

**MINUTES OF THE MEETING OF THE CABINET
HELD ON 15 DECEMBER 2015 AT 2.00 PM
AT ASHCOMBE SUITE, COUNTY HALL, KINGSTON UPON THAMES,
SURREY KT1 2DN.**

These minutes are subject to confirmation by the Cabinet at its next meeting.

Members:

*Mr David Hodge (Chairman)	*Mr John Furey
*Mr Peter Martin (Vice-Chairman)	* Mr Mike Goodman
* Mrs Helyn Clack	* Mrs Linda Kemeny
*Mrs Clare Curran	Ms Denise Le Gal
*Mr Mel Few	*Mr Richard Walsh

Cabinet Associates:

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

* = Present

PART ONE
IN PUBLIC

243/15 APOLOGIES FOR ABSENCE [Item 1]

Apologies were received from Ms Le Gal.

244/15 MINUTES OF PREVIOUS MEETING: 24 NOVEMBER 2015 [Item 2]

The minutes of the meeting held on 24 November 2015 were confirmed and signed by the Chairman.

245/15 DECLARATIONS OF INTEREST [Item 3]

There were none.

246/15 PROCEDURAL MATTERS [Item 4]

a MEMBERS' QUESTIONS [Item 4a]

There were no questions from Members.

247/15 PUBLIC QUESTIONS [Item 4b]

There were no questions from members of the public.

248/15 PETITIONS [Item 4c]

There were no petitions.

249/15 REPRESENTATIONS RECEIVED ON REPORTS TO BE CONSIDERED IN PRIVATE [Item 4d]

No representations were received.

250/15 REPORTS FROM SCRUTINY BOARDS, TASK GROUPS, LOCAL COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL [Item 5]

Council Overview Board: Recommendations were received relating to agency workers within the Environment and Infrastructure Directorate. A response from the Cabinet Member for Highways, Transport and Flooding is attached as Appendix 1.

The newly appointed Chairman of the Council Overview Board was invited to speak and said that although he had not been the Chairman or a member of this Board when this topic was discussed, he had been a member of the Economic Prosperity, Environment and Highways Scrutiny Board, where it was also discussed. Both Boards had recognised the real pressures on staff of frequent re-organisations and particular problems in the Environment and Infrastructure Directorate had been identified.

He was, however, happy to accept the response from the Cabinet Member for Highways, Transport and Flooding and pleased that staff morale would remain a focus in this Directorate and said that he would be asking both Scrutiny Boards to re-look at the issue when the staff survey results were available early in 2016.

251/15 MONTHLY BUDGET MONITORING REPORT [Item 6]

The Leader of the Council presented the budget monitoring report for the eighth month of the 2015/16 financial year, covering the period up to 30 November 2015. He said that the County Council faced ever more intense pressures and hard choices as service demand grew and funding declined, and gave the following example, where last month grant reductions by the Department of Health meant that Cabinet had to approve £2.2m of in year loss of funding from Public Health spending and that these cuts, inevitably would mean some front line service reductions.

He confirmed, as stated at each Cabinet meeting that, the Council's financial strategy had four key drivers to ensure sound governance in managing finances and providing value for money for Surrey residents.

These were:

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

The current forecast end of year revenue position was for an underspend of £2.8m and he was confident that Cabinet's support for managers' actions would make this the sixth consecutive year that the Council would have a small underspend or balanced outturn across the Council. He said that the Council's multi-year approach to financial management aimed to smooth resource fluctuations over five years and managing budgets and overall resources to achieve a small underspend was important for giving some headroom and flexibility for managing future spending plans.

He drew attention to Adult Social Care's forecast balanced out turn which included £7.7m one off support, which if left unchecked, would add to future years' pressures.

2. To continuously drive the efficiency agenda

That, at the end of November, services forecast delivering £63.1m efficiencies.

Of this, £33m had either already been implemented or were on track, £8m had some issues, £19m were additional in-year or one off savings and £3m was considered to be at risk. He said that it was important that each Cabinet Member worked with their Strategic Director to achieve all efficiency savings.

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

That reducing reliance on government grants and council tax was key to balancing the Council's budgets over the longer term and that the Revolving Infrastructure & Investment Fund forecast investing another £66m this year.

4. To continue to maximise our investment in Surrey

He said that the Council's £696m capital programme for 2015-20, not only improved and maintained Council services, it was also a way of investing in Surrey and generating income for the Council, with forecast capital programme of £231m investment in 2015/16.

Finally, he thanked the S151 officer and her team for producing this Finance and Budget Monitoring Report a week earlier than normal.

Other Cabinet Members were invited to highlight the key points and issues from their portfolios, as set out in the Annex to the report.

RESOLVED:

That the report be noted, including the following:

1. That the council forecasts a £2.8m overall revenue budget underspend at year end, which includes use of £6.9m central government grant plus £0.8m unplanned underspend to offset pressures in Adult Social Care, as set out in the Annex, paragraph 1 of the submitted report.
2. That services forecast to achieve £63.1m efficiencies and service reductions by year end, as set out in the Annex, paragraph 36 of the submitted report.
3. That the total forecast capital expenditure for 2015/16, including long term investments, is £231.2m, as set out in the Annex, paragraph 47 of the submitted report.
4. That services' management actions to mitigate overspends were set out throughout the submitted report.

Reasons for Decisions:

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

252/15 SUPPORTING ECONOMIC GROWTH THROUGH INVESTMENT IN TRANSPORT AND HIGHWAYS INFRASTRUCTURE - 3RD TRANCHE [Item 7]

The Deputy Leader reminded Cabinet that on 23 September 2014, they approved arrangements for local contribution for the first tranche of three schemes, of the 2015-16 SEP programme and on 14 December 2014, approval was given for local contribution for the second tranche of seven schemes of the same programme.

He said that approval was now being sought for arrangements for local contributions for the third tranche of four schemes, for the 2015-16 SEP programme. The total estimated cost for these four schemes was just under £22m and the Authority was seeking Local Growth Fund (LGF) contribution from the Local Enterprise Partnerships (LEPs) of £17m. Currently, the County Council contribution was approximately £3.3m, with partner contribution from the Boroughs and Districts of £1.4m, which could increase, as discussions were still in progress with the partners.

The business cases for the Enterprise M3 LEP needed to be submitted by 29 January 2016; and for the Coast to Capital LEP by the end March 2016 and construction of some of these schemes could commence during 2016/17.

He drew Members attention to Table 1 – Schemes featured in the Third Tranche and Contribution Status – and said that two of the Resilience Schemes could be met from the Operation Horizon maintenance programme.

Finally, he asked Cabinet to agree a minor amendment to recommendation (1), namely to include after ‘agree’ ‘the schemes and’ so that it read ‘agree the schemes and the precise amount....’

The Cabinet Member for Highways, Transport and Flooding confirmed his support for the schemes and said that he considered that Boroughs and Districts were working well with the County Council in this area and that the fruition of the schemes would be a good outcome for Surrey residents.

The Cabinet Member for Wellbeing and Health drew attention to the climate change / carbon emission implications and said that she hoped the relevant boroughs would find the funding for their contribution for the Epsom – Banstead STP scheme.

RESOLVED (as amended):

That Authority be delegated to the Strategic Director for Environment and Infrastructure, in consultation with the Deputy Leader, Cabinet Member for Highways, Transport and Flooding and the Director of Finance to:

1. agree the schemes and the precise amount of the Surrey County Council contribution, based on the proposals set out in Table 1 in the submitted report.
2. substitute and/or omit any schemes listed in Table 1 in the submitted report from submission to the Local Enterprise Partnerships, if so warranted by developments at that time.

Reasons for Recommendations:

Transport infrastructure schemes are a key element of the Strategic Economic Plan (SEPs), submitted by the Local Enterprise Partnerships (LEPs) to Government in March 2014, which sets out how they will support the economic development and regeneration of their areas. The proposed schemes will deliver a range of benefits to Surrey's residents, including reduced congestion, improved journey time reliability, enhanced safety, and improved access for cyclists, pedestrians and buses, as well as enabling economic development and regeneration.

Under the funding arrangements, local partners are required to provide a local contribution to the schemes to reflect the local benefits that will be provided. Therefore if the Cabinet wishes these schemes to proceed to business case submission, the Cabinet will need to confirm that this local contribution is available.

This is the third tranche of schemes to be funded from the Local Growth Deal. The precise amount of contribution that the County Council will need to make will be finalised once discussions with relevant Borough Leaders/Chief Executives have been completed, in accordance with the approach presented to the Cabinet at the meeting of 23 September 2014.

253/15 AWARD OF CONTRACT FOR THE INTEGRATED COMMUNITY EQUIPMENT SERVICE [Item 8]

The Cabinet Member for Adult Social Care, Wellbeing and Independence said that this report sought approval to award a contract to Millbrook Healthcare Ltd for a managed service for the provision of Integrated Community Equipment Service (ICES) to commence on 1 April 2016 because the current arrangements expired on 31 March 2016.

He said that this contract would be jointly funded on a 50-50 basis by the Council and Surrey's six Clinical Commissioning Groups (CCGs) and that the procurement process had delivered an improved service which would support strategies in Health and Social Care to enable Surrey residents to remain independent, facilitate hospital discharges, prevent re-admission and delay admittance into long term care.

This report provided details of the procurement process, including the results of the evaluation process and, in conjunction with the Part 2 report, demonstrated why the recommended contract award would deliver best value for money.

He said that current financial forecasting was estimating that the cost of this service would be £6.2m for 2015/16 because demand had increased. However, he highlighted the improved benefits of the new service, as set out in paragraph 11 of the report, and which now included a Saturday service as standard.

The Cabinet Member for Schools, Schools and Educational Achievement said that she was pleased that the new service would allow individuals within the community, who might benefit from equipment but were not necessarily

eligible to receive it under this service, to access information and advice on purchasing equipment privately through this supplier.

RESOLVED:

1. That the contract be awarded to Millbrook Healthcare Ltd.
2. That the contract be awarded for an initial period of three years with an option to extend for up to two further years in one year increases.

Reasons for Recommendations:

Following an assessment of a number of options it was decided that a full competitive tender under the existing financial model was deemed the most appropriate route to market.

An open tender process compliant with the requirements of Public Contracts Regulations 2015 and the Council's Procurement Standing Orders, has been carried out using the Council e-Procurement system, with the opportunity advertised within the Official Journal of the European Union, and on Contracts Finder. Following a thorough evaluation process the recommendation provides best value for money for this contract.

This procurement exercise has been carried out in collaboration with Surrey's six NHS Clinical Commissioning Groups (CCGs) to secure a single supplier to deliver the service for the seven parties through a contract between the Council and Millbrook Healthcare Ltd.

The demand pressures on the equipment service is increasing which drives up the cost however it is recognised that this is a key service in supporting Surrey residents to remain independent, facilitate hospital discharges, prevent re-admission and delay admittance into long term care.

In accordance with their constitution and procurement governance, each of the six CCGs has approved the process and award of contract at their governance boards.

254/15 AWARD OF A FRAMEWORK FOR THE PROVISION OF SURFACE DRESSING ON ROADS [Item 9]

Cabinet were asked to approve the award of a five year framework agreement that would allow for direct access to approved suppliers to deliver the surface dressing works.

The Cabinet Member for Highways, Transport and Flooding informed Members that surface dressing was designed to extend the life of a road surface by up to 10 years and that the interim delivery model for 2015 had enabled a trial scenario to be tested.

He said that, following a comprehensive procurement activity, it was proposed that the five year framework agreement contract be awarded to three approved contractors; Road Maintenance Services Limited, Hazell & Jefferies Ltd and Kiely Bros Ltd and that due to the commercial sensitivity involved in the contract award process, financial details of the proposed contractors had

been circulated as a Part 2 Annex, to be discussed later in the meeting.

RESOLVED:

1. That the framework agreement be awarded to:
 - a) Road Maintenance Services Limited
 - b) Hazell and Jefferies Ltd
 - c) Kiely Bros Ltd

2. That authority be delegated to the Strategic Director for Environment and Infrastructure, in consultation with the Leader, the Cabinet Member for Highways, Transport and Flooding and the Section 151 Officer, to award annual contracts, above £0.5m in value, where a mini-competition procedure has been followed under this Framework Agreement.

Reasons for Recommendations:

A full tender process, both in compliance with the Public Contracts Regulations 2015 and Procurement Standing Orders, has been completed and the recommendations provide best value for money. The tender process was constructed based directly on findings from three pre procurement activities; these are detailed in the 'Background and Procurement Strategy' section.

255/15 ACCOMMODATION WITH CARE AND SUPPORT [Item 10]

The Cabinet Member for Adult Social Care, Wellbeing and Independence said that this was an unusual report because it was seeking agreement for the strategic intent for the provision of accommodation options for Surrey residents for whom the Council commissioned care and support.

He said that, whilst the strategy covered all client groups, this report mainly focused on accommodation with care and support for older people as the largest area of spend within Adult Social Care and that there would be a further report in relation to People with Learning Disabilities.

He also said that the report gave a range of housing options where individuals could live within private independent units but have care and support services available as required, to support them to live independently and that a full glossary of terms was included, as set out in at Annex 1 to the submitted report.

Finally, the Cabinet Member said that this report sought approval to the approach outlined in the Strategic Intent Document (Annex 2 to the submitted report).

This document set out:

- (i) Vision, (ii) Purpose, (iii) Scope, (iv) Context, (v) Principles, (vi) Outcomes

Cabinet was also asked to note the emerging local plans and agree these continue to be developed with partners. (These were presented separately in

the part 2 section of the meeting, due to the commercial sensitivity of the plans.)

Other Cabinet Members made the following points:

- That these accommodation choices would enable elderly residents to receive the level of care to age well and to be active until end of life.
- It was a new direction of travel for the Council.
- The importance of working together with partners to plan the right accommodation for Surrey residents.
- This report had been presented to the Health and Wellbeing Board last week and had been well received.
- That this topic should be on the agenda for discussion at a future Surrey Council / Borough / District Leaders' meeting.
- Support for the person centred Strategic Intent Document.
- That a further Equalities Impact Assessment, evaluating the impact of the local implementation plans would be brought back to Cabinet for further discussion as the individual business cases develop.

The Leader of the Council considered that this report was an excellent piece of work, which set out a new model of delivery for the Council, and thanked Rachel Crossley and her team for the report.

RESOLVED:

1. The Strategic Intent Document for Accommodation with Care and Support be approved.
2. That future developments will include a full business case and be presented for Cabinet approval as appropriate.

Reasons for Recommendations:

With changing demographics, increasing financial challenges, and a joint health and social care strategy to support people to live independently in their homes for as long as possible, the Council needs to commission the right accommodation options to meet eligible residents' health and wellbeing needs. To do this, the Council will work with partners and the private sector to develop the market in Surrey for accommodation with care and support. This paper sets out a clear ambition and message to the market in relation to future needs, and provides a strong base for Surrey to work together with developers in the private sector, as well as Health and District and Borough partners to find the right local solutions.

256/15 AWARD OF FRAMEWORK AND CALL OFF CONTRACT FOR THE PROVISION OF EMPLOYEE HEALTH SERVICES [Item 11]

In the absence of the Cabinet Member for Business Services and Resident Experience, the Leader of the Council introduced the report.

He said that this report summed up the crucial elements of the Councils' overall health and wellbeing strategy which was centred around proactively ensuring its employees have the appropriate structures in place to ensure the continued positive wellbeing and that they remained fit for work and, where necessary were helped back to work in a timely and care centred way.

Other Members of the Cabinet confirmed their support for the health and wellbeing strategy and the award of a framework agreement for the provision of Employee Health Services. They were pleased that this was another example of a successful collaborative exercise with East Sussex County Council, and a number of other local authorities in the Surrey and East Sussex regions, which would deliver value for money and that also benefitted staff.

The Leader drew attention to paragraph 51 of the report which confirmed that a further Equalities Impact Assessment was not required because this was not a new service, nor were there any significant changes to the provision of the service that negatively affected staff with protected characteristics.

RESOLVED:

1. That the framework agreement be awarded to the following three suppliers, for a period of four years to commence on 1 January 2016 and to expire on 31 December 2019:
 - a. Lot 1 – Occupational Health Services to be awarded to Team Prevent Ltd
 - b. Lot 2 – Employee Assistance Services to be awarded to OH Assist
 - c. Lot 3 – Absence Management Services to be awarded to First Care Ltd
2. That Individual contracts for the Council be awarded to Team Prevent and OH Assist for a period of three years with the option to extend for one further year to commence on 1 April 2016 for:
 - a. Lot 1 – Occupational health Services at an anticipated total value of £1.1m
 - b. Lot 2 – Employee assistance Services at an anticipated total value of £522,000
3. That the Cabinet note that the HR service is currently in the process of completing a business case to proceed to put in place a contract from lot 3 of the framework and implement the absence management service within the Council.

Reasons for Recommendations:

During a review of the spend and contracts in the Corporate and Human Resources categories across Surrey and East Sussex Councils, an opportunity was identified to collaborate on the design of the specification, align the expiry of the current contracts and retender as a joint contract to appoint the same providers for both Councils.

Following discussion with a number of public sector authorities in the region, it was found that there were several authorities with similar requirements for employee health services whose contracts were due to expire within the next 18 months. This has created an opportunity to pool volume and approach the market with a larger offering than that of the Council on its own, to achieve better rates through economies of scale.

Following an assessment of a number of options, it was decided that the creation of a framework, led by the Council and open to public sector authorities in the Surrey and East Sussex region would be the most appropriate route to market.

In addition to better rates, through the use of the framework by other authorities it is anticipated that the common arrangements would provide an avenue for further collaborative joint working such as wellbeing campaigns, co-location of clinics, and proactive sharing of best practice.

The tender was in compliance with the requirements of Public Contracts Regulations 2015 and the Council's Procurement Standing Orders. The recommendation provides best value for money for these contracts, following a thorough evaluation process.

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

257/15 LEADER / DEPUTY LEADER / CABINET MEMBER DECISIONS TAKEN SINCE THE LAST CABINET MEETING [Item 12]

RESOLVED:

That the delegated decisions taken by Cabinet Members since the last meeting of the Cabinet be noted.

Reasons for Recommendations:

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

258/15 EXCLUSION OF THE PUBLIC [Item 13]

RESOLVED that under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information under paragraph 3 of Part 1 of Schedule 12A of the Act.

PART TWO – IN PRIVATE

THE FOLLOWING ITEMS OF BUSINESS WERE CONSIDERED IN PRIVATE BY THE CABINET. SET OUT BELOW IS A PUBLIC SUMMARY OF THE DECISIONS TAKEN.

259/15 AWARD OF CONTRACT FOR THE INTEGRATED COMMUNITY EQUIPMENT SERVICE [Item 14]

In presenting the part 2 element, containing the financial and value for money implications relating to item 8, the Cabinet Member for Adult Social Care, Wellbeing and Independence said that the unique aspect of this contract was that it was demand led. He also said that he supported awarding the contract to the preferred bidder.

RESOLVED:

That approval be granted to award a contract to Millbrook Healthcare Ltd for a managed service to the value set out in the submitted report over the duration of the five year term, subject to demand, for the provision of Integrated Community Equipment Service (ICES) to commence on 1 April 2016 as the current arrangements would expire on 31 March 2016 and based on additional financial information provided in this report.

Reasons for Recommendations:

The existing contract would expire on 31 March 2016. A full tender process, in compliance with the requirement of EU Procurement Legislation and Procurement Standing Orders had been completed, and the recommendations provided best value for money for the Council, following a thorough evaluation process.

260/15 AWARD OF A FRAMEWORK FOR THE PROVISION OF SURFACE DRESSING ON ROADS [Item 15]

The Cabinet Member for Highways, Transport and Flooding drew Cabinet attention to the financial and value for money implications and commended the approval of the Surface Dressing Framework agreement to Members.

RESOLVED:

1. That the scores and financial information be noted.
2. That the Surface Dressing Framework agreement be approved and the award of annual programmes of work via mini competition be delegated to the Strategic Director for Environment and Infrastructure, in consultation with the Leader, the Cabinet Member for Highways, Transport and Flooding and the Section 151 Officer.

Reasons for Recommendations:

A full tender process, in compliance with the requirement of Public Contracts Regulations 2015 and Procurement Standing Orders has been completed, and the recommendations provide best value for money for the Council following a thorough evaluation process.

261/15 ACCOMMODATION WITH CARE AND SUPPORT [Item 16]

This part 2 report contained the initial local plans for the full Accommodation with Care and Support Programme, which the Cabinet Member for Adult

Social Care, Wellbeing and Independence said was presented separately from the part 1 report due to their commercial sensitivity.

Cabinet were asked to agree that the local plans continued to be developed with partners in order to re-shape the market and increase the accommodation with care and support options available in Surrey.

RESOLVED:

That the emerging local plans as set out in the submitted report be noted, and agree these continue to be developed with partners.

Reasons for Recommendations:

With changing demographics, increasing financial challenges, and a joint health and social care strategy to support people to live independently in their homes for as long as possible, the Council needs to commission the right accommodation options to meet eligible residents' health and wellbeing needs. To do this, the Council will work with partners and developers in the private sector to shape the market for accommodation with care and support. This annex sets out the initial opportunities identified locally and asks the Cabinet to agree that these continue to be developed.

262/15 AWARD OF FRAMEWORK AND CALL OFF CONTRACT FOR THE PROVISION OF EMPLOYEE HEALTH SERVICES [Item 17]

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

RESOLVED:

That the commercial and financial details contained within the submitted report be noted.

Reasons for Recommendations:

As part of the overall health and wellbeing service that is provided by the Council for its employees, the contracts for Occupational Health and Employee Assistance services help to ensure that employees remain fit for work and are supported and rehabilitated back to work in a timely and care centred way.

The current contracts Occupational Health and Employee assistance services both expire on 31 March 2016 and there is a continued need for these services to be provided for employees.

263/15 PROPERTY TRANSACTIONS - DISPOSAL [Item 18]

In the absence of the Cabinet Member for Business Services and Resident Experience, the Cabinet Member Associate for Community Safety Services introduced the report and commended the recommendations for the disposal of the former Guildford fire station site to the Cabinet.

RESOLVED:

1. That the Cabinet authorises the grant of a groundlease over the property as outlined in the submitted report for a bulky goods non food retail store, as set out in the report.
2. That any agreed variation in the sale price in accordance with the report be delegated to the Strategic Director for Business Services, in consultation with the Cabinet Member for Business Services and the Leader.

Reasons for Recommendations:

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

264/15 PUBLICITY FOR PART 2 ITEMS [Item 19]

It was agreed that non-exempt information may be made available to the press and public, where appropriate.

[Meeting closed at 3.07pm]

Chairman

CABINET RESPONSE TO COUNCIL OVERVIEW BOARD

**AGENCY WORKERS
(considered by Council Overview Board on 5 November 2015)**

COMMITTEE RECOMMENDATIONS:

The frequency of reorganisation within the Environment & Infrastructure Directorate be considered and managed to avoid an impact on:

- The morale and wellbeing of Highways staff
- The ability of the service to carry out priority highway maintenance

RESPONSE:

We agree that it is important to monitor carefully the morale and wellbeing of staff and our capability to deliver our priorities. That is why this has been a consistent focus for us. It is equally important that the service is configured to ensure that residents get the best value for money in terms of local highways services and more strategic transport infrastructure provision.

We have an excellent 'People Strategy' for Highways and Transport that is involving and engaging staff in a programme to develop skills and capability, for example, and will review this work in the light of the recent staff survey results when they are available early in 2016.

The Cabinet and I congratulate the service for the continued delivery, during this period, of excellent service to our residents.

**John Furey
Cabinet Member for Highways, Transport and Flooding
15 December 2015**