Liaison and Diversion Scheme
CJPB	Criminal Justice Partnership Board
CPS	Crown Prosecution Service
CRC	Community Rehabilitation Company
CSB	Community Safety Board
CSE	Child Sexual Exploitation
CSP	Community Safety Partnership
CSU	Community Safety Unit
DAAT	Drug and Alcohol Action Team
DofE	Duke of Edinburgh
DYO	Deter Young Offender
FSP	Family Support Programme
HMIP	Her Majesty's Inspectorate of Probation
IOM	Integrated Offender Management
LAC	Looked After Children
MAPPA	Multi Agency Public Protection Area
MASH	Multi Agency Safeguarding Hub
MOJ	Ministry of Justice
NPS	National Probation Service
OPCC	Office of the Police and Crime Commissioner
PACE	Police and Criminal Evidence Act, 1984
PNC	Police National Computer
PYP	Priority Young Person
SAAVS	Surrey Appropriate Adult Volunteer Service
SCC	Surrey County Council
SOLD	Surrey Outdoor Learning and Development
SPPOG	Safeguarding and Public Protection Overview Group
SSCB	Surrey Safeguarding Children Board
YJPB	Youth Justice Partnership Board
YJB	Youth Justice Board
YOT	Youth Offending Team
YRI	Youth Restorative Intervention
YSS	Youth Support Service

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SURREY COUNTY COUNCIL**CABINET****DATE: 28 APRIL 2015****REPORT OF: MR MIKE GOODMAN, CABINET MEMBER FOR ENVIRONMENT AND PLANNING****LEAD OFFICER: TREVOR PUGH, STRATEGIC DIRECTOR, ENVIRONMENT AND INFRASTRUCTURE****SUBJECT: REVISION OF STATEMENT OF COMMUNITY INVOLVEMENT****SUMMARY OF ISSUE:**

The Statement of Community Involvement (SCI) is the County Council's public statement of how it engages with the public and consultees on planning applications and planning policy documents.

RECOMMENDATIONS:

It is recommended that Cabinet recommends the County Council adopt the revised Statement of Community Involvement (SCI).

REASON FOR RECOMMENDATIONS:

It is a statutory requirement to produce the SCI and to keep it up to date. The current SCI was adopted in 2006 and this revision takes account of changes in legislation and policy and the county planning authority's commitment to making best use of electronic communication.

DETAILS:

1. The SCI is a statutory planning document which the County Council is required to prepare by the Planning and Compulsory Purchase Act 2004. It is a statement of policy for involving local communities and interest groups in matters relating to planning applications for minerals, waste and county development and minerals and waste policy documents.
2. A revised SCI is necessary to ensure that it remains relevant and reflects current legislation and policy as well as the practices being adopted by the Planning Department in light of the Planning Review 2013.

3. The key changes to the revised SCI statement are:
 - The approach to consultation and engagement is more streamlined which reflects the simplified plan making process;
 - The revised SCI is more succinct and readable than the current version;
 - The methods of contact for consultees have been updated to reflect increased use and availability of electronic communication;
 - The move to handling all planning applications in electronic form and enabling consultees to view online documents associated with planning applications;
 - The implementation of the recommendations as a result of the Planning Department review of service, including the use of an online planning portal to submit planning applications and the introduction of pre-application fees.
4. These amendments to the SCI also reflect the changes to planning legislation since the council adopted the SCI in 2006, namely, the Localism Act 2011 and the revised Town and Country Planning (Local Planning) (England) Regulations 2012.
5. These changes affect how local planning authorities prepare their development plans by streamlining the plan making process. Whilst the legislation did not change the requirements for the SCI, it did introduce the 'duty to cooperate' and set out key requirements for consultation with statutory organisations and bodies on matters of strategic cross boundary importance.
6. As well as changes to the legislation the Planning Department underwent a review in 2013. One of the key changes that came out of the review was the move to use of the Planning Portal for the submission of planning applications and the publishing of application documents on the County Council's own website.

CONSULTATION:

7. A fifteen week public consultation was undertaken from 27 October 2014 to 2 February 2015. Consultees were notified by email or letter and asked to fill out a feedback form with their comments on the proposed SCI.
8. Among those consulted were previous applicants, agents, District and Borough Councils, Parish Councils, Resident and Amenity Groups, Local Stakeholders and Equality and Diversity groups. Overall nineteen representations were received and all were generally supportive. In particular, consultees were supportive of the Council's use of electronic communications to more effectively engage local communities in the planning process and displaying planning application documents on our own website.
9. There were a few minor amendments such as rewording some of the paragraphs to make its meaning clearer for the public which have been addressed where possible.
10. The Planning and Regulatory Committee was consulted on 10 December 2014. The Committee felt that the document needed an executive summary so that people will understand what information the document contains. An executive summary has been included in the SCI.

RISK MANAGEMENT AND IMPLICATIONS:

11. It is important that the County Council's SCI remains compliant with legislation, policy and practice. Failure to do so could lead to successful challenges to decisions on relevant planning applications, whereby they are overturned and costs are potentially awarded against the County Council.

Financial and Value for Money Implications

12. The SCI continues to commit the County Council to going beyond the minimum requirements set out in legislation insofar as letters to neighbours will always be sent as well as a site notice displayed. However, this is considered good practice and involves no change in current procedures which have been made more efficient by automating the envelope handling process. By making best use of electronic communication, the planning department will be able to be more efficient when communicating with consultees and other interested parties.

Section 151 Officer Commentary

13. The Section 151 officer confirms that there are no material financial issues, risks or changes to resource requirements associated with the adoption of a revised SCI.

Legal Implications – Monitoring Officer

14. The County Council is the Minerals and Waste Planning Authority for Surrey. It is required by the Planning and Compulsory Purchase Act 2004 (as amended) to prepare a Statement of Community Involvement and update the statement from time to time as required.

Equalities and Diversity

15. The SCI commits the County Council to improving access to planning decisions for older people, younger people, people with disabilities, carers and women who are pregnant or looking after children. We will achieve this by:
- Communicating electronically whenever possible
 - Publishing plans, planning applications and other documents on our website together with an online comments form
 - Making use of social media
 - Using plain English in our documents
 - Using premises with access and facilities for people with limited mobility, impaired sight or hearing difficulties
 - On request making documents available in large print or in languages other than English
 - People without access to the internet or email will be able to view planning documents at County Hall or at local borough and district council offices and make representations by letter.
16. An Equalities Impact Assessment has been carried out and is included as Annex 2 to this report.

WHAT HAPPENS NEXT:

17. Upon adoption the revised SCI will replace the previous 2006 SCI and become the County Council's adopted policy for consultation and engagement with the community on the minerals and waste plans and on planning applications for minerals and waste development and the County Council's own proposals for development.

Contact Officer:

Paul Sanderson, Minerals and Waste Policy Team Manager, Tel: 020 8541 9949.

Consulted:

Previous applicants, agents, District and Borough Councils, Parish Councils, Resident and Amenity Groups, Local Stakeholders and Equality and Diversity groups.

Planning & Regulatory Committee

Annexes:

Annex 1: Revised Draft Statement of Community Involvement.

Annex 2: Revised Draft Statement of Community Involvement Equality Impact Assessment

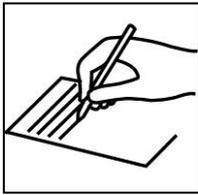
Sources/background papers:

Surrey Statement of Community Involvement 2006.

Statement of Community Involvement

May 2015

In writing



Surrey County Council
Planning and Development Group
Environment and Infrastructure
County Hall
Kingston upon Thames
Surrey KT1 2DN

By fax



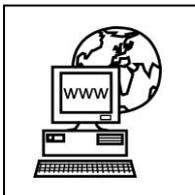
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www.surreycc.gov.uk

We are happy to give information in either large print or in another language. If you want this service please call us on 03456 009 009.

Statement of Community Involvement

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Executive Summary

Involving local communities and interested parties is an essential part of the planning process and is seen as a priority by Surrey County Council. We want to make the planning process more accessible and increase community participation.

The Statement of Community Involvement (SCI) outlines the policy for involving local communities and interested parties in matters relating to minerals, waste and County Council developments within the local area.

The SCI sets out how the Council will involve the local community:

- In preparing, altering and reviewing minerals and waste planning policy documents; and
- In determining planning applications for minerals, waste and Surrey County Council developments.

The SCI underwent a public consultation which ran from 31 October 2014 to 2 February 2015. Comments from the respondents have been incorporated as appropriate.

The SCI also includes improved procedures for consulting other organisations on planning applications.

The SCI was adopted by the Council in May 2015. It replaces the SCI adopted in 2006.

1 Introduction

- 1.1 The statement of community involvement (SCI) sets out how and when you can influence the content of new planning policy documents and the ways in which you can comment on planning applications.
- 1.2 Surrey County Council is the Minerals Planning Authority and the Waste Planning Authority for Surrey. It is also the planning authority for determining planning applications for the Council's own service developments such as schools and roads¹. All other planning matters are dealt with by Surrey's district and borough councils.

Our approach

- 1.3 The SCI takes forward the County Council's *Commitment to Public Involvement*. It is based on the following principles:
 - a. Encouraging everyone who may be directly or indirectly affected by planning decisions to get involved;
 - b. Encouraging involvement at the earliest stage and throughout the planning process;
 - c. Using methods of involvement that suit different people and that are appropriate to the stage of the planning process;
 - d. Making sure that all information relevant to plans or planning applications is easily accessible;
 - e. Ensuring the process of consultation is open and transparent;
 - f. Giving feedback so that those involved are aware of the contribution they have made to the process; and
 - g. Making sure the limits of what we can realistically achieve is fully understood.
- 1.4 The SCI also conforms to statutory requirements² and takes account of government planning practice guidance³.

¹ Regulation 3 of the Town & Country Planning General Regulations 1992 enables the County Council to make planning applications to be determined by itself, as long as the development is to be carried out by (or on behalf of) the Council.

² [The Town and Country Planning \(Development Management Procedure\) \(England\) Order 2015](#)

³ [Planning Practice Guidance 12 June 2014](#)

Who we will involve

- 1.5 We will involve groups, organisations and people who may be directly or indirectly affected by planning decisions in Surrey. This may include:
- a. Individuals;
 - b. Residents' associations, local community groups, action groups and other voluntary bodies (such as sporting and leisure groups) and environmental groups (such as Surrey Wildlife Trust or The Royal Society for the Protection of Birds);
 - c. Businesses (such as chambers of commerce and minerals and waste companies and trade associations).

And consulting statutory organisations such as district and borough councils, parish councils, including those adjoining the administrative boundary of the county, and the Environment Agency. For more information regarding the organisations we consult see the Appendix.

Electronic communications

- 1.6 Electronic communication provides a way to disseminate large amounts of information. This is especially important for the more rural areas of the county where it can be difficult for some residents to get to local district and borough council offices or County Hall.
- 1.7 By the end of 2014 more than 99% of premises in Surrey had access to fibre based broadband following the county council's Superfast Broadband initiative. This will make it easier for people to access information on planning applications, minerals and planning policy documents and make representations to the Council.
- 1.8 The Planning Authority is committed to making the most appropriate use of electronic communication when undertaking consultation and notification activities. As a result, this revised SCI outlines several areas where email or use of the internet will be the primary method of communication when engaging communities during the plan making process or consulting on planning applications. Nevertheless, reliance on electronic communication will not always be appropriate and we will still rely on site notices and letters where these are necessary to ensure effective communication.

Hard to reach groups

- 1.9 For some people it may be difficult to get involved in planning decisions for all sorts of reasons. These bodies are sometimes called ‘hard-to-reach groups’. Hard-to-reach groups may change over time, but the groups that we have identified include elderly people, young people, people who speak little or no English, people who do not have access to the internet, commuters, and people who have difficulty getting about.
- 1.10 The following methods will be used to facilitate the involvement of ‘hard to reach’ groups in the planning process:
- a. Officers will assess the involvement of hard to reach groups or individuals during the production of planning policy documents and the consideration of planning applications and how best to contact and involve them;
 - b. Use of ‘plain English’ in documents and other published material;
 - c. Documents can be produced in other formats on request and where the demand is significant and resources allow (this would include Braille, large print and documents in languages other than English) to be accessed at your nearest library.

When we consult on planning matters

- 1.11 Our approach to consultation and publicity encourages people and organisations to be involved in planning decisions that could affect them. There are three different stages of the planning process when this is necessary:
- I. **Preparing Planning Policy Documents** (Local Plans and supporting documents): We prepare minerals and waste local plans that provide a framework for future development. In this SCI we set out the stages of developing these plans and how we will involve the community at each stage.
 - II. **Determining planning applications:** We are responsible for making decisions on planning applications for minerals and waste developments and our own service development proposals (such as new schools). We set out how we will involve the community when considering applications for development.
 - III. **Involving the community in the long term.** Involving the community does not end with publishing a plan or making a decision on a planning application. In this SCI we set out how we will continue to work with the community once facilities are up and running and when monitoring how well the minerals and waste local plans are being put into practice.

2 Planning applications

2.1 Surrey County Council is required to undertake consultation and publicise planning applications and this varies according to type of application. This section sets out how we will involve the local community who may be affected by a proposal in the planning application process.

Pre – application discussions

2.2 The National Planning Policy Framework (NPPF) encourages pre-application discussions and states that 'early engagement has significant potential to improve the efficiency and effectiveness of the planning application system for all parties'.

2.3 Surrey County Council encourages developers to enter into pre-application discussions with the Council to establish the information that will be required, and to identify key issues and policies associated with any potential application. The Council have now introduced a charging scheme for pre-application advice relating to Minerals and Waste development only. Our website⁴ provides more information on the scheme in the form of a minerals and waste pre-application advice guidance document. This sets out the benefits of seeking planning advice on applications prior to submission and the arrangements for providing advice.

2.4 Pre-application discussions mainly take place between the developer and the minerals and waste planning authority as they are largely technical exercises. However, they can provide an opportunity for the local community/local residents to be engaged in the planning application process. The Council encourages developers to talk to the community, to inform them of their plans and so ensure that a link with the local community is established at an early stage in the process. The onus is on the developer, and we as the planning authority will not normally carry out pre-application consultations with individuals or communities. Pre-planning application discussions between counties and their districts is strongly encouraged by the government.

⁴ <http://new.surreycc.gov.uk/environment-housing-and-planning/planning/planning-applications-register/the-planning-process/making-a-planning-application/pre-application-discussions-for-planning-applications>

The planning application

- 2.5 Consultation and publicity on planning applications has different purposes. We ask some bodies (for example, the Environment Agency) to provide professional advice and to assess technical work. Other people (for example, local residents' groups) are often able to provide local knowledge and may want to give us their views on the likely effects of the development. We will take account of the range of roles and expertise of different people so that we can identify all possible issues and consider them in further detail.
- 2.6 The nature of the consultation on planning applications will be related to the type and size of the proposal, the location and the likely effects on the environment. Smaller proposals (which may have less impact) have different consultation requirements from larger proposals.
- 2.7 We must consult certain organisations on planning applications (statutory consultees - see Appendix) and can decide whether or not to consult others (non-statutory consultees). Who we are required to consult may change over time and therefore a comprehensive list of consultee groups and organisations is not included in this document.
- 2.8 Once a planning application has been received, together with all the relevant information that will enable the process of determination to begin⁵, we will:
- Publicise planning applications in line with Table 1 and as appropriate by letters⁶ / site notices / newspaper advertisements;
 - Consult statutory and non-statutory consultees⁷ by email over and above those we must consult in line with regulations, where appropriate for the application; and
 - Ensure details are available in our online register of applications and appeals⁸.

⁵ The County Council has adopted a Local List which sets out the type and extent of information required as part of any planning application.

⁶ Publicity will rely heavily on Neighbour Notification letters since this is the only way that we can ensure that those most affected by a proposed development are informed.

⁷ Our approach will be to notify consultees by email once applications are available online giving them 21 days in which to comment (or 28 days for Natural England in the case of a planning application potentially affecting a Site of Special Scientific Interest (SSSI) or in a SSSI consultation area).

⁸ See [register of planning applications, decisions and appeals](#) for minerals, waste and county developments.

- 2.9 Copies of planning applications together with all supporting documents can also be viewed⁹ at our main offices (County Hall) and at the offices of the relevant borough or district council. All planning application documents will be handled in electronic form and be available to view through the Council's web site.
- 2.10 Comments on planning applications should be made in writing by the date specified in the publicity, which is normally 21 days from the date of the site notice sent with our notification letter or within 21 days from the date of a newspaper advert or site notice appearing. Comments received will be acknowledged. Comments can be made by letter, email or using our online comments form¹⁰. Comments must also include a name and address in order for the comments to be recorded. Nevertheless, we will endeavor to ensure all relevant comments are made available to decision makers¹¹ if received by 12 noon the day before the relevant planning and regulatory committee or up to the point of a delegated decision being made.

⁹ Details are available of planning applications and/or appeals in our online register. All application documents following the introduction of our online facility will be available to view online.

¹⁰ The Online Form is available on the Councils [website](#)

¹¹ The Planning & Regulatory Committee or the Head of Service if decisions are made under [delegated powers](#).

Table 1 – Publicising planning applications¹²

Type of development	Method used by Surrey County Council
<ul style="list-style-type: none"> • All minerals and waste development. • Major County Development¹³. • The application is for development that requires an environmental impact assessment (EIA) and comes with an environmental statement¹⁴. • The development is not in line with the development plan. • The development affects a public right of way. • The development affects the setting of a listed building. • The development affects the character or appearance of a conservation area. 	Newspaper advert, site notice and letter to neighbours ¹⁵ generally within 90 metres of the application site boundary ¹⁶ .
All other County development (minor).	Site notice and letter to neighbours generally within 90m of the application site boundary ¹⁶ .
Details required to be submitted by planning conditions.	Further publicity at the discretion of the case officer. The extent of publicity, if any, will be based on a judgment as to whether residents are likely to be affected or otherwise concerned about the matter.
Non Material Amendment.	Publicity at the discretion of the case officer. The extent of publicity, if any, will be based on a judgment as to whether residents are likely to be affected or otherwise concerned about the matter.

2.11 Conditions normally apply to most planning permissions we grant. Under some of these conditions, we may need to approve further details within specific timescales (examples include detailed working and restoration schemes for quarries, and colours and finishes to be used on the outside of buildings). By law, we do not need to publicise or consult on these details. However, we will carry out any consultations we believe are necessary depending on what the details cover.

¹² We will use newspaper advertisements in accordance with the current relevant regulations

¹³ Buildings over 1000 square metres or more, or a development on a site larger than 1ha

¹⁴ [The Town and Country Planning \(Environmental Impact Assessment\) Regulations 2011](#)

¹⁵ Letters to neighbours must give at least 21 days for comments to be made

¹⁶ The distance of 90 metres is not statutory but will be applied as a general minimum and increased at the discretion of the case officer if the proposed development has the potential to affect the wider area

Amendments to planning applications

2.12 During the process of considering a planning application amendments are often made. There is no statutory obligation on local authorities to publicise changes to planning applications that do not require Environmental Impact Assessment (EIA) and all those notified will be made aware of how they can keep up to date with the progress of an application. Table 2 below sets out how the council will publicise amendments to non EIA planning applications.

2.13 With regard to consulting consultees with non EIA planning applications, only those consultees with an interest in the proposed amendment will be notified. It is down to the case officer's discretion which consultees have an interest.

Table 2 – Publicising amendments to non EIA planning applications

	On amendments to applications	Publicity
A	We have received no comments on the original application.	No publicity.
B	The amendments are minor and the level of public interest in the proposal is small.	Letters to those who made comments on the original planning application.
C	Further publicity is needed because the level of public interest in the proposal is high and people have objected to the original application.	Letters to those who made comments on the original planning application together with letters to all properties notified on the original application (together with any new properties within the original area).
D	Further publicity is needed because the amendments are significant public interest in the proposal is high and people have objected to the original application.	Site notices together with letters involving either B or C.

2.14 Details of all amendments to planning applications and the date the applications will be considered at Committee (if appropriate) will be placed on the County Council's [register of planning applications, decisions and appeals](#) and sent to the relevant District and Borough.

2.15 Further information and evidence in relation to Environmental Statements accompanying planning applications can be required by us when considering EIA planning applications. When the further information has been received relating to an Environmental Statement (ES) we will carry out all the necessary steps to publicise the further information as required by the relevant regulations¹⁴.

Making decisions on planning applications

- 2.16 A committee of councillors (the Planning and Regulatory Committee) or designated officers¹⁷ make decisions on planning applications.
- 2.17 Officers prepare a report for all applications (whether delegated or not), which includes an outline of the consultation, the publicity carried out and a summary of the comments we received.
- 2.18 Meetings of the Planning & Regulatory Committee are held in public and future meeting dates, agendas, committee reports and minutes can be viewed on the council's [website](#). All meetings are webcast live or available to view at a later date. An induction loop facility is available at meetings of County Council committees at County Hall.
- 2.19 We run a '[public speaking](#)' scheme that allows people who have made written comments to speak to the Committee. Under the current scheme written comments (by email, letter and online form) have to be from you as an individual and you would not be eligible to speak if you only signed a petition or a standard proforma response. Up to five people who support and five who object to a proposal may speak. The applicant also has the right to speak to the committee in response to comments received from someone who objects.
- 2.20 We will place reports on planning applications determined by designated officers (under delegated powers) on our [register of planning applications, decisions and appeals](#).
- 2.21 After a decision on the application has been made, we issue a decision notice that contains details of any conditions the applicant must meet if we have granted planning permission. If we have refused the application, the decision notice explains the reasons why. We place a copy of all decision notices on our [register of planning applications, decisions and appeals](#)

¹⁷ See the council's scheme of delegation as part of its [constitution](#).

Appeals

2.22 If we refuse to give planning permission, the applicant has the right to appeal against the decision to the Secretary of State¹⁸. Appeals must be made to the Planning Inspectorate¹⁹ who manages the process on behalf of the Secretary of State. If we receive notification of an appeal from the Planning Inspectorate we publicise it in line with the legal requirements. Any written comments received relating to the original application will automatically be forwarded by us to the Planning Inspectorate for consideration as part of the appeal process. We must write to statutory and non-statutory consultees, and everyone who was originally notified or made comments on the planning application so that they have the opportunity to participate in the appeal. In addition we may give further publicity by newspaper advert or site notice if this is required by the Planning Inspectorate. Appeal decisions can be viewed on the [Planning Portal](#).

¹⁸ There are other circumstances when an applicant may make and appeal (i) when a decision on their application has not been made within the statutory timescale (non-determination of an application), (ii) against a planning condition that has been attached to a planning permission. Appeals may also be made in relation to enforcement matters (for example to stop development that is going ahead without planning permission).

¹⁹ For more information on the Planning Inspectorate visit the [Planning Portal](#).

3 Planning policy documents

Development Plan Documents (Local Plans)

- 3.1 Surrey has adopted a full set of Development Plan Documents (DPDs) as follows:

[Surrey Waste Plan](#) adopted 6 May 2008

[Surrey Minerals Plan Core Strategy DPD](#) adopted 19 July 2011

[Surrey Minerals Plan Primary Aggregates DPD](#) adopted 19 July 2011

[Aggregates Recycling Joint DPD](#) adopted 12 February 2013

- 3.2 A revised [Minerals and Waste Development Scheme](#) (MWDS) was adopted in February 2015. The MWDS sets out the arrangements for the monitoring and review of the DPDs listed above. The revised MWDS makes provision for a review of the Surrey Waste Plan to commence before the end of 2016. We have no plans to review any of the other DPDs in the near future. When DPDs are reviewed, we will undertake consultation at the key stages of the plan making process as required by statutory requirements²⁰ and government planning practice guidance²¹. The following illustrates those key stages and shows when you can get involved in the process of preparing planning documents. We will ask for your views as early as possible so that you have the greatest opportunity for them to influence the policy making process.

Stage	Consultation period. At least:
Gathering of evidence and public consultation on what the local plan should contain	12 weeks
Public consultation on the soundness of the local plan prior to submission of the local plan (known as the local plan submission draft) to the Secretary of State and the Planning Inspectorate	6 weeks
Independent public Examination of submitted local plan	6 weeks
Publication of modifications to the submission draft local plan if required	6 weeks
Adoption of local plan by County Council	

²⁰ [Town and Country Planning \(Local Planning\) \(England\) Regulations 2012](#)

²¹ [Planning Practice Guidance 6 March 2014](#)

3.3 We will publicise details of formal consultation by:

- Sending an email²² or letter to all statutory organisations and other organisations or groups on our minerals and waste database²³, with details of the consultation period, how to comment and where and when we will make documents available.
- Publishing consultation documents on our website, with details of where and when paper copies of consultation documents can be inspected.

3.4 We may also use other methods including: media (newspapers and radio), social media and workshops or meetings.

3.5 All representations will be acknowledged and treated as public documents and made available on our website as they are received.

3.6 It will not be possible to respond to every letter in detail during any consultation period. What we will do is publish a summary of the results of consultations on our website and show how we have considered them.

Supplementary Planning Documents (SPDs)

3.7 In addition to local plans the Council will occasionally produce supplementary planning documents (SPDs) which explain the implementation of planning policy. An example is the [Minerals Site Restoration SPD](#). The process of preparation and adoption is shorter and involves fewer stages.

Stage	Consultation period at least:
Public consultation on draft Supplementary Planning Document	6 weeks
Public consultation on any significant amendments to draft Supplementary Planning Document	6 weeks
Adoption of Supplementary Planning Document by County Council	

²² Email will be the preferred method of communication with letters used only where email addresses are not available or unreliable.

²³ Our database will be reviewed with a list of organisations and groups who will be consulted made public on our website

Sustainability Appraisal

3.8 The plan preparation process includes assessing the social, environmental and economic impacts of each local development document and supplementary planning document. The Sustainability Appraisal identifies the positive and negative effects and helps to indicate where action may be required to mitigate any potential adverse impacts of the planning policies. A Habitats Regulations Assessment²⁴ will also be undertaken to identify any adverse impacts on species and habitats of nature conservation importance at the European level and indicate where they may need to be protected and enhanced.

²⁴ The European Union (EU) Habitats Directive protects certain species of plants and animals which are particularly vulnerable. The Directive specifically relates to Special Protection Areas (SPAs), Special Areas of Conservation (SACs) and Ramsar sites known as Natura 2000 sites. The UK Habitats Regulations are used to implement the EU Directive and require a Habitats Regulations Assessment (HRA) to determine if proposals (including DPDs and where necessary SPDs) are likely to have a significant adverse impact.

4 Longer term engagement

4.1 Involving the community does not end with adopting a local plan or making a decision on a planning application. This section covers opportunities for involving people to help measure the effectiveness of the planning process and improve the quality of our decisions.

Annual Monitoring Report

4.2 The annual monitoring report is a useful way of keeping people up to date on how effectively we are achieving the planning objectives in our minerals and waste local plans.

4.3 We will produce an annual monitoring report that provides information on:

- Preparing and reviewing the Minerals and Waste Local Plans and other planning documents;
- Planning applications for minerals and waste development and our own proposals for development; and
- Monitoring minerals and waste policies and enforcement work.

4.4 The annual monitoring report is available to download on our [website](#). A paper copy of the annual monitoring report is available on request.

Community involvement

4.4 We will continue to liaise with local communities through bodies such as action groups, parish and town councils and where they exist, community liaison groups, in dealing with any issues arising at minerals and waste sites.

4.5 Liaison groups are an effective way of involving the community in dealing with issues at minerals and waste sites. These groups meet regularly and may be chaired by a county councillor. Planning officers, county councillors, the site operator and other interested people (such as representatives of local communities) take part in these groups. The liaison groups provide a forum for discussing future developments and an opportunity to deal with any ongoing issues at the site. They are generally organised for large sites, or for developments that were particularly controversial during the planning process.

Monitoring and enforcement

4.6 The Council carries out monitoring and enforcement of minerals and waste sites in order to ensure compliance with planning permissions. Regular site visits and other contact with both mineral and waste operators helps us to identify possible issues and address them as early as possible. Where development is taking place without planning permission it will seek to resolve the situation in the most appropriate way through one or more of the following:

- encouraging the submission of a retrospective planning application
- negotiating the cessation of activity and the restoration of the site
- initiating formal enforcement action where negotiation fails

4.7 If you have concerns that there is a breach of planning control or unauthorised activity at a site you can contact the council's enforcement team using the following methods:

- [Online Form](#)
- Email: mwcd@surreycc.gov.uk
- Telephone: 03456 009 009
- Fax: 020 8541 9399

Appendix

Statutory Organisations

Government regulations require us to consult certain bodies and organisations when carrying out particular stages of the planning process, and we can decide whether to consult others.

The regulations for preparing local development plan documents²⁰ define these organisations as:

- Specific consultation bodies, such as parish and town councils, and government departments; and
- General consultation bodies, including voluntary bodies (such as residents' associations) and organisations which represent the interests of disabled people, businesses, and religious, ethnic groups.

The regulations² for planning applications define these organisations as:

- Statutory consultees: such as district and borough councils, parish and town councils, and technical specialists such as the Highways Authority and the Environment Agency, also gas, water and electricity suppliers and neighbouring local authorities; and
- Non-statutory consultees: such as established community and residents' organisations and rights of way interest groups (for example, the Ramblers' Association and the Open Spaces Society).

1. Topic of assessment

EIA title:	Draft Statement of Community Involvement March 2015
EIA authors:	Lee Smith – Planning Technician Maureen Prescott – Planning Technician

2. Approval

	Name	Date approved
Approved by:	Paul Sanderson	31 March 2015

3. Quality control

Version number	3	EIA completed	
Date saved	31 March 2015	EIA published	

4. EIA team

Name	Job title (if applicable)	Organisation	Role
Maureen Prescott		SCC	Author
Paul Sanderson		SCC	Sign off

5. Explaining the matter being assessed

What policy, function or service is being introduced or reviewed?	<p>Draft Statement of Community Involvement March 2015</p> <p>The Statement of Community Involvement (SCI sets out how and when individuals, groups and organisations can influence new Surrey County Council planning documents and the ways in which they can comment on planning applications.</p> <p>Surrey County Council is the Minerals Planning Authority and the Waste Planning Authority for Surrey. It is also the planning authority for determining planning applications for the Council's own developments such as schools and roads. All other planning matters are dealt with by Surrey's district and borough councils.</p> <p>The SCI affects everyone who may be directly or indirectly affected by the County Council's planning decisions.</p> <p>The SCI is a statutory requirement. We have updated the previous SCI to comply with current legislation and reflect current planning practice.</p>
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<p>What proposals are you assessing?</p>	<p>Planning Applications – outline processes</p> <ul style="list-style-type: none"> ➤ Encourage developers to enter into pre-application discussions with the county council and the local community. ➤ Handle applications electronically. Use email and the internet as our main methods of publicising and consulting. ➤ Publish applications, supporting documents and an online comments form on our website. ➤ Use Neighbour Notification letters, site notices and newspaper adverts in line with regulations and best practice. ➤ Publish an online register of applications, proposed amendments, decisions and appeals. Include key dates. ➤ Make applications available to view at County Hall and the offices of the relevant borough or district council. ➤ Publish a report for all applications on our website, including an outline of the consultation, the publicity carried out and a summary of the comments we have received. ➤ Submit reports to Committee for decision or, if we are using delegated powers, submit the report to a designated officer ➤ Issue decision notices and publish them on our online register. <p>Development Plan Documents (DPDs) (Local Plans) Supplementary Planning Documents (SPDs) - outline processes</p> <ul style="list-style-type: none"> ➤ Consult at the key stages of plan making using Public Consultation and other processes in line with statutory requirements and government planning practice guidance. ➤ Use email and the internet as our main methods of publicising and consulting on documents. We may also use other methods such as newspapers, radio, social media and workshops/meetings. ➤ It will not be possible to respond in detail to every representation; publish on our website a summary of representations received and how we have considered them.
<p>Who is affected by the proposals outlined above?</p>	<ul style="list-style-type: none"> • Residents • Statutory consultees • Other organisations and groups • Surrey County Council (SCC) staff • Planning Agents and Applicants

6. Sources of information

Engagement carried out
<p>We carried out an extensive Public Consultation of more than twelve weeks. Consultees included:</p> <ul style="list-style-type: none"> ➤ statutory consultees ➤ resident and amenity groups ➤ parish councils ➤ Surrey district and borough councils and neighbouring authorities ➤ planning agents and applicants ➤ organisations that represent residents and service users with protected characteristics.
Data used
<p>We used the updated minerals and waste database of consultees.</p> <p>We received seventeen responses to the Public Consultation and a number of comments from SCC officers.</p>

7a. Impact of the proposals on residents and service users with protected characteristics

Protected characteristic ¹	Potential positive impacts	Potential negative impacts
Age	<p>We will publish all our planning documents on our website and provide an online form for commenting on plans and planning applications. We will communicate primarily by email.</p> <p>This could improve access to planning decisions for less mobile people.</p> <p>On request we can produce documents in large print for people with sight problems.</p> <p>For consultation events we use premises with access and facilities for people with limited mobility, impaired sight or hearing difficulties.</p> <p>Using social media and electronic communication may make our engagement with younger people more effective.</p>	<p>Some people may not have access to the internet or email.</p> <p>They will be able to view planning documents at County Hall or at local borough and district council offices.</p> <p>They will be able to make representations by letter.</p>
Disability	See comments for 'Age'	See comments for 'Age'
Pregnancy and maternity		<p>Some pregnant women and mothers who find it more difficult to travel to County Hall or district and borough council offices.</p> <p>They will be able to view planning documents on our website and communicate with us using our online comments form, by email or by letter</p>
Race	<p>We use plain English in our documents. This may benefit people whose first language is not English.</p> <p>We can provide documents in other languages for people with little or no English.</p>	

Protected characteristic	Potential positive impacts	Potential negative impacts
Carers		See comments for 'Pregnancy and Maternity'
Religion and belief Sex and gender reassignment Sexual orientation Marriage and civil partnerships	None	None

7b. Impact of the proposals on staff with protected characteristics

Protected characteristic	Potential positive impacts	Potential negative impacts
All staff with protected characteristics	Clear/transparent processes improve efficiency and release time for other tasks. Engaging stakeholders early in the plan making process helps to manage their expectations and reduce complaints.	None

8. Amendments to the proposals

Change	Reason for change
None	Not applicable

9. Action plan

Potential impact (positive or negative)	Action needed to maximise positive impact or mitigate negative impact	By when	Owner
Set out in table at 7a above	Set out in table at 7a above	Ongoing	Paul Sanderson

10. Potential negative impacts that cannot be mitigated

None

11. Summary of key impacts and actions

<p>Information and engagement underpinning equalities analysis</p>	<p>Public Consultation and responses received.</p> <p>Consultation with affected staff and their comments.</p>
<p>Key impacts (positive and/or negative) on people with protected characteristics</p>	<p>Positive Impacts for Service Users Improved access to planning decisions for older people, younger people and people with disabilities, carers, and women who are pregnant or looking after children. We will achieve this by:</p> <ol style="list-style-type: none"> 1. Communicating electronically whenever possible 2. Publishing plans, planning applications and other documents on our website together with an online comments form 3. Making use of social media 4. Using plain English in our documents 5. Using premises with access and facilities for people with limited mobility, impaired sight or hearing difficulties 6. On request making documents available in large print or in languages other than English <p>Negative Impacts for Service Users People without access to the internet or email. They will be able to:</p> <ul style="list-style-type: none"> ❖ view planning documents at County Hall or at local borough and district council offices ❖ make representations by letter <p>Positive Impacts for Staff</p> <ul style="list-style-type: none"> ➤ Clear/transparent processes improve efficiency & release time for other tasks ➤ Engaging stakeholders early in the plan making process helps to manage their expectations & reduce complaints
<p>Changes you have made to the proposal as a result of the EIA</p>	<p>None</p>
<p>Key mitigating actions planned to address any outstanding negative impacts</p>	<p>None</p>
<p>Potential negative impacts that cannot be mitigated</p>	<p>None</p>

SURREY COUNTY COUNCIL**CABINET****DATE: 28 APRIL 2015****REPORT OF: MRS HELYN CLACK, CABINET MEMBER FOR COMMUNITY SERVICES****LEAD OFFICER: YVONNE REES, STRATEGIC DIRECTOR CUSTOMER AND COMMUNITIES****SUBJECT: CUSTOMER PROMISE – THE COUNCIL’S COMMITMENT TO DELIVERING EXCELLENT SERVICE****SUMMARY OF ISSUE:**

On 10 February 2015 County Council approved the Corporate Strategy and agreed that focusing on ‘Resident Experience’ is one of the organisation’s three strategic goals.

To better define Resident Experience the Council conducted research including speaking to staff, Members and customers about what they thought were the most important principles behind excellent customer service.

The research and feedback has been used to create the Council’s new Customer Promise which will be used as a framework to improve Resident Experience.

This paper presents the new Customer Promise and sets out the steps the Council will take to embed the Customer Promise into the organisation to improve Resident Experience.

RECOMMENDATIONS:

It is recommended that Cabinet endorses the new Customer Promise and the proposed steps to embed it into the organisation to improve ‘Resident Experience’.

REASON FOR RECOMMENDATIONS:

To maintain and improve customer service across the Council for the benefit of Surrey residents.

DETAILS:**Research**

1. The Council’s Customer Services team spoke to people at roadshows and in workshops, and conducted an online poll which received 1,136 responses and 240 comments.
2. The following four principles emerged as being most important to people:
 - Treating people in the right way

- Making it easy
 - Keeping people informed
 - Getting it right
3. These principles have been used to create the new Customer Promise. The Council has confidence that these are the right principles to focus on because they reflect the conclusions of other studies into the key drivers of customer satisfaction in the public sector, such as:
- ‘What do people want, need and expect from public services?’ Ipsos MORI (2010).
 - ‘The Customer Service Excellence standard’ Cabinet Office (2008).

Embedding the Customer Promise to improve Resident Experience

4. The following steps will be taken to embed the Customer Promise into the organisation’s culture and processes:

Leadership

5. Strong leadership is critical to creating a customer-focused culture. Leaders in the Council will be asked to communicate the importance of the Customer Promise, role model the required behaviour and ensure there are plans in place to improve customer experience.

Employee Engagement

6. It is essential for managers at all levels of the organisation to champion the Customer Promise. Managers must articulate how it relates to people’s roles and support their teams so that everyone in the Council feels ownership of the Customer Promise.
7. This engagement will be achieved through such initiatives as the organisation’s ‘Employee Engagement Campaign’ where managers will be asked to actively promote and participate in creating a customer-focused culture.

Systems and standards

8. The principles in the Customer Promise must be underpinned by effective systems and clear service standards. To fulfil the commitment to being responsive the Council will undertake a comprehensive review of its telephone policy. This review will look at how voicemail is used and how well teams respond to calls.
9. The Council’s Customer Service team is currently working with a number of the Council’s Services to achieve and maintain the Government’s ‘Customer Service Excellence’ standard which is a well established and proven approach designed to improve customer service standards.
10. It is important that the Customer Promise extends to those services which are not directly managed by the Council. The Council will therefore ensure that the appropriate standards are built into the Council’s commissioning processes.

Recruitment, induction and training

11. The recruitment process will be reviewed to ensure that competency based questions which reflect the commitments in the Customer Promise are included at interview.
12. An introduction to the Customer Promise will be built into the induction process and will form the foundation for all customer service training.

Reward and recognition

13. It is very important that managers value and recognise the right behaviours. To support managers in doing this, customer-focused competencies will be built into the staff appraisal system.

Measuring success

14. The following methods will help us measure success and drive improvement:
 - The Council's quarterly resident survey.
 - Feedback measures at the point of customer interaction.
 - A decrease in complaint escalation and a decrease in avoidable complaints, such as those resulting from staff behaviour.
 - Changes in customer behaviour (e.g. increasing use of self-service).

CONSULTATION:

15. Staff, Members and customers have all contributed toward the development of the Customer Promise.
16. The following groups have reviewed and support the Customer Promise and the proposed steps to embed it into the organisation:
 - Continual Improvement and Productivity Network (23 February 2015)
 - Communities Select Committee (19 March 2015). The Communities Select Committee requested an amendment to the wording of the Customer Promise which has been made
 - People, Performance and Development Committee (2 April 2015)

RISK MANAGEMENT AND IMPLICATIONS:

17. Failure to improve resident experience may cause the Council reputational damage.

Financial and Value for Money Implications

18. Embedding the Customer Promise into the organisation does not have any budget implications at this stage beyond the current agreed revenue budget. Any further budget implications will be considered in relation to any more detailed and specific proposals that stem from the overall Customer Promise.
19. It is expected that improved customer service will reduce cost as unnecessary customer contact will be avoided, self-service will be made easier, and

principles such as 'getting it right first time' will improve efficiency and reduce complaint escalation.

Section 151 Officer Commentary

20. There are no financial implications outside existing budgets as a result of this proposal at this stage. Any longer term implications, if relevant, will be incorporated into future budget planning at the appropriate time.

Legal Implications – Monitoring Officer

21. There are no legal implications at this stage.

Equalities and Diversity

22. The Customer Promise sets out commitments that have positive implications for all residents, including protected groups. An equality impact assessment has not been completed at this stage as there are no expected negative impacts on residents and staff with protected characteristics.
23. Any equalities implications will continue to be considered in relation to any more detailed proposals that stem from the overall Customer Promise.

WHAT HAPPENS NEXT:

- The Customer Promise will be published on the Council's website.
- The Council's Customer Services team will progress the activities described in this report to embed the Customer Promise into the organisation.
- Select Committees will scrutinise work and performance.

Contact Officer:

Mark Irons, Head of Customer Services 020 8541 8567

Consulted:

Staff, Members and Customers

Continual Improvement and Productivity Network (23 February 2015)

People, Performance and Development Committee (2 April 2015)

Communities Select Committee (19 March 2015)

Annexes:

Annex 1: Surrey County Council's Customer Promise

Sources/background papers:

- The Government's 'Customer Service Excellence standard (2008).
 - What do people want, need and expect from public services? Ipsos MORI (2010).
-

Our customer promise

We are committed to delivering excellent service



Treating you in the right way

We will:

- put your needs at the heart of what we do
- listen, be helpful, polite, and treat you fairly and with respect
- be open, upfront and explain our decisions



Keeping you informed

We will:

- deal with your request the first time you contact us, or as soon as we can
- tell you what will happen next, and by when
- keep you updated of progress



Getting it right

We will:

- do what we say, on time and to the right standard
- provide clear information and advice
- say sorry if we get it wrong and do our best to put it right
- use your feedback to improve how we do things



Making it easy

We will:

- ensure our services are accessible and responsive
- make it easier, quicker and more convenient to deal with us

In return, we ask you to:

- treat us politely and with respect
- give us your feedback so that we can learn from your experience

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SURREY COUNTY COUNCIL**CABINET****DATE: 28 APRIL 2015****REPORT OF: MS DENISE LE GAL, CABINET MEMBER FOR BUSINESS SERVICES****LEAD OFFICER: MRS JULIE FISHER, STRATEGIC DIRECTOR FOR BUSINESS SERVICES****SUBJECT: PROCUREMENT OF ELECTRICITY AND GAS SUPPLIES FOR 2016-2020****SUMMARY OF ISSUE:**

The report seeks approval from Cabinet to commit to flexible energy purchasing contracts through the LASER (Local Authorities in South East Region) framework for the provision of electricity and gas supplies on a rolling two year basis, to commence on 1 October 2016. The report provides details of the procurement process, including the results of the options appraisal, and demonstrates why the recommended contract award delivers best value for money.

RECOMMENDATIONS:

It is recommended:

- (1) That SCC commits to the energy purchasing contracts through the LASER Flexible Framework for the provision of electricity and gas supplies to commence on 1 October 2016 and run until September 2020 on a rolling 2 year basis for the energy requirements of the council and in respect of participating schools following the receipt of appropriate warranties.
- (2) That SCC adopts, as part of the LASER framework, a mixed basket of Purchase in Advance (PIA), Purchase within Period (PWP), Fully Managed Service, Procurement Only Service and other purchase options as may be deemed suitable to manage energy price risk as appropriate to the needs of the end users and the nature of the energy supply.
- (3) That authority be delegated to the Head of Procurement and Commissioning and Chief Property Officer, in consultation with the Cabinet Member for Business Services to take necessary procurement decisions and award new contracts from 1 October 2016 to September 2020 on a rolling two year basis through the framework agreement for the supply of electricity and gas under a flexible procurement.
- (4) That SCC makes use of the added value services available from framework suppliers to LASER customers, such as data collection from automated meters, where it is cost effective to do so.

REASON FOR RECOMMENDATIONS:

A compliant Official Journal of the European Union (OJEU) tender process has

recently been completed by LASER, resulting in 2 new contracts being awarded for Electricity and Gas supplies, permitting access by other public sector organisations from 1 October 2016 to 30 September 2020. The suppliers on the framework are Npower for electricity and Total Gas & Power Ltd for gas. Using the LASER framework for 2016-2020 will provide continuity for sites and best value for money for the council following a thorough options appraisal. A rolling two year commitment is preferred to a four year commitment as it affords the council more flexibility.

The requirement to forward purchase energy ahead of the supply period is a key part of any risk managed energy strategy. Having the option to secure electricity and gas volume for the period October 2016 to September 2020, well in advance of delivery, is vital in protecting LASER customers against potential wholesale market price changes. The LASER new framework recommends a minimum two-year window to complete future flexible energy purchases. Without this window, LASER is unable to forward buy energy requirements on behalf of its customers in response to market price changes. To enable LASER to commence purchasing energy requirements from 1 October 2016 onwards, and to take advantage of potential favourable buying opportunities, it is recommended that the council commits to the LASER Flexible Framework for the provision of electricity and gas supplies. Where a customer provides commitment to join the framework, energy purchases will commence for that customer's portfolio once their commitment is received.

DETAILS:

Background

1. Within the Medium Term Financial Plan for 2015/16, the council has budgeted for expenditure of £3.1m on gas and electricity for corporate buildings and £3.6m for street lighting. The current best estimate for schools is £6.7m which brings the total to £13.4m.
2. Energy usage and related costs can be heavily influenced throughout the year, particularly dependant on the severity of a cold winter. However it should be noted that over the last 4 years savings totalling £2.7m have been achieved.
3. Since 2009, the council has procured electricity and gas through LASER, a Central Purchasing Body¹ (CPB) established by Kent County Council (KCC). LASER provides energy procurement and contract management on behalf of its public sector members. LASER currently procures energy for over 160 public organisations including 115 local authorities, representing over £350 million of energy contracts every year.
4. The current agreement with LASER runs until the end of September 2016. As LASER purchases a proportion of the energy up to two years in advance, it has now undertaken a further tender exercise to appoint suppliers for the subsequent 4 year period October 2016 – September 2020.
5. In order for SCC to join the LASER Framework, and continue to purchase energy, SCC needs to give a commitment to LASER by May 2015. LASER must have this commitment because it has to establish energy annual usage

¹ An organisation within the public sector whose primary purpose is to buy goods and services, or put in place commercial arrangements, on behalf of or for use by other organisations.

and profiles in advance of the new framework. LASER intends to purchase blocks of energy (or clips) well in advance of the contract start in October 2016.

6. The contracts for gas and electricity will cover the energy requirements of the council including buildings, street lighting and Schools that confirm their participation in the framework.

Procurement Strategy and options considered

7. Several options were considered when completing the Strategic Sourcing Plan (SSP) prior to commencing the procurement activity. These were:
 - Option 1 – Do nothing
 - Option 2 – Procure our own energy by direct tender
 - Option 3 – Procure through a Private Sector based provider
 - Option 4 – Procure from generators
 - Option 5 - Generate own energy
 - Option 6 – Procure via Central Purchasing Bodies (CPB)
8. These options are compared in more detail in Annex 1

Options Appraisal

9. Option 6 was selected on the grounds that it most closely aligns to successful delivery of a reliable, risk aware (in terms of management and mitigation of commercial risk and security of supply) and good value energy supply essential for all of the council's activities. The appraisal also determined which CPB was the most appropriate. The case for joining LASER is set out in the section of this report entitled Preferred route. However; a range of selection criteria can be applied as shown in the table below to demonstrate the benefit of the option 6.

Option	CRITERIA						
	Economy of Scale	Eliminates need for SCC Resources	Guarantee of Supply	Environmental Credentials	Geographical coverage/Supply levels	Recommended by LEP	'Suitable Risk Management Framework'
1 – Do nothing							
2 – Procure our own energy by direct tender				√	√		
3 – Procure through a Private Sector based provider	√		√	√ In connection with option 4 and 5	√		√
4 – Procure from generators	√ Combined with option 6		√ Combined with option 6	√	√		
5 – Generate own energy			√ Combined with option 6	√ Combined with option 6			
6 – Procure via Central Purchasing Bodies (CPB)	√	√	√	√	√	√	√

10. The council is a member of LEP². Of the 38 other members, approximately 2/3 currently procure energy via LASER and 1/3 are with Crown Commercial Services (CCS).
11. Both, CCS and LASER offer similar procurement only services. Both use a variety of options including “flexible purchase in advance”. Both organisations are recognised as leading public buying organisations. Both identify similar savings and predict similar cost increases.
12. In addition LASER offers fully managed services. Typically these services include bill validation and/or payment, the allocation of invoices against budget codes, managing queries with the supplier, budget forecasting, year-end accruals, consumption reporting, energy monitoring and targeting support. The scope and scale of additional services can be tailored to meet council's business requirements.
13. Detailed benchmarking information is not available publicly for CCS and other Central Purchasing Bodies, so it is difficult to compare them financially.
14. Changing contracts between suppliers is likely to involve a cost and complexity to change – e.g. closing off existing accounts, resolving queries, updating systems, communications with direct payers (schools).

² London Energy Project (LEP) is a public sector shared service, designed and managed by the public sector for the public sector on a not-for-profit basis in total 39 members, including 30 London Authorities and 4 Regional Authorities. Its primary aim is to enable Participating Authorities to achieve value for money and efficiencies through smarter energy buying, improved administration process and carbon reduction.

15. For the new LASER framework, there are two available contract durations:
- Four Year Commitment – 1 October 2016 - 30 September 2020 with no ability to terminate early
 - Rolling Two Year Commitment with an option to issue a termination notice effective after two years have elapsed.

Preferred route

16. The comparisons demonstrate that joining the CPB would be the best value option. The preferred route is to continue using the energy framework contract established by LASER on the rolling two year basis:
- CCS and LASER offer similar procurement only services. In addition, LASER offers a Fully Managed Service which the council currently uses, costing £0.2m per annum.
 - The Two Year Rolling Commitment with LASER is preferred to the Four Year Commitment as it affords the council flexibility to terminate before September 2020 if it so wishes.
 - Having the option to secure electricity and gas volume for the period October 2016 to September 2020, well in advance of delivery, is vital in protecting LASER customers against potential wholesale market price changes. Negotiation of prices with energy suppliers takes place based on energy supplies worth £350million rather than with just the council's £13 million.
 - The approach is compliant with the EU procurement regulations.
 - LASER provides the aggregated, flexible, and risk-managed approach recommended, and expertise in energy-buying for local authorities.
 - The latest independent Value for Money Assessment by the London Energy Project confirms LASER's past purchasing performance to be "Good" (the highest rating).
 - The LEP³ report (December 2014) evaluated average market price with achieved purchase price and rated LASER's performance as "good" for all four of its purchasing options.
 - LASER has expressed willingness to work with the council to explore options around the purchase of electricity directly from generators, such as through the use of PPAs or sleeving arrangements.
 - LASER is also able to obtain a proportion of the total electricity supply from low carbon and renewable sources on a cost neutral basis. The purchase of such "green electricity" will help support the broad objectives of the Carbon and Energy Policy.

³ London Energy Project - Energy Contracts Value for Money Assessment 2011 – 2014, Achieved Prices Benchmark & Risk Assessment Report

- LASER and their suppliers offer added value services such as data collection from Automated Meter Reading (AMR) systems. The suppliers offer services at a discounted rate compared to the prices charged to non-LASER customers and for a cost which is lower than the council could obtain from alternative providers.

The LEP report makes the following recommendation:

“Given current good levels of performance, OJEU compliant procurement methods and the degree of transparency offered around buying performance, fees and other charges, Participating Authorities may continue using aggregated, flexible, risk managed energy contracts as provided by LASER i.e. to engage a strategic risk managed approach that delivers overall best performance, as a means of achieving value for money as part of their wider energy strategy.”

Use of e-Tendering and market management activities

17. An ‘Open Procedure’ procurement process, in accordance with European Combined Procurement Directive 2004/18/EC, has been utilised by LASER for the tender and award of Flexible Framework Agreements for the supply of Electricity and Gas for the period October 2016 – September 2020.
18. A total of six suppliers submitted tenders (four electricity offers and three gas offers). Npower (electricity) and Total GP (Gas) received the highest assessed tender scores. Npower and Total GP are the incumbent framework providers for electricity and gas respectively.

Key Implications

19. By committing to the supplier recommended for the provision of Flexible purchasing contracts through LASER framework for the period October 2016 – September 2020, on the rolling two year basis, the council will be meeting its duties in managing the risk and ensuring best value for money for this service.
20. Performance of the energy suppliers will be monitored through a series of Key Performance Indicators as detailed in the Framework agreement and reviewed at regular operations meetings with LASER.
21. LASER reports to a Governance Panel each quarter. The panel includes a representative group of LASER customers along with an external expert. The panel reviews LASER’s purchases in the previous quarter, the current purchase positions, LASER’s views on the forward market and LASER’s proposed approach to purchases in the following quarter.
22. The management responsibility for the contracts lies jointly with the Energy Manager for Property Services and Procurement Property Team.

CONSULTATION:

23. Key internal stakeholders have been consulted at all stages of the procurement process.

RISK MANAGEMENT AND IMPLICATIONS:

24. Flexible procurement enables the adoption of a robust risk management strategy that can mitigate the price risks inherent in the current energy markets.
25. To maintain an effective risk-management approach, a minimum two-year window is recommended to complete future flexible energy purchases. Without this window, LASER is unable to forward buy energy requirements on behalf of its customers in response to market price changes. To enable LASER to commence purchasing energy requirements from 1 October 2016 onwards, and to take advantage of potential favourable buying opportunities, it is recommended to commit to LASER flexible framework as soon as possible to allow LASER to commence energy purchases on behalf of the Surrey portfolio.
26. Gas and electricity market prices are highly volatile. Market price movements of more than 10% in a week are not unprecedented. Purchasing all energy requirements on a single day therefore carries the risk of buying when energy market prices are high, with a potentially significant associated budget risk. To spread market price risk, and to avoid buying during periods of peak market pricing, the Pan Government Energy Project recommended that “all public sector organisations adopt aggregated, flexible and risk-managed energy procurement” as provided by LASER.
27. LASER has proven its ability to enter the wholesale energy market and to purchase energy and settle contracts at advantageous times. This has resulted in significant saving for local authorities in the South East region.
28. LASER currently offers 2 approaches to managing price risk, or ‘baskets’:
 - a. Purchase In Advance (PIA) in which all energy buying is carried out ahead of the delivery period and so the energy prices remain fixed for a year or more at a time.
 - b. Purchase Within Period (PWP) in which energy buying continues during the delivery period and so the energy prices can vary on a month by month basis
29. The council is able to move supplies between baskets during the Framework Period (Oct 2016 to Sept 2020) providing adequate notice is given.

Financial and Value for Money Implications

30. Significant financial savings have been made on the LASER flexible contract.. SCC achieved savings of £0.7m in 2013/14; £0.6m in 2012/13; £0.6m in 2011/12; £0.8m in 2010/11.
31. Of the £2.7m total savings for the last 4 years, £1m relates to the price compared to the average wholesale market cost and savings of £1.7m were achieved by investing in energy efficiency improvements.
32. Efficiency savings of £0.8M have been built into the Medium Term Financial Plan for 2015/16. It is anticipated that these savings will be achieved through a mixture of both cost savings and energy efficiencies.

33. The current suppliers' (Npower and Total) fees (for the 2012-2016 contract) are £129,415 per annum. For the new framework (2016-2020) the suppliers' annual fees based on current annual usage are estimated to be £53,228 per annum reducing the fees under the new framework by about £76,000 per annum over the duration of the 4-year framework, compared to the previous framework.
34. LASER's own recovery fees for the council buildings, streetlighting and Schools are currently £205,857 per annum based on current consumption. A further appraisal of the Fully Managed and Procurement Only Services may result in a reduction in LASER fees. A reduction in usage through energy saving projects and initiatives will also help reduce LASER fees.
35. Markets will undoubtedly be subject to the continued price volatility as supply/demand fundamentals, geopolitical events and regulatory reform impact prices. Uncertainties surrounding the makeup of future UK electricity generation capacity, along with increasing intermittent renewable generation, will likely increase market price volatility. A flexible and strategic risk managed approach therefore becomes increasingly important to ensure future energy prices are delivered at or below market average prices. This emphasises the need to maintain a forward purchasing window to progressively forward buy energy requirements for the period October 2016 – September 2020.
36. The strategy of joining the LASER flexible framework on the two year rolling basis together with placing a significant minority of the portfolio onto the PWP option will cost effectively manage the risks associated with energy prices.
37. The council's current position is that only the larger supplies in the corporate estate are in the PWP basket while all schools, street lighting and the smaller corporate supplies are in the PIA basket. Moving more supplies into the PWP basket could offer financial savings but these would need to be set against the increased administration required and the needs of stakeholders for budget certainty. The allocation of supplies into baskets will therefore be kept under review to determine whether any further savings can be achieved.
38. Prior to each pricing period, LASER's contracts oblige the suppliers to provide a complete price breakdown for each site showing how all energy and non-energy cost components have been rolled-up into the delivered contract pricing. This ensures that Supplier errors do not translate into higher delivered energy prices.

Section 151 Officer Commentary

39. The Section 151 Officer confirms that the reported levels of spend are provided for in the council's Medium Term Financial Plan. The current utilisation of the LASER framework has delivered savings to the council when compared with prevailing wholesale market rates. The Section 151 Officer supports the recommendations outlined in this report.

Legal Implications – Monitoring Officer

40. The operator of the LASER contract, Kent County Council has procured this energy framework through an EU compliant procurement process. By purchasing all its energy requirements through the LASER contract, Surrey County Council is ensuring energy provision is properly procured and fully compliant with EU regulations whilst benefiting from the economies of scale of

this framework contract. In addition, the LASER contract minimises risk to the council.

Equalities and Diversity

41. LASER is a public sector not-for-profit organisation based wholly in the South East region.
42. There are no material risks for the County council's priorities or Community Strategy.

Climate change/carbon emissions implications

43. The council attaches great importance to being environmentally aware and wishes to show leadership in cutting carbon emissions and tackling climate change.
44. The council has developed a new Carbon and Energy Policy, approved by Cabinet in March 2015, which includes a target for reducing carbon emissions and several key actions relating to the procurement of energy. LASER's flexible electricity contract contains a provision of cost-neutral renewable electricity for a portion of the total customer requirements. A share of this is allocated to S CC at no price premium. In addition, the contract permits the council to buy additional renewable electricity should it so require. Based on previous experience, it is anticipated that the power purchased on the 2016-2020 LASER framework based on a two year rolling commitment will be generated approximately one-half from low carbon sources such as Good Quality Combined Heat and Power and renewable sources such as biomass, hydro and wind. Although the rules of Greenhouse Gas reporting mean that the purchase of such 'green electricity' does not necessarily reduce the council's carbon footprint directly, it will help support the broad objectives of the Carbon and Energy Policy.

WHAT HAPPENS NEXT:

45. The timetable for implementation is as follows:

Action	Date
Cabinet decision to award	28 April 2015
Cabinet "call in" period	4 May 2015
Contract Signature	May 2015
Contract Commencement Date (to commence purchases)	May 2015

Contact Officers:

Zoran Kahvo – Category Specialist - Procurement and Commissioning,
Tel: 020 8541 9785

Paul Hasley - Energy Manager - Property Services, Tel: 020 8541 8577

Annexes:

Annex 1: Flexible Energy Purchasing – Comparison of Procurement Options

Sources/background papers:

- LEP Energy Procurement Frameworks – Options Appraisal. December 2014
 - LEP Energy Contracts Value for Money assessment 2011-2014
 - Flexible Energy Frameworks 2016 – 2020 Information Pack
 - LEP Energy Procurement Service Provider Statement of Requirements, October 2011
 - LEP Central Purchasing Body, Statement of Requirements Evaluation, January 2012
 - Definitions of common terms and acronyms used in this report.
-

Flexible Energy Purchasing – Comparison of Procurement Options

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1 Procurement Strategy and options considered

- Do nothing
- Procure our own energy by direct tender
- Procure through a Private Sector based provider
- Procure from generators
- Generate own energy
- Procure via Central Purchasing Bodies (CPB)

2. Options identification

Several options were considered when completing the Strategic Sourcing Plan (SSP) prior to commencing the procurement activity. These were:

Option 1 – Do nothing

- 2.1. The consequence of this action would be unwise in the extreme as once out of its current agreement with LASER the council is likely to find itself paying higher off-contract prices for the energy for its buildings and street-lighting after October 2016 until an appropriate contract is in place.

Option 2 – Procure our own energy by direct tender

- 2.2. This option is possible, but it would involve the council undertaking a standalone OJEU tender to secure its own energy independent of a Central Purchasing Body¹ (CPB) or any other intermediary. In this case the council would be contracting directly with the selected energy provider(s). This approach is unlikely to produce the best results due to the small scale of our portfolio compared to a large purchasing organisation. In contrast, a CPB is able to obtain good wholesale prices through aggregating the demand of large number of public sector organisations. In addition direct tender would require the council to engage additional resources (skilled energy traders and additional staff for contract management) and provides greater risk of exposure to energy price fluctuations.
- 2.3. This approach is not recommended by the London Energy Project² (LEP) as it is a high risk strategy that is unlikely to be effective in controlling commodity costs.

¹ An organisation within the public sector whose primary purpose is to buy goods and services, or put in place commercial arrangements, on behalf of or for use by other organisations.

² London Energy Project (LEP) is a public sector shared service, designed and managed by the public sector for the public sector on a not-for-profit basis in total 39 members, including 30 London Authorities and 4 Regional Authorities. Its primary aim is to enable Participating Authorities to achieve value for money and efficiencies through smarter energy buying, improved administration process and carbon reduction.

Option 3 – Procure through a Private Sector based provider

- 2.4 The council could use a private sector third party intermediary (TPI) to procure energy supply, but it would need to be sure that it is getting best value through a truly aggregated, flexible contract. Full price transparency of all costs, including TPI fees and any commission paid by suppliers to the TPI would be needed.

By aggregating our volumes, the TPI can access the wholesale market on our behalf but we will only receive prices based on the supplier's view of the market. The TPI are profit driven organisations and business continuity may be uncertain in present economic climate. A full OJEU tender process would be required to engage with such a provider together with the associated resource and time implications.

Based on the research carried out on the market there will be a number of drawbacks to using a TPI:

- TPIs are not subject to statutory regulation,
- TPIs cannot aggregate the council's volume with other customers in an OJEU compliant manner,
- TPIs may not have a full access to the energy market,
- TPIs may not have the same level of buying power and influence to the energy supplier as the large CPB's,
- There may be a lack of independent benchmarking data to assess the performance of individual TPIs,
- TPIs cannot provide the same level of additional services as CPB's.

Option 4 – Procure from generators

- 2.5. The council could purchase electricity via an OJEU procedure from nominated generators. Power Purchase Agreements (PPAs) typically facilitate the sale of energy from the operators of small scale off site renewable generation assets including Good Quality Combined Heat and Power (GQCHP) plant, wind turbines, solar PVs and anaerobic digestion. The council could 'sleeve in' such energy to a supply contract with a conventional supplier. As a customer, this could help increase the council's environmental credentials through being seen to invest in generation from renewable sources. Depending on the type of PPA, it could also reduce the impact of power/price volatility on the organisation as it is possible to fix prices on a long term basis (typically up to 5 years ahead).
- 2.6. As an example, a private developer could build, design, finance and operate a large scale solar PV farm on land owned by the council. The output from this could be sleeved into a supply contract that the council has with their incumbent supplier, Npower who would continue to invoice the council for energy used but the bills would reflect the fact that a proportion of the total was being sourced from the PV farm. Such arrangements tend to be more commercially attractive if the electricity can be supplied from the generator directly to the user without involving the national grid (i.e. over 'private wires') as this reduces the amount of transmission and distribution charges payable. This is unlikely to be applicable to the SCC portfolio of buildings spread across the county, particularly if the generation is from a PV farm at a non central site.

- 2.7. An alternative option called ‘Licence Lite’³ is theoretically available in which a licensed supplier partners with a third party (the ‘junior supplier’) and together they can make use of electricity generating assets. As yet there is no working example of this in practice in the UK, although the Greater London Authority are known to have been pursuing this idea for several years.
- 2.8. All of the above options – PPAs, sleeving and Licence Lite – require the involvement of a conventional licensed supplier to ensure that the council receives an adequate supply of electricity. It would of course also remain necessary to make suitable arrangements for the purchase of gas and oil.
- 2.9. LASER has indicated willingness to assist with the setting up of arrangements between customers and generators involving Npower as the framework supplier. Similar options could be explored with other CPBs in the future. This option is available even if the council decided to procure energy via a CPB.

Option 5 – Generate own energy

- 2.10. The council could invest in its own electricity generating assets and use the output to contribute towards the supply of electricity to council owned buildings. The mechanisms available for achieving this are in principle the same as those described in option 4 – PPAs, sleeving and Licence Lite – with the difference that the council is both the generator and the end customer.
- 2.11. Using the example in option 4 above, the PV farm would be owned and operated by Surrey County Council and the output “sleeved” into the supply contract between SCC and Npower. The council would still be billed by Npower for all electricity used but would also receive an income in respect of the output generated from the PV farm. As with option 4, unless the electricity can be supplied via a private wire network then there will still be a need to involve a conventional licensed supplier. This will be the case for the SCC portfolio of buildings spread across the county, particularly if the PV farm is on a non central site.
- 2.12. It is therefore that a licensed supplier would need to be involved to ensure that the council still received an adequate supply of electricity. It would of course also remain necessary to make suitable arrangements for the purchase of gas and oil.
- 2.13. A full OJEU tender process would be required to engage with such a provider for installation contract, together with the associated resource and time implications.
- 2.14. As with option 4 above, the opportunity to generate its own energy could remain available even if the council decided to procure energy via a CPB and this possibility will be explored in the future. For example, LASER has indicated willingness to assist with the setting up of arrangements for customers who wish to generate their own energy, potentially involving npower as the framework supplier. Similar options could be explored with other CPBs in the future.

Option 6 – Procure via Central Purchasing Bodies (CPB)

- 2.15. A number of alternative energy purchasing frameworks have been investigated. There are number of CPB’s who offer flexible and risk managed approach to energy

³ Licence Lite is a means by which small generators/suppliers can gain direct access to the retail market, rather than relying on the sale of their output wholesale to licensed suppliers.

procurement and employ staff who possess the relevant category expertise and energy trading skills. These are, in particular:

- Yorkshire Purchasing Organisation (YPO)
- West Mercia Energy (WME)
- Eastern Shires Purchasing Organisation (ESPO)
- Crown Commercial Services (CCS)
- Local Authorities South East Region (LASER)

Two largest and most capable CPB's are LASER and CCS.

- 2.16. To ensure that energy procurement service providers are able to deliver effective price risk management and value for money energy supply contracts consistently over a period of time, London Energy Project developed a Statement of Requirements (SoR) to assess the capability, capacity and experience of Central Purchasing Bodies. The SoR is a comprehensive list of best practice standards and customer requirements covering energy supplier selection, contract management, buying and risk management and customer services options.
- 2.17. A number of buying organisations were originally invited to demonstrate ability to deliver services that conform with the SoR in 2008. CPB's participated in an evaluation process, which involved a written submission, technical information and corresponding evidence and a presentation to a panel of representatives drawn from London Authorities who scored the CPB services against the SoR. The two incumbent CPB's, CCS and LASER were re-evaluated against the highest standards at the end of 2011 with similar comparative results.

SURREY COUNTY COUNCIL**CABINET****DATE: 28 APRIL 2015****REPORT OF: MS DENISE LE GAL, CABINET MEMBER FOR BUSINESS SERVICES****LEAD OFFICER: MRS JULIE FISHER, STRATEGIC DIRECTOR FOR BUSINESS SERVICES****MS LAURA LANGSTAFF, HEAD OF PROCUREMENT****SUBJECT: ESTABLISHING A DYNAMIC PURCHASING SYSTEM AND ACCEPTANCE OF INDICATIVE TENDERS FOR THE PROVISION OF SOCIAL CARE AND ACCREDITED LEARNING TRAINING****SUMMARY OF ISSUE:**

The Council continues to face challenges in the way in which its services are delivered. Training that equips the Council's staff with the skills and competencies needed also remains a priority.

This report seeks approval to establish a Dynamic Purchasing System (DPS), and accept indicative tenders for the provision of Social Care and Accredited learning Training Services that are specifically targeted for staff in Adult Social Care and Children, Schools and Families. This training is currently delivered through contracts which expire on 7 June 2015.

A DPS is similar to a framework agreement, in which providers confirm at the time of application that they will comply with the terms of the DPS and any call-off contract terms published at this time, in order to be accepted onto the supplier list. The DPS provides additional benefit over a Framework arrangement by allowing Suppliers to join at any point during the duration of the DPS.

The report provides details of the procurement process, including the results of the evaluation process and demonstrates why the recommended approach will ensure that the council achieves the best value for money.

N.B. An annex containing exempt information is contained in Part 2 of the agenda – item 17.

RECOMMENDATIONS:

It is recommended that:

1. Following receipt of indicative tenders, the suppliers named in the report are accepted onto the Dynamic Purchasing System (DPS) for Social Care and Accredited Learning Training Services.

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2. Authority is given to establish the DPS for an initial period of two years, with a possible extension of up to a further two years if the procurement approach continues to demonstrate value for money.
 3. Authority is delegated to the Head of Procurement, together with the Cabinet Member for Business Services to further admit new suppliers, in accordance with the criteria laid out in the terms of the DPS, during the life of the agreement, which will not exceed four years in total.
 4. Individual contracts will be awarded through the DPS following a further competition, at which stage suppliers will have the opportunity to refine their offer and costs within the terms and conditions already agreed.

REASON FOR RECOMMENDATIONS:

The implementation of the Care Act is having a significant impact in the way Social Care staff work, and on their training needs to ensure compliance with the Act. In order to support its staff, the Council must provide innovative and flexible training ensuring they have the skills and knowledge to meet these challenges.

The existing contracts under which Social Care and Accredited Learning Training are delivered will expire on 7 June 2015. 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 and will ensure that contracts are awarded that meet the need.

DETAILS:

1. A DPS is similar to a framework agreement, in which providers confirm at the time of application that they will comply with the terms of the DPS and any call-off contract terms published at this time, in order to be accepted onto the list of suppliers. Individual contracts are then awarded through a further 'mini-competition', at which point suppliers can revise their prices within the agreed limit, and strengthen and improve their offer. The DPS provides additional benefit over a Framework arrangement by allowing Suppliers to join at any point during the duration of the DPS. Suppliers who perform poorly can also be removed from the DPS.
2. It is recommended that the suppliers accepted onto the DPS at the commencement of the four year term are as follows:

Lot 1 Adult Social Care	Lot 2 Children School & Family Training	Lot 3 Accredited Learning
Bond Solon	Bond Solon	The Open University
Ray Braithwaite	Ray Braithwaite	Unique Training Solutions
Cherith Simmons Learning & Development	Cherith Simmons Learning & Development	VH Doctors Ltd
Edify Consultancy Ltd	Edify Consultancy Ltd	Waverley Training Services
Unique Training Solutions	Opus Pharmacy Services	Honour Safe Food
VH Doctors Ltd	Prescription Training Ltd	Learning Curve JAA Ltd
Learning for Change	Maclver Maher Ltd	Cherith Simmons Learning & Development
Inspire Transformation	Solicitude Training	Solicitude Training
Opus Pharmacy Services	The Smart Enterprise South East Ltd	
Prescription Training Ltd	In-Trac Training & Consultancy Ltd	
Maclver Maher Ltd	Children & Family Training (UK)Ltd	
Solicitude Training		
Alium Care Training Ltd		
Making Connections Ltd		
The Smart Enterprise South East Ltd		
In-Trac Training & Consultancy Ltd		
RB Healthcare & Safety Solutions Ltd		
Michael Mandelstam Ltd		

3. All of the proposed agreements will be for a period of two years with the option to extend for two further years if deemed necessary. The DPS will be open for new suppliers to submit their indicative tenders and be accepted onto the list of suppliers that can be included in future mini-competitions during the entire period.
4. This approach will allow new suppliers to be encouraged to meet the needs of the Council, maintain and improve the quality of training delivered, and ensure value for money through regular reviews of performance and costs.

Background

5. The current contracts under which these categories of training are delivered have been successful and have no provision for further extension after 7 June 2015.
6. The need for ongoing training for Social Care supports the Council's ability to continue to provide appropriate and high quality development for all levels of staff working across the Council. The previous contracts demonstrated the success of providing training across a range of categories held with different suppliers. The previous approach was restricted because new providers in the market could not be utilised. The proposal to establish a DPS as the route to awarding new contracts allows the Council to continue to identify and work with the best possible suppliers in the market.

7. The Care Act requires the Council to work towards a care and support system that is clearer, fairer and fit for the future focusing on people's wellbeing and independence. Care and support will be centred on people's needs, giving them better care and more control over the care they receive. It will also provide better support for carers. For the Council this means that the training programmes must be flexible and innovative and allow for the capability to revisit the market.
8. In order to provide flexibility to the Council's ever changing needs the Council decided to procure a Dynamic Purchasing System (DPS) which allows new providers to be added to the list of selected provider through the life of the contracts and will allow the Council to achieve organisational aims and best value.
9. As partnership working increases, the training services to be provided must meet the needs of the widening health and social care workforce. As the Council moves towards integrated care services, providers need to demonstrate a clear understanding of the key priorities for health and social care provision across both Adults' and Children's services. These have been clearly evident in the submissions by the recommended suppliers.
10. All agreements, and the DPS itself, will be available for use by the Surrey District and Boroughs, Clinical Commissioning Groups, East Sussex County Council (and all its districts, boroughs, health authorities) and colleagues from across the police, ambulance and Fire Services.

Procurement Strategy and Options

11. A full tender process, compliant with the Public Contracts Regulations 2006 and the Council's Procurement Standing Orders, was carried out using the Council e-Procurement system. This included advertising the opportunity and our intention to create a DPS in the Official Journal of the European Union on 9 January 2015.
12. A project team was set up and included representatives from HR, Procurement, Adult Social Care and Children, Schools and Families Directorates.
13. Several procurement options were considered when completing the Strategic Procurement Plan (SPP) prior to commencing the procurement activity. These included the following options:
 - (a) tender for new contracts on a like for like basis as the existing contracts;
 - (b) source an existing framework to access;
 - (c) tender for a DPS that will allow further competition, growth and flexibility to meet the future needs of the Council and our partners.
14. After a full and detailed options analysis it was decided to use a DPS. This option was selected because it will provide a better rate of return from further competition by aggregating groups of training that will give suppliers the opportunity to reduce pricing for committed programmes. The DPS also allows for the addition of new suppliers throughout the duration of the agreement provided that they meet the minimum standards set out within the DPS. This will provide the opportunity for new suppliers to bid for work and increasing the

size of the market, encouraging local and SME to participate. Through regular reviews, contract management and market evaluation, current and new suppliers will be developed in order to provide the flexibility to the Council's ever changing training requirements.

Use of e-Tendering and market management activities

15. Use of the electronic platform represents a major change from previous paper based processes and introduced a competitive process that was open and transparent to all involved.

Key Implications

16. By awarding a place on the DPS to the suppliers as recommended in paragraph 1 for each lot for the provision of Training Services to commence on 8 June 2015, the Council will be meeting its obligations to provide Social Care Training for the Council and ensuring best value for money for this service.
17. Performance will be monitored through a series of Key Performance Indicators (KPI) as detailed in the contract and reviewed at monthly operational meetings.

The management responsibility for the contract lies with HR Service and will be managed in line with the Contract Management Strategy as laid out in the contract documentation which also provides for review of performance and costs, efficiency savings / gain share savings from identified continuous improvements in performance.

CONSULTATION:

18. Key internal stakeholders have been consulted at all stages of the commissioning and procurement process.

RISK MANAGEMENT AND IMPLICATIONS:

19. All short listed tenderers successfully completed satisfactory financial checks as well as checks on competency in delivery of similar contracts at the pre-qualification stage.
20. The following key risks associated with the contract and contract award have been identified, along with mitigation activities:

Category	Risk Description	Mitigation Activity
Financial	Exposure to increase costs	<p>Future mini competitions will achieve best value pricing by allowing suppliers to improve on their current offer.</p> <p>Fixed cost maximum prices have been agreed at the start of the DPS. Any new suppliers will also be subject to the agreement of fixed maximum prices.</p>

Delivery	Suppliers unable to deliver training	KPI's are in place to monitor performance issues. A Dynamic Purchasing System has the flexibility to add and remove suppliers to ensure that the capacity of suppliers is reflected.
Experience	A number of the training packages that are required by the Council are very niche which means the market is limited.	A number of SMEs and sole providers applied for the DPS, in order to ensure that the providers are developed though the term of the DPS the Council have and will undertake further training to improve their capability i.e. demystifying the Procurement process events.

Section 151 Officer Commentary

21. The Section 151 Officer confirms that the reported levels of spend are provided for in the council's Medium Term Financial Plan. The proposed procurement approach is flexible, ensuring that the council can purchase in accordance with changing requirements whilst delivering value for money in training provision. The Section 151 Officer supports the recommendations outlined in this report.

Legal Implications – Monitoring Officer

22. It is important that Council staff have appropriate training and experience to deal with their work. The Council has undertaken a procurement exercise as outlined above to ensure that appropriate training is available for staff especially at a time of changing legislation. The Care Act 2014 has dramatically changed adult social care provision, and it is clearly necessary that staff are aware of these changes and undertake the training to ensure they can undertake their work efficiently and with appropriate knowledge.

Equalities and Diversity

23. The need for an Equality Impact Assessment (EIA) was considered, however, a conclusion was reached that as the contracts will be managed and monitored in line with Surrey's obligations under the equalities monitoring framework there were no implications for any public sector equalities duties in relation to this procurement activity.
24. The preferred suppliers will be required to comply with the Equalities Act 2010 and any relevant codes issued by the Equality and Humans Rights Commission. Where appropriate services will continue to complete EIA for the delivery of their functions.

Other Implications:

25. The potential implications for the following council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below:

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	The training course will help the directorate to deliver the service to the appropriate standard.
Safeguarding responsibilities for vulnerable children and adults	The training course will help the directorate to deliver the service to the appropriate standard.
Public Health	No significant implications arising from this report
Climate change	No significant implications arising from this report
Carbon emissions	By the introduction of blended learning the need to travel to multiple sites will be diminished.

Intellectual Property rights clauses have been addressed within the contract documents.

WHAT HAPPENS NEXT:

The timetable for implementation is as follows:

Action	Date
Cabinet decision to award	28 April 2015
Cabinet call in period	29 April to 6 May 2015
'Alcatel' Standstill Period	6 May to 16 May 2015
Contract Signature	May 2015

The Council has an obligation to allow unsuccessful suppliers the opportunity to challenge the proposed contract award. This period is referred to as the 'Alcatel' standstill period.

Contact Officer:

Robert Dean, Category Specialist Tel: 020 8541 9487.

Consulted:

Key stakeholders: Legal Services, Business Services, Finance, HR Services and HR Partners for Adult Social Care, Children, Schools and Families.

Sources/background papers:

- None

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SURREY COUNTY COUNCIL**CABINET****DATE: 28 APRIL 2014****REPORT OF: MRS LINDA KEMENY, CABINET MEMBER FOR SCHOOLS AND LEARNING****MR MIKE GOODMAN, CABINET MEMBER FOR ENVIRONMENT AND PLANNING****MS DENISE LE GAL, CABINET MEMBER FOR BUSINESS SERVICES****LEAD OFFICER: MR NICK WILSON, STRATEGIC DIRECTOR CHILDREN, SCHOOLS AND FAMILIES****MR TREVOR PUGH, STRATEGIC DIRECTOR ENVIRONMENT AND INFRASTRUCTURE****MRS JULIE FISHER, STRATEGIC DIRECTOR FOR BUSINESS SERVICES****SUBJECT: AWARD OF CONTRACT FOR THE PROVISION OF SPECIAL EDUCATIONAL NEEDS HOME TO SCHOOL TRANSPORT****SUMMARY OF ISSUE:**

The Council has a requirement for transport services for eligible children with special educational needs. A proportion of this requirement is currently covered by Sole Provider contracts, some of which expire on 31 July 2015.

This report seeks approval to award two contracts for the provision of home-to-school transport services to AMK Chauffeurs Ltd and Waverley Hoppa Community Transport starting on 1 August 2015, for a five year period with the option to extend up to a further two years, to two schools; Portesbery School and Gosden House School.

There are 30 transport routes that feed into both schools and the tender is seeking to award 26 of those routes to AMK and the other 4 to Waverley Hoppa. AMK (the incumbent provider) will continue to be the sole provider of transport to Portesbery School and will share the transport responsibility with Waverley Hoppa for Gosden House School, taking over from the incumbent provider Home2School Ltd.

Due to the commercial sensitivity involved in the award of the contract, the details of the evaluation process and scores, as well as full financial details are included as confidential information in the Part 2 report (item 18).

RECOMMENDATIONS:

It is recommended that:

1. 'Sole Provider' contracts for home-to-school transport, commencing on 1 August 2015, be awarded for provision of transport to the following school by the named supplier:

-
- Portesbery School – AMK Chauffeur Drive Ltd (11 routes)
2. 'Individual' contracts for home-to-school transport, commencing on 1 August 2015, be awarded for provision of transport to the following school by the named suppliers:
 - Gosden House School – AMK Chauffeur Drive Ltd (15 routes)
 - Gosden House School – Waverley Hoppa Community Transport (4 routes)

The proposed contracts will be for a five year period with the option to extend for further for two years if deemed necessary.

REASON FOR RECOMMENDATIONS:

General:

Pupils with special educational needs often want consistency from their operator – the same driver, same escort and same vehicle, on time, each day. Parents want to know the driver will show compassion, patience and care towards their child, and know how to deal with their child's specific needs (anything from autism and severe learning or behavioural difficulties, to physical disabilities). Both schools have reported these benefits from the current Sole Provider contracts, of which AMK Ltd. is one of the incumbent providers.

The forecast savings for Financial Year 2015/16 are £127,000. The full year forecast savings are £184,000.

To summarise our objectives:

- Consistency of service delivery and operator accountability
 - Strong relationship between the school and its transport provider
 - Quality of service provision, as performance monitoring will be made easier with two operators
 - Ensuring value for money for Surrey County Council.
-

DETAILS:

Background and options considered

1. Within Surrey, around 2,700 children are transported daily from home to 23 Surrey County Council (SCC) Special Schools by up to 90 suppliers.

'Sole Provider' contracts were first introduced in 2007 to seven SCC Special Schools and are used where savings can be gained and to reduce the administrative burden on both the services and operators.

2. The contracts in place at the two schools have no provision for further extension.
3. A joint review between Procurement and Travel and Transport Group commenced in October 2013, looking at how to procure these services going forward in order to achieve operational and financial benefits, at which time it was agreed to utilise a

variety of different procurement options going forward. Work will continue over coming months to ensure that all possible options are explored and that the Council is procuring the services in the way that delivers the best possible value for money.

4. A full tender process, compliant with the European Public Procurement Regulations and Procurement Standing Orders, has been carried out following the receipt of authority from Procurement Review Group (PRG) on 23 December 2014.
5. The two schools in this tender take very high end, special educational need students with complex disabilities. 21 of the 30 routes require escort accompaniment, others require wheelchair access and sometimes specific medical equipment.
6. Current sole provider contracts to Portesbery School run by AMK have been very successful as they employ their own staff and specialise specifically in this type of service. They have strong relationships with the schools, parents and children, and take extra care to understand their customers' needs. They offer one point of contact for schools in case of closures, severe weather or delays and cause less congestion around the school entrance than if multiple vehicles were arriving each morning. Waverley Hoppa, as a current provider of community transport, is also well placed to deliver the above to the service levels.

Procurement Strategy

7. Several options were considered when completing the Strategic Sourcing Plan (SSP) outlining the best route to market, before starting the procurement activity. These were: (i) do not deliver any service, (ii) disaggregate the contracts and put out to tender through the Taxi Framework or (iii) re-tender as Sole Provider contracts.
8. After an options analysis, it was decided to invite tenders for both Individual and Sole Provider contracts, as this demonstrated best value for money while opening the market to allow for more operators to bid, as not many of them are large enough to service an entire school.
9. The review undertaken aimed to achieve the following objectives:
 - Maintain the current high levels of service delivery that is currently achieved while developing the market for more operators to bid
 - Retain economies of scale
 - Encourage a closer relationship between the Special Schools and their providers
 - Where possible, facilitate increased cost certainty and control of route/pupil cost changes
10. Route costs are based on vehicle type and provision of an escort per mile, on a fixed cost per mile basis per annum. The contracts will be reviewed annually, at which time operators may request a price increase, based on evidence of increased industry costs. It will be at the Council's discretion to award an increase by mutual agreement.
11. Steps were taken to stimulate interest from the market, by holding two supplier engagement events in 2014 and communicating directly to other suppliers.
12. An invitation to tender was issued to suppliers through the online SE Shared Services portal for Lot 2 (Specialist Transport requirements) of the Client Transport Dynamic Purchasing System (DPS). The tender was evaluated against both quality and price as stated in the part two report.

13. A Dynamic Purchasing System is a procurement procedure compliant with the Public Contract Regulations. It is a fully electronic system, used to award compliant contracts. It operates with the joint benefits of a framework agreement, in which suppliers confirm at the time of application that they will comply with the terms of the DPS and any call-off contract terms published at this time, as well as an approved Provider list. The arrangement allows any Provider who meets the minimum criteria to apply at any point during the duration of the DPS to join, thereby encouraging greater competition in the long term.

CONSULTATION:

14. Stakeholders consulted at all stages of the commissioning and procurement process included the Transport Co-ordination Centre, Finance, Procurement and Commissioning and Legal Services, Schools & Learning and the two Special Schools.

RISK MANAGEMENT AND IMPLICATIONS:

15. The contract terms have been drafted by the Legal Department and made specific to the Dynamic Purchasing System (DPS) and this type of service. The Council or the operator can terminate the contract with three months notice period. Should the circumstances arise, all risks associated with a potential termination will be identified to ensure that the service delivered to pupils receiving the service is managed.
16. All operators successfully completed satisfactory financial checks as well as checks on competency in delivery of similar contracts to be initially accepted onto the DPS for Lot 2 (SEN Home to School Transport) in 2014.
17. Site audits were carried out on the two operators to check driver and vehicle documents and validate company policies in line with what was asked for in the tender.
18. The incumbent supplier to Gosden House School is unwilling to supply the driver & escort information for these routes for TUPE purposes, until 28 days before contract transfer. If TUPE does apply at the time of contract transfer, the routes will be first offered to the current successful suppliers from the tender. If the new costs significantly outweigh the potential savings, the routes will be disaggregated and retendered.
19. New contracts awarded under the DPS have strengthened clauses in relation to TUPE in order to better manage transitions between suppliers in the future.

Financial and Value for Money Implications

20. Full details of the contract values and financial implications are set out in the Part 2 report. The estimated costs have been based on routes in place at each school during January 2015. In reality, pupils will leave and new ones join at the start and during the school year commencing September 2015. The routes themselves are also subject to change.
21. Whilst there has been an increase in prices in the market place compared to five years ago, because the model for tendering the business allowed for variety in the bidding options, the potential saving over the life of the contract is £1.29m. Other reasons for the reduction in price include changes in market fuel price and flexibility in the contract terms allowing suppliers to request an annual price increase (at the Council's discretion to award) based on evidence of industry cost increases.

22. Recognising the need for further competition for this specialised service, it is our intention to further develop the market place in future including working with the qualified operators to understand how the process could be enhanced or lots made more attractive.

Section 151 Officer Commentary

23. The Section 151 Officer confirms that the cost of the recommended contracts are provided for in the 2015/16 Medium Term Financial Plan. The estimated saving will be reviewed once the full TUPE implications are known.

Legal Implications – Monitoring Officer

24. Surrey County Council currently provides for children with special educational needs in accordance with the Education Act 1996 (as amended) and associated regulations. In accordance with that legislation the Council has a duty to maintain statements of special needs and to provide the special educational provision set out in those statements. That provision can include transport to and from school where there is a need for this. The proposed contractual arrangements will allow the Council to provide services which comply with those duties.

Equalities and Diversity

25. The procurement process was undertaken through a transparent tender procedure. The contract document stipulates that the supplier will comply with the relevant Equality and Diversity legislation.

Safeguarding responsibilities for vulnerable children and adults implications

26. The superior quality of service offered by suppliers AMK and Waverley Hoppa reduces the risk to vulnerable children through well-trained drivers and escorts, safely maintained equipment and vehicles to an exceptionally high standard and robust internal processes and policies.

Climate change/carbon emissions implications

27. SCC attaches great importance to being environmentally aware and wishes to show leadership in cutting carbon emissions and tackling climate change. By using only two operators across the 30 routes tendered, SCC promotes fewer vehicle routes leading to a reduction in fuel usage and subsequent carbon emissions.

WHAT HAPPENS NEXT:

The timetable for implementation is as follows:

Action	Date
Cabinet decision to award (not including 'call-in' period)	28 April 2015
Standstill Period (10 days)	8 May 2015
Contract Signature	15 May 2015
Contract Commencement Date	1 September 2015

The Council has an obligation to allow unsuccessful suppliers the opportunity to be debriefed and challenge the proposed contract award before the contract is entered into. This period is referred to as the standstill period.

Contact Officer:

Josette Osborne, Category Specialist, 020 8541 7972
Shobhana Snow, Category Specialist, 020 8213 2743

Consulted:

Surrey Passenger Transport Group
Surrey Procurement and Commissioning
Surrey Legal Services
Surrey Finance
Gosden House & Portesbery Schools

Annexes:

Part 2 Annex – Commercial details and contract award.

Sources/background papers:

Strategy/Market analysis and all tender documentation are available from Procurement.

SURREY COUNTY COUNCIL**CABINET****DATE: 28 APRIL 2015****REPORT OF: N/A****LEAD OFFICER: ANN CHARLTON, DIRECTOR OF LEGAL AND DEMOCRATIC SERVICES****SUBJECT: LEADER/DEPUTY LEADER/CABINET MEMBER DECISIONS TAKEN SINCE THE LAST CABINET MEETING****SUMMARY OF ISSUE:**

To note the delegated decisions taken by Cabinet Members since the last meeting of the Cabinet.

RECOMMENDATIONS:

It is recommended that the Cabinet note the decisions taken by Cabinet Members since the last meeting as set out in Annex 1.

REASON FOR RECOMMENDATIONS:

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

DETAILS:

1. The Leader has delegated responsibility for certain executive functions to the Deputy Leader and individual Cabinet Members, and reserved some functions to himself. These are set out in Table 2 in the Council's Scheme of Delegation.
2. Delegated decisions are scheduled to be taken on a monthly basis and will be reported to the next available Cabinet meeting for information.
3. **Annex 1** lists the details of decisions taken by Cabinet Members since the last Cabinet meeting.

Contact Officer:

Anne Gowing, Cabinet Committee Manager, 020 8541 9938

Annexes:

Annex 1 – List of Cabinet Member Decisions

Sources/background papers:

- Agenda and decision sheets from the Cabinet Member meetings (available on the Council's website)

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CABINET MEMBER DECISIONS**MARCH / APRIL 2015****(i) COMMUNITY BUILDINGS GRANT SCHEME****Details of decision**

That the proposed Community Buildings Grant Scheme funding totalling £156,447.04 which includes £6447.04 underspend from previous years be approved, as set out in Annex A.

Reasons for decision

Each year the Council commits £150,000 to the Community Building Grant Scheme. This is a tripartite grant scheme and grants are awarded for refurbishment and renovation of community buildings to widen access for community use. Any grant the County Council awards requires match funding from the Borough or District Council in which the community building resides and from the applicant organisation themselves. The scheme is administered and managed on behalf of the County Council and Borough and District Councils by Surrey Community Action.

Each year the scheme generates in excess of £500,000 of capital funding to renovate community buildings which sit at the heart of vibrant and active communities. By providing this funding there are huge benefits for the residents of Surrey in terms of community cohesion, addressing social isolation and improving the health and wellbeing of the communities

(Decision of Cabinet Member for Community Services – 27 March 2015)

(ii) THE PROPOSED CLOSURE OF THE SPECIALIST HEARING IMPAIRED CENTRE AT BISHOP DAVID BROWN SCHOOL**Details of decision**

That the Statutory Notice stating the local authority's intention to close the specialist Hearing Impaired Centre at Bishop David Brown School be determined, such that the centre will close from 31 August 2015.

Reasons for decision

Demand for places at the specialist Hearing Impaired Centre has declined over the past three to four years. At the time of the proposed closure there will be no pupils accessing the provision. Analysis of younger aged pupils with Hearing Impairments indicates that there will be no future demand for places in the area in the foreseeable future.

Any net gain of the resources currently available and under-utilised at the centre will be redeployed to support areas of growth within Special Educational Needs provision.

(Decision of Cabinet Member for Schools and Learning – 9 April 2015)

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Agreement of funding allocations by Surrey County Council

	LOCAL AUTHORITY AREA	SURREY COMMUNITY BUILDINGS –TRI-PARTITE	APPLICATION AMOUNT REQUESTED FROM SURREY COUNTY COUNCIL	AMOUNT APPROVED BY SURREY COUNTY COUNCIL	COMMENTS
1	REIGATE AND BANSTEAD	St Peter's Church Hall	£37,828.90	£10,000	
2	WOKING BOROUGH COUNCIL	St Mary's PCC Community Hall	£40,000	£20,000	
3	GUILDFORD BOROUGH COUNCIL	Guildford Archery Club	£10,000	£5,000	
4	SURREY HEATH BOROUGH COUNCIL	Frimhurst Family Centre	£25,000	WITHDRAWN	
5	TANDRIDGE DISTRICT COUNCIL	Warlingham Village Hall	£7,500	£5,000	Subject to the evidence of the balance of the funding be provided in writing prior to any payment of the grant.
6	TANDRIDGE DISTRICT COUNCIL	Lingfield and Dormansland Scouts	£5,000	£5,000	
7	ELMBRIDGE BOROUGH COUNCIL	Long Ditton Village Hall Trust	£15,000	£15,000	
8	ELMBRIDGE BOROUGH COUNCIL	Cobham Village Hall	£13,470	£13,470	
9	ELMBRIDGE BOROUGH COUNCIL	Hinchley Wood Community Hub/ St Christopher's Church and Church Hall	£36,750	£36,750	
10	MOLE VALLEY DISTRICT COUNCIL	Nower Wood	£25,000	WITHDRAWN	
11	MOLE VALLEY DISTRICT COUNCIL	Beare Green Community Association	£4,613	£4,613	
12	MOLE VALLEY DISTRICT COUNCIL	St Giles Church Hall Ashtead	£40,000	£20,000	
13	MOLE VALLEY DISTRICT COUNCIL	Oakwood Hill Village Hall	£6,666	£6,666	Subject to a review of the accounts by

Agreement of funding allocations by Surrey County Council

15

					the County Council and agreement to set fund-raising days in the calendar year.
14	MOLE VALLEY DISTRICT COUNCIL	Walliswood Village Hall Association	£17,169	£14,948.04	
		TOTAL AWARDED FROM SURREY COUNTY COUNCIL		£156,447.04	

* **WITHDRAWN:** means that the applicant decided not to continue with the project or it was deemed unsuccessful as it was underdeveloped or not ready to meet the requirements. They may reapply in subsequent years.

** Please note – all awards from Surrey County Council are subject to evidence of match funding

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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