

Cabinet

**Date & time**

Tuesday, 23
February 2016 at
2.00 pm

Place

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

Contact

Vicky Hibbert or Anne
Gowing
Room 122, County Hall
Tel 020 8541 9229 or 020
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Chief Executive

David McNulty

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**We're on Twitter:**

@SCCdemocracy

Cabinet Members: Mr David Hodge, Mr Peter Martin, Mrs Helyn Clack, Mrs Clare Curran, Mr Mel Few, Mr John Furey, Mr Mike Goodman, Mrs Linda Kemeny, Ms Denise Le Gal and Mr Richard Walsh

Cabinet Associates: Mr Tony Samuels, Mr Tim Evans, Mrs Kay Hammond and Mrs Mary Lewis

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This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Vicky Hibbert or Anne Gowing on 020 8541 9229 or 020 8541 9938.

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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: 2 FEBRUARY 2016

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

a Members' Questions

The deadline for Member's questions is 12pm four working days before the meeting (*17 February 2016*).

b Public Questions

The deadline for public questions is seven days before the meeting (*16 February 2016*).

c Petitions

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

d 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 SCRUTINY BOARDS, TASK GROUPS, LOCAL COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL

No reports have been received.

- 6 FINANCE AND BUDGET MONITORING REPORT - JANUARY 2016** (Pages 1 - 22)
- The council takes a multiyear approach to its budget planning and monitoring, recognising the two are inextricably linked. This report presents the council's financial position as at 31 January 2016 (month 10).
The annex to this report gives details of the council's financial position.
- 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 Board]*
- 7 LEADERSHIP RISK REGISTER** (Pages 23 - 34)
- The Surrey County Council Leadership risk register is presented to Cabinet each quarter and this report presents the Leadership risk register as at 31 January 2016.
- [The decisions on this item can be called in by the Council Overview Board].*
- 8 CONTRACT AWARD FOR THE REFRESH OF DESKTOP AND LAPTOP DEVICES FOR SURREY COUNTY COUNCIL** (Pages 35 - 42)
- This report seeks approval to award a contract to commence 21 March 2016, for the refresh of existing Council desktop and laptop computer devices and associated services.
- The report provides details of the procurement process, including the results of the evaluation process and, in conjunction with the Part 2 report which contains commercially sensitive supplier information, demonstrates that the recommended contract award provides best value for money for the taxpayer.
- For staff to provide services to our residents, Surrey County Council requires approximately 1,200 Desktop computer devices approximately 5,500 Mobile computer devices for staff that work flexibly.
- It is at least 4 years since Surrey County Council last performed a major refresh of the hardware and software of the computer devices used. These devices are now out of warranty, are in many cases 'end of life,' are failing more often, and require more maintenance.
- This contract decision is being made in line with East Sussex County Council and Surrey County Council's future plans to integrate and align IT systems across the Orbis Partnership.
- N.B. An annex containing exempt information is contained in Part 2 of the agenda – item 14.
- [The decisions on this item may be called in by the Council Overview Board]*

- 9 PROCUREMENT OF A CHILDREN AND YOUNG PEOPLE'S OCCUPATIONAL THERAPY SERVICE** (Pages 43 - 68)
- The joint commissioning of special educational needs and disabilities (SEND) services is a key strategy for Surrey County Council and its partners to improve outcomes for children, young people and families in Surrey.
- The contracts for the current occupational therapy service for children and young people end in March 2017. Cabinet are asked to approve that from April 2017 the service is jointly commissioned with the six Surrey Clinical Commissioning Groups and therefore forms part of the Community Health Services procurement process
- The recommendations should be considered alongside recommendations 1 and 4 agreed at Cabinet on 24 November 2015 for Item 12: 'The Procurement Process for Community Health Services' (see Annex 1).
- [The decision on this item may be called in by either the Council Overview Board or the Education and Skills Scrutiny Board]*
- 10 SYTHWOOD PRIMARY SCHOOL, WOKING** (Pages 69 - 72)
- To approve the Business Case for the phase 2 expansion of Sythwood Primary School from a 2 Form of Entry primary (420 places) to a 3 Form of Entry primary (630 places) creating 210 additional primary places. Phase 1 delivered 90 primary places and was completed in August 2015. Phase 2 will deliver the balance of 120 primary places to meet the basic need requirements in the Woking area from September 2016.
- N.B. An annex containing exempt information is contained in Part 2 of the agenda – item 15.
- [The decision on this item may be called in by either the Council Overview Board or the Education and Skills Scrutiny Board]*
- 11 CLEVES JUNIOR SCHOOL, WEYBRIDGE** (Pages 73 - 76)
- To approve the Business Case for the expansion of Cleves Junior School from a 5 Form of Entry junior (600 places) to a 6 Form of Entry junior (720 places) creating 120 additional junior places to help meet the basic need requirements in the Weybridge area for September 2016.
- N.B. An annex containing exempt information is contained in Part 2 of the agenda – item 16.
- [The decision on this item may be called in by either the Council Overview Board or the Education and Skills Scrutiny Board]*
- 12 LEADER / DEPUTY LEADER / CABINET MEMBER DECISIONS TAKEN SINCE THE LAST CABINET MEETING** (Pages 77 - 80)
- To note any delegated decisions taken by the Leader, Deputy Leader and Cabinet Members since the last meeting of the Cabinet.

13 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.

PART TWO - IN PRIVATE

14 CONTRACT AWARD FOR THE REFRESH OF DESKTOP AND LAPTOP DEVICES FOR SURREY COUNTY COUNCIL (Pages 81 - 86)

This is a part 2 annex relating to item 8.

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 may be called in by the Council Overview Board]

15 SYTHWOOD PRIMARY SCHOOL, WOKING (Pages 87 - 92)

This is a part 2 annex relating to item 10.

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 decision on this item may be called in by either the Council Overview Board or the Education and Skills Scrutiny Board]

16 CLEVES JUNIOR SCHOOL, WEYBRIDGE (Pages 93 - 98)

This is a part 2 annex relating to item 11.

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 decision on this item may be called in by either the Council Overview Board or the Education and Skills Scrutiny Board]

17 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.

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.

MOBILE TECHNOLOGY AND FILMING – ACCEPTABLE USE

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

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

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

Thank you for your co-operation

SURREY COUNTY COUNCIL

CABINET

DATE: 23 FEBRUARY 2016

REPORT OF: MR DAVID HODGE, LEADER OF THE COUNCIL

LEAD OFFICER: SHEILA LITTLE, DIRECTOR OF FINANCE

SUBJECT: FINANCE AND BUDGET MONITORING REPORT FOR JANUARY 2016



SUMMARY OF ISSUE:

The council takes a multiyear approach to its budget planning and monitoring, recognising the two are inextricably linked. This report presents the council's financial position as at 31 January 2016 (month ten).

The annex to this report gives details of the council's financial position.

RECOMMENDATIONS:

Cabinet is asked to note:

1. services forecast a -£6.2m revenue budget variance at year end which includes use of -£7.4m central government grant (Appendix, paragraph 1)
2. services forecast to achieve £64.5m efficiencies and service reductions by year end (Appendix, paragraph 38);
3. total forecast capital expenditure for 2015/16, including long term investments, is £222.3m (Appendix, paragraph 46);

Cabinet is asked to approve:

The investment of £3.4m in the East Surrey Local Transformation Investment Fund, subject to final agreement of the proposal by all parties. Appendix, (Paragraph 50)

REASON FOR RECOMMENDATIONS:

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.

DETAILS:

Revenue budget overview

4. Surrey County Council set its gross expenditure budget for the 2015/16 financial year at £1,671m. A key objective of MTFP 2015-20 is to increase the council's overall financial resilience. As part of this, the council plans to make efficiencies totalling £67.4m.

5. The council aims to smooth resource fluctuations over its five year medium term planning period. To support the 2015/16 budget, Cabinet approved use of £3.7m from the Budget Equalisation Reserve and carry forward of £8.0m to fund continuing planned service commitments. The council currently has £21.3m in general balances.
6. The financial strategy has the following long term drivers to ensure sound governance, management of the council's finances and compliance with best practice.
 - Keep any additional call on the council taxpayer to a minimum, consistent with delivery of key services through continuously driving the efficiency agenda.
 - Develop a funding strategy to reduce the council's reliance on council tax and government grant income.
 - Balance the council's 2015/16 budget by maintaining a prudent level of general balances and applying reserves as appropriate.
 - Continue to maximise our investment in Surrey.

Capital budget overview

7. Creating public value by improving outcomes for Surrey's residents is a key element of the council's corporate vision and is at the heart of MTFP 2015-20's £696m capital programme, which includes £176m spending planned for 2015/16.

Budget monitoring overview

8. The council's 2015/16 financial year began on 1 April 2015. This budget monitoring report covering the financial position at the end of the tenth month of 2015/16 (31 January 2016). The report focuses on material and significant issues, especially monitoring MTFP efficiencies. The report emphasises proposed actions to resolve any issues.
9. The council has implemented a risk based approach to budget monitoring across all services. The approach ensures we focus effort on monitoring those higher risk budgets due to their value, volatility or reputational impact.
10. A set of criteria categorise all budgets into high, medium and low risk. The criteria cover:
 - the size of a particular budget within the overall council's budget hierarchy (the range is under £2m to over £10m);
 - budget complexity, which relates to the type of activities and data monitored (this includes the proportion of the budget spent on staffing or fixed contracts - the greater the proportion, the lower the complexity);
 - volatility, which is the relative rate that either actual spend or projected spend moves up and down (volatility risk is considered high if either the current year's projected variance exceeds the previous year's outturn variance, or the projected variance has been greater than 10% on four or more occasions during the current year); and
 - political sensitivity, which is about understanding how politically important the budget is and whether it has an impact on the council's reputation locally or nationally (the greater the sensitivity the higher the risk).

11. Managers with high risk budgets monitor their budgets monthly, whereas managers with low risk budgets monitor their budgets quarterly, or more frequently on an exception basis (if the year to date budget and actual spend vary by more than 10%, or £50,000, whichever is lower).
12. Annex 1 to this report sets out the council's revenue budget forecast year end outturn as at 31 January 2016. The forecast is based upon current year to date income and expenditure as well as projections using information available to the end of the month.
13. The report provides explanations for significant variations from the revenue budget, with a focus on efficiency targets. As a guide, a forecast year end variance of greater 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.
14. Annex 1 to this report also updates Cabinet on the council's capital budget. Appendix 1 provides details of the MTFP efficiencies, revenue and capital budget movements.

CONSULTATION:

15. All Cabinet Members will have consulted their relevant director or head of service on the financial positions of their portfolios.

RISK MANAGEMENT AND IMPLICATIONS:

16. Risk implications are stated throughout the report and each relevant director or head of service has updated their strategic and or service risk registers accordingly. In addition, the leadership risk register continues to reflect the increasing uncertainty of future funding likely to be allocated to the council.

Financial and Value for Money Implications

17. The report considers financial and value for money implications throughout and future budget monitoring reports will continue this focus. The council continues to maintain a strong focus on its key objective of providing excellent value for money.

Section 151 Officer Commentary

18. 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

19. There are no legal issues and risks.

Equalities and Diversity

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

WHAT HAPPENS NEXT:

21. The relevant adjustments from the recommendations will be made to the Council's accounts.
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Contact Officer:

Sheila Little, Director of Finance
020 8541 7012

Consulted:

Cabinet, Strategic Directors, Heads of Service.

Annexes:

- Annex 1 – Revenue budget, staffing costs, efficiencies, capital programme.
- Appendix 1 – Service financial information (revenue and efficiencies), revenue and capital budget movements.

Sources/background papers:

- None
-

Budget monitoring period 10 2015/16 (January 2016)

Summary recommendations

Cabinet is asked to note:

1. services forecast a -£6.2m revenue budget variance at year end which includes use of -£7.4m central government grant (paragraph 1)
2. services forecast to achieve £64.5m efficiencies and service reductions by year end (paragraph 38);
3. total forecast capital expenditure for 2015/16, including long term investments, is £222.3m (paragraph 46);

Cabinet is asked to approve:

4. The investment of £3.4m in the East Surrey Local Transformation Investment Fund, subject to final agreement of the proposal by all parties. (Paragraph 50)

Revenue summary

Surrey County Council set its gross expenditure budget for the 2015/16 financial year at £1,671m. A key objective of MTFP 2015-20 is to increase the council's overall financial resilience in the environment of a continuing period of austerity. As part of this, the council plans to make efficiencies totalling £67.4m.

As at 31 January 2016, services forecast to underspend by -£6.2m and achieve £64.5m efficiencies by year end. The underspend is due to several offsetting variances among services, the most significant of which are:

- -£7.4m use of 2015/16 central government grant and an underspend in Adult Social Care (ASC) service's Deprivation of Liberties budget to offset a +£7.3m increase in demand; +£2.8m forecast unachieved savings and -£1.8m additional fees and charges;
- +£2.9m children's services' costs due to higher volumes of children in need; and
- -£4.8m more income from business rates collection than expected.

This is an increase in the forecast underspending since December 2015 of -£1.2m. The principal reasons for this are;

- Increases in ASC demand, partially offset by additional income (+£0.3m)
- Increase of external agency placements within Children's Services (+£0.3m)
- Increase in agency payments and inclusion work within Schools and Learning (+£0.6m)
- Lower forecast spending on Highways and Transportation due to a mild winter (-£0.6m)
- Services committed expenditure to be incurred in 2016/17 (-£2.3m)
- Other smaller service net underspendings totalling -£0.5m

The council aims to smooth resource fluctuations over its five year medium term planning period. To support 2015/16, Cabinet approved use of £3.7m from the Budget Equalisation Reserve and carry forward of £8.0m to fund continuing planned service commitments. The

financial strategy has a number of long term drivers to ensure sound governance, management of the council's finances and compliance with best practice.

- Keep any additional call on the council taxpayer to a minimum, consistent with delivery of key services through continuously driving the efficiency agenda.
- Develop a funding strategy to reduce the council's reliance on council tax and government grant income.
- Balance the council's 2015/16 budget by maintaining a prudent level of general balances and applying reserves as appropriate.
- Continue to maximise our investment in Surrey.

Capital summary

Creating public value by improving outcomes for Surrey's residents is a key element of Surrey County Council's corporate vision and it is at the heart of its £696m capital programme in MTFP 2015-20. As at 31 January 2016, services forecast £160.3m capital spending against the current 2015/16 budget of £176.6m and total forecast capital expenditure including long term investments is £222.3m (paragraphs 45 to 48)

As part of increasing the council's overall financial resilience, it plans to invest £62m in long term capital investment assets in 2015/16 to add to the £48m invested up to March 2015.

Revenue budget

1. As at 31 January 2016, the council's overall forecast is a -£6.2m underspend at year end, which includes the use of -£7.4m support from New Burdens Care Act.
2. In March 2015, Cabinet approved the council's 2015/16 gross expenditure budget at £1,671.3m, financed by -£1,667.6m gross income and -£3.7m from reserves. Changes in 2015/16 reflecting agreed carry forwards and small budgetary adjustments to 31 January 2016, increased the gross expenditure budget to £1,679.5m and gross income to -£1,675.8m. The council's plan to use reserves to balance 2015/16 remains at -£3.7m.

Revenue budget monitoring position

3. Table 1 summarises the council's year to date and forecast year end gross income and expenditure positions compared to the full year revised budget. The full year revised net expenditure budget to be met from reserves is £3.7m. The forecast underspending of -£6.2m would lead to a contribution to reserves and balances of £2.5m instead of the budgeted £3.7m drawdown. The expected year to date net expenditure included in the budget is £15.5m. The actual year to date total net expenditure is £7.3m, resulting in a favourable variance from budget of -£8.2m. This is summarised in Table 1 below and in more detail in Table App3 of the Appendix.

Table 1: 2015/16 revenue budget subjective summary as at 31 January 2016

Subjective summary	Full year revised budget £m	YTD actual £m	Full year projection £m	Full year variance £m
Gross income	-1,675.8	-1,406.9	-1,692.2	-16.4
Gross expenditure	1,679.5	1,414.2	1,689.7	10.2
Total net expenditure	3.7	7.3	-2.5	-6.2

Note: * Profiled year to date budget is £7.3m compared to actual net expenditure of £15.5m
All numbers have been rounded - which might cause a casting error

4. In the appendix Table App1 outlines the updated revenue budget by service after in year budget virements and carry forward of budgets from the last financial year. These are further analysed in Table App2 of the Appendix.
5. Table 2 shows the revenue budget position analysed by services and the council's general funding sources. For each service, the table shows the net expenditure position that comprises gross expenditure less income from specific grants and fees, charges and reimbursements. The council's general funding sources include general government grants, local taxation (council tax and business rates) and planned use of reserves.
6. Table 2 shows the majority of services' budgets are on track to achieve a balanced outturn or underspend in 2015/16. General funding sources show favourable forecast variances for business rates income and for government grants to compensate the council for business rates reliefs.

Table 2: 2015/16 updated revenue budget forecast – 31 January 2016

Service	Full year revised budget £m	YTD actual £m	Full year projection £m	Full year variance £m
Economic Growth	1.7	0.9	1.2	-0.5
Strategic Leadership	0.4	0.4	0.4	0.0
Adult Social Care	372.2	312.9	372.5	0.3
Children's Services	91.4	77.7	94.3	2.9
Services for Young People	15.4	11.0	15.2	-0.2
Schools & Learning	74.2	60.7	74.5	0.3
Strategic Services (CSF)	2.2	1.9	2.3	0.1
Delegated Schools	0.0	0.0	0.0	0.0
Community Partnership & Safety	3.5	2.2	2.9	-0.6
Coroner	1.3	1.1	1.5	0.2
Cultural Services	9.8	7.6	9.5	-0.3
Customer Services	3.4	2.7	3.3	-0.1
C&C Directorate Support	1.0	0.8	1.0	0.0
Emergency Management	0.6	0.4	0.5	-0.1
Magna Carta	0.8	0.6	0.6	-0.2
Surrey Fire & Rescue Service	34.6	28.9	34.6	0.0
Trading Standards	2.0	1.5	2.0	0.0
Environment & Planning	80.4	67.6	80.5	0.1
Highways & Transport	45.3	34.5	44.7	-0.6
Public Health	0.3	1.3	0.3	0.0
Central Income & Expenditure	50.1	38.9	51.8	1.7
Communications	2.1	1.5	2.0	-0.1
Finance	8.4	6.3	7.6	-0.8
Human Resources & Organisational Development	8.5	6.4	7.9	-0.6
Information Management & Technology	25.5	20.3	25.2	-0.3
Legal & Democratic Services	8.5	6.8	8.5	0.0
Policy & Performance	2.5	2.1	2.4	-0.2
Procurement	3.3	2.5	3.2	-0.1
Property	28.9	22.6	27.1	-1.8
Shared Service Centre	4.7	3.3	4.4	-0.3
Total services' net revenue expenditure	883.0	725.1	881.5	-1.5
General funding sources				
General Government grants	-237.2	-201.0	-238.8	-1.6
Local taxation (council tax and business rates)	-642.1	-516.8	-645.2	-3.1
Total general funding	-879.3	-717.8	-884.0	-4.7
Total movement in reserves	3.7	N/a	-2.5	-6.2

Note: All numbers have been rounded - which might cause a casting error

Significant budget variances

7. The following section sets out for services with significant budget variances:

- changes since 31 December 2015;
- the impact of the variances on the council's overall financial position

Adult Social Care - +£0.3m overspent (+£0.3m change since December)

8. As at 31 January 2016 Adult Social Care (ASC) services project an overspending of +£0.3m, which is a +£0.3m adverse change from December 2015. This is after taking into account the use of -£7.4m central government Care Act Implementation grant ,plus -£0.6m use of ASC's existing Deprivation of Liberty Safeguards (DoLS) budget to offset an underlying +£8.3m forecast overspend.
9. ASC's 2015/16 central government grant funding includes £7.4m for service reform new burdens. Following postponement of the reforms, the Government announced it will not claw back the funding this year and ASC is using all of these funds to offset increased demand pressures in 2015/16. This is a one-off measure.
10. ASC's 2015/16 DoLS budget increased by £1m in response to considerable growth in demand for assessments following a 2014 Supreme Court ruling. Difficulties recruiting specialist Best Interest Assessors will lead to ASC not spending all the additional budget by year end. Consequently the underspending of £0.6m will be used to cover the underlying forecast overspend.
11. The main drivers of the underlying projected overspend of +£8.3m are as follows.
 - +£7.3m additional pressures from increased demand for care services (+£0.7m from December 2015). Over the first ten months of 2015/16, volumes have increased by 5.7%. A key priority for ASC is to manage demand effectively through: prevention, information and advice, plus greater collaboration and integration with the NHS. These strategies help limit demand increases, but are not yet successful in reducing the rate of demand to budgeted levels. In addition to the increased volume pressure, the cost of placements for those in care is also rising.
 - Ongoing local health pressures systems also place significant pressure on social care. Local clinical commissioning groups' demand for hospital admissions is not falling as planned. Metrics for the first quarter of 2015/16 show unplanned admissions to hospitals up 4.1% on last year's baseline (5.1% higher than the planned 1% reduction). This highlights why work to develop a whole systems approach to health and social care across Surrey is crucial to increasing health and wellbeing and reducing demand pressures on the care system.
 - +£2.8m underachievement of ASC's savings targets (+£0.2m change from December 2015). This is mainly due to non-achievement of the 20% FFC (Family, Friends & Community) stretch savings target of £3.8m. Current performance suggests 16% is achievable for FFC re-assessments, but 20% savings on new care packages is difficult, particularly for Older People.
 - -£1.8m surplus on fees & charges and other income streams not directly related to individual packages of care or block contracts (-£0.3 from December 2015).

Children's Services +£2.9m (+£0.3m change since December)

12. As at 31 January 2016, Children's Services anticipates +£2.9m overspend (up from +£2.6m as at December 2015). The overall pattern of spending is as previously reported. The main reasons for the increase in the overspend are an increase in agency placements reflecting the ongoing increase in the number of Looked After Children (LAC) together with a number of these being high cost residential placements reflecting an increasing complexity of need.
13. Pressures (+£1.3m) on staffing within the area referral, assessment and care management teams remain. Additional social work capacity has been required to manage caseloads safely with a number of teams operating above establishment. Having plateaued through 2014/15 the number of LAC has risen sharply in 2015/16. At the end of December there were 884 Looked After Children, an increase of 102 since March 2015 and the highest level seen in the last five years. In addition, there are continuing high numbers of children who are not looked after but whose families are in need of support - this figure has increased by more than 1,200 in the last year. There is also an increased reliance on locum social workers across all of the area teams (16 in the SE, 10 in SW, 38 in NE and 28 in NW - 92 in total). With each locum costing an additional £25,000 on average this is a significant budget pressure.
14. The growth in external placement numbers is mainly being seen on the budget for fostering (+0.5m) but also external agency placements. The agency budget is forecast to overspend by £3.2m (of which £0.5m is covered through the Dedicated Schools Grant). This is an increase of £0.3m since December. There are currently 193 placements, similar to the numbers assumed when the budget was set although numbers were higher earlier in the year. In addition to demand pressures the average cost of both fostering and residential placements has increased. In particular there have been some very high cost placements reflecting the complexity of some children's needs. There are seven ongoing placements costing more than £5,000 per week. The main reason for the increased projection is three new residential placements, including two in excess of £5,000 per week. In addition there has been an increase in the number of short term, 12 week, Family Assessment Centre placements. There are expected to be 30 such placements in 2015/16 costing £1.2m.
15. The other significant pressure area relates to rising numbers of unaccompanied asylum seeking children (UASC). This includes an increase of 55 in the number of Unaccompanied Asylum Seeking Children where numbers have increased by 50% this year. Although additional grant is received from the government to meet the costs of asylum seeking children this does not cover the costs in full and an overspend of £0.9m is expected. On average there is a £10,000 pa shortfall for each child, in addition to those without recourse to public funds.
16. Offsetting these pressures is a -£0.4m centrally held budget against emerging pressures. In addition there is a -£1.0m underspend against the Adoption Reform grant in 2015/16 and additional one-off interagency income of -£0.6m

Property Services -£1.8m (-£0.2m change since December 2015)

17. As at 31 January 2016, Property Services forecasts -£1.8m underspend (-£0.2m since December 2015). This is primarily because it will only carry out essential building maintenance until April 2016. Property Services will only undertake works that are required for health and safety reasons; to complete schemes already underway; or to deliver efficiency savings. The reduction in works also means -£0.2m lower fees. The mild winter to date adds another -£0.1m forecast underspend on utilities.

Highways & Transport -£0.6m (-£0.6m change December 2015)

18. As at 31 January 2016, Highways & Transport anticipates a -£0.6m (1%) underspend. This is comprised of a number of offsetting variances, including anticipated underspends against winter maintenance and insurance claim budgets, and the impact of delayed development of local growth deal schemes and local committee schemes. These underspends are offset by the impact of staffing vacancies, where those vacancies are covered by temporary staff at a higher cost or where vacancies result in reduced income or recharges.

Central Income & Expenditure +£1.8m (-£0.1 since December 2015)

19. As at 31 January 2016, the Central Income & Expenditure budget is forecast to overspend by +£1.8m This is mainly due to increased capital financing costs due to the council's strategy of retaining capital receipts for investment and a small pressure due to borrowing early to fund the capital programme at lower interest rates.

General Government Grants and Local Taxation -£4.8m (-£0.1m since December 2015)

20. As at 31 January 2016, General Government Grants and Local Taxation are forecast to be -£4.8m greater than in the original budget The reasons for this are -£1.6m in additional business rates income due to the district and borough councils' final schedules being higher than the earlier estimates used to produce the budget; -£1.6m is due to further government grant compensating councils for the loss of business rate relief scheme being higher than expected; and -£1.5m is from business rates pooling arrangements with four Surrey district and borough councils. This arrangement increases business rates retained by each authority in the pool by reducing the levy paid centrally.

Areas to be aware - Waste Management

21. Waste Management is experiencing cost pressures due to: an increase in waste volumes linked to population growth and increased economic activity; stalled recycling rates; delayed implementation of savings; and increases in contract prices.
22. As a result of these factors, expenditure is expected to be higher than budget and, subject to necessary approvals, Waste Management plans to meet this additional cost by drawing £4.2m from the Waste Sinking Fund.

Areas to be aware - Public Health

23. In June 2015 the Chancellor announced a £200m in year cut to the Public Health ring-fenced grant, of which Surrey's 2015/16 share is £2.2m. To meet this cut, Public Health (PH) identified: £0.8m efficiency or one off reductions, £1.0m of in year front line service reductions and £0.45m transfer from the Public Health Reserve (created

from delayed funding to PH's 2014/15 ring fenced grant in anticipation of supporting activities in later years).

24. To meet its MTFP savings target, PH will reduce spend through a mixture of process or contract efficiencies and service reductions. Efficiencies are on track in 2015/16 to meet the £0.8m target and lower priority areas where expenditure can be reduced in year have already or are currently being cancelled. If the grant cut continues, future years will involve further front line service reductions as the service uses up the Public Health Reserve.

Areas to be aware - Coroner

25. The coronial inquest into the death of Private Cheryl James has commenced. The total cost and duration are uncertain. Along with some general cost pressures due to increasing inquest numbers, the forecast includes an estimated cost pressure of £0.2m for the current financial year.
26. Changes in legislation regarding Deprivation of Liberty (DOL) will result in an increased number of coroner inquests required. The exact number cannot currently be confirmed but has the potential to significantly increase the number of inquests the coroner undertakes. Currently no significant pressure has been felt as a result of this. It is expected to be experienced next financial year. In addition, the anticipated cost pressure due to the previous winter shortages of mortuary provision has not yet happened. The forecast has been reduced to reflect these changes in anticipated costs.

Areas to be aware - potential 2015/16 carry forwards

27. There is committed expenditure with a number of services that is now unlikely to be incurred until 2016/17, which may seek approval for a carry forward of budget at the year end. The value of the potential carry forwards is £2.3m

Revolving Infrastructure & Investment Fund

Table 3: Summary revenue and capital position as at 31 January 2016

Summary	YTD actual	Full year forecast
Revenue expenditure	£m	£m
Income	-2.9	-4.0
Expenditure	0.3	0.4
Net income before funding	-2.6	-3.6
Funding costs	2.2	3.1
Net income after funding	-0.4	-0.5
Capital expenditure	56.5	62.0

Note: All numbers have been rounded - which might cause a casting error

28. Net income of £0.5m is being generated this financial year by the Joint Venture project to deliver regeneration in Woking town centre and from various property acquisitions that have been made for future service delivery or regeneration. It is anticipated that the net income will be transferred to the Revolving Infrastructure and Investment Fund at the year-end.
29. Capital expenditure this year includes a property acquisition in Dorking, equity investment and loan to Halsey Garton Property Ltd, development of the former

Thales site in Crawley and further loans to the Woking Bandstand Joint Venture Company.

Staffing costs

30. The council employs three categories of staff.
- Contracted staff employed on a permanent or fixed term basis and paid through the council's payroll. These staff are contracted to work full time, or part time.
 - Bank staff are contracted to the council and paid through the payroll but have no guaranteed hours.
 - Agency staff employed through an agency with which the council has a contract.
31. Bank and agency staff enable managers to manage short term variations in service demand, or contracted staff vacancies. This is particularly the case in social care. Some flexibility in the staffing budget is sensible, as it allows the council to vary a portion of staffing costs.
32. The council sets its staffing budget on the estimated labour it needs to deliver its services. It expresses this estimated labour as budgeted full time equivalent (FTEs) staff required on average over the full year and converts it to a budget cost. The budget comprises spending on all three categories of staff and is the key control in managing staffing costs.
33. In practice, throughout the year, the composition of occupied posts and FTEs will vary. However managers are still able to control total cost within budget. For example, there are several reasons a service might recruit new staff at lower cost than the current budget and use of fixed term contracts may temporarily result in higher than budgeted FTEs, but remain within the overall budget.
34. The council's total MTFP full year staffing budget for 2015/16 is £300.6m based on 7,935 budgeted FTEs. Table 4 shows the composition of the council's workforce as at 31 January 2016. Of the 520 live vacancies, where the council is actively recruiting, 401 are in social care.

Table 4: Full time equivalents in post and vacancies as at 31 January 2016

	FTE
Budget	7,935
Occupied contracted FTE	7,324
"Live" vacancies (i.e. actively recruiting)	520

35. Table 5 shows staffing cost as at 31 January 2016 against service budgets and analysed among the three staff categories of contracted, bank and agency staff. Table 5 also shows services' budgeted FTEs and occupied contracted FTEs. Variances between these two figures can arise for several reasons including: the budget for some FTEs is held in a different service from where the postholder works in the organisation (for example the HR&OD budget covers apprentices' costs, but the occupied FTEs appear in the service they work in); secondees' budgeted posts appear in the seconding service, but the occupied FTE appears in the service they are seconded to (or not at all if the secondment is to an external body). The income from recharges for secondments is within services' other income.

36. Agency or bank staff often cover vacancies on a temporary basis. The number of temporary staff does not translate easily into an FTE number as these may be for a few hours only, part time etc. The easiest measure for monitoring staffing costs is the total expenditure and the variance shown in Table 5.
37. The easiest measure for monitoring staffing is cost, using the total expenditure and variance shown in Table 5 and Table App3 in the appendix. Table 5 shows the year to date staffing budget as at 31 January 2016 is £255.2m and actual expenditure is £250.5m. Table App 3 reiterates the -£4.7m year to date underspend on employment costs and shows services forecast -£6.1m underspend by year end.

Table 5: Staffing costs and FTEs to 31 January 2016

Service	YTD staffing budget £m	<----- Staffing spend by category ----->					Variance £m	Budgeted FTE	Occupied contracted FTEs
		Contracted £m	Agency £m	Bank & casual £m	Total £m				
Economic Growth							1	0	
Strategic Leadership	0.4	0.3	0.0	0.0	0.3	-0.1	2	2	
Adult Social Care	50.1	43.3	3.4	1.8	48.5	-1.6	1,925	1,612	
Children's Services	39.2	32.7	5.2	2.2	40.1	0.9	1,108	991	
Services for Young People	11.7	11.1	0.0	0.4	11.5	-0.2	395	398	
Strategic Services	2.3	2.4	0.0	0.0	2.4	0.1	52	59	
Schools & Learning	38.7	37.0	0.3	0.7	38.0	-0.7	1,332	1,275	
Delegated Schools							0	0	
Community Partnership & Safety	1.0	1.1	0.0	0.0	1.1	0.1	24	26	
Coroner	0.3	0.2	0.1	0.0	0.3	0.0	1	2	
Cultural Services	15.5	13.8	0.0	1.3	15.1	-0.4	520	526	
Customer Services	2.9	2.6	0.2	0.0	2.8	-0.1	112	100	
C&C Directorate Support	0.8	0.8	0.0	0.0	0.8	0.0		0	
Emergency Management	0.4	0.4	0.0	0.0	0.4	0.0	12	13	
Magna Carta	0.0	0.0	0.0	0.0	0.0	0.0	0	0	
Surrey Fire & Rescue Service	23.1	21.7	0.1	1.4	23.2	0.1	675	634	
Trading Standards	2.7	2.5	0.1	0.0	2.6	-0.1	100	96	
Environment & Planning	8.6	8.2	0.2	0.2	8.6	0.0	215	200	
Highways & Transport	11.4	9.6	0.3	0.2	10.1	-1.3	313	301	
Public Health	2.4	2.1	0.0	0.1	2.2	-0.2	51	46	
Central Income & Expenditure	0.0	0.2	0.0	0.0	0.2	0.2	0	0	
Communications	0.9	0.9	0.0	0.0	0.9	0.0	23	23	
Finance	4.8	4.5	0.0	0.0	4.5	-0.3	101	103	
Human Resources & Organisational Development	4.5	4.1	0.1	0.1	4.3	-0.2	104	96	
Information Management & Technology	10.1	8.5	1.5	0.0	10.0	-0.1	221	202	
Legal & Democratic Services	4.5	3.9	0.3	0.0	4.2	-0.3	130	112	
Policy & Performance	2.2	2.1	0.2	0.0	2.3	0.1	42	39	
Procurement	2.6	2.4	0.1	0.0	2.5	-0.1	57	51	
Property	7.1	6.7	0.5	0.0	7.2	0.1	177	181	
Shared Service Centre	6.8	6.4	0.0	0.0	6.4	-0.4	242	238	
Total	255.2	229.5	12.6	8.4	250.5	-4.7	7,935	7,324	

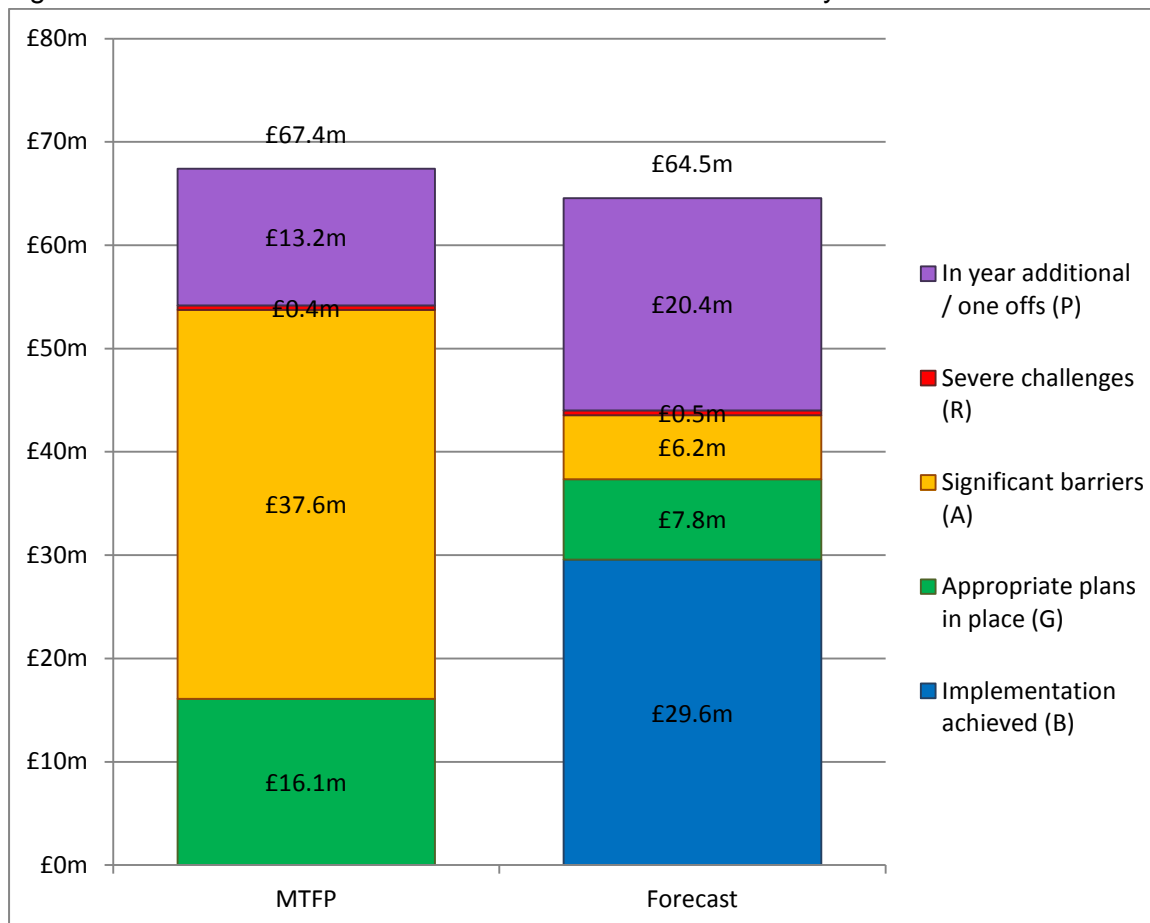
Note: All numbers have been rounded - which might cause a casting error.

Trading Standards' FTEs include C&C Directorate support

Efficiencies

38. MTFP 2015-20 incorporates £67.4m of efficiencies in 2015/16. Against this, the council forecasts to achieve £64.5m by year end (£64.4m as at 31 December 2015), an underachievement of £2.9m. Figure 1 summarises services' efficiency targets, their forecasts for achieving the efficiencies and the risks to achieving them.
39. Each service's assessment of its progress on achieving efficiencies uses the following risk rating basis:
- RED – significant or high risk of saving not being achieved, as there are barriers preventing the necessary actions to achieve the saving taking place;
 - AMBER - a risk of saving not being achieved as there are potential barriers preventing the necessary actions to achieve the saving taking place;
 - GREEN – plans in place to take the actions to achieve the saving;
 - BLUE – the action has been taken to achieve the saving;
 - PURPLE – in year additional and one off savings to support the programme, which are not sustainable in subsequent years.

Figure 1: 2015/16 overall risk rated efficiencies as at 31 January 2016



40. Table 6 summarises forecast progress on efficiencies by service. It shows most services are on track to achieve their planned efficiencies. Adult Social Care, Environment & Planning, Property and Surrey Fire & Rescue are supporting their programmes with additional in year and one off efficiencies. These savings will need to be replaced by on-going savings as a part of the 2016/17 budget.

41. The next section sets out significant variances in efficiencies forecasts, their impact on the council's overall position and services' actions to mitigate adverse variances.

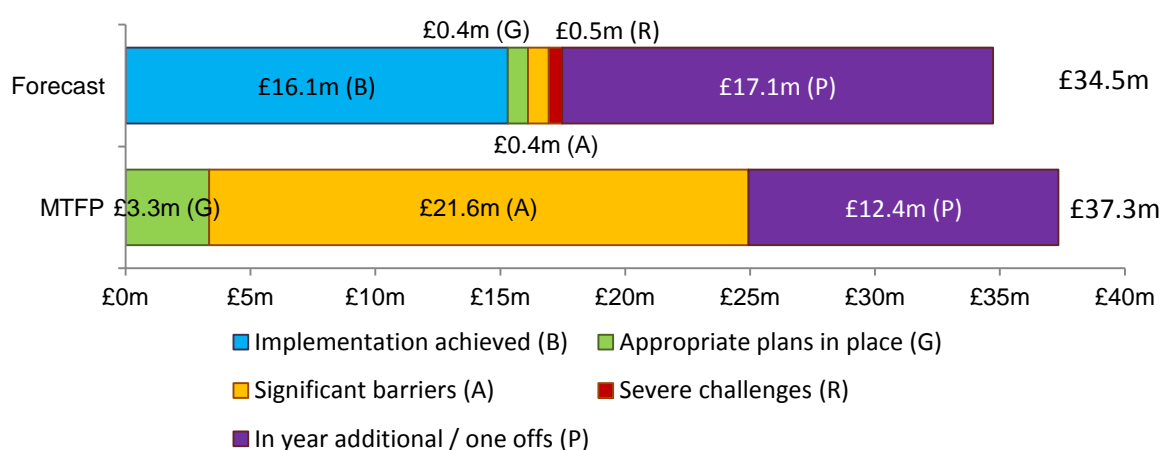
Table 6: 2015/16 Efficiency programme as at 31 January 2016

Service	MTFP £m	Forecast sustainable £m	Forecast one offs £m	Overall variance £m
Adult Social Care	37.3	17.4	17.1	-2.8
Children's Services	0.3	0.3	0.0	0.0
Services for Young People	1.9	1.9	0.0	0.0
Schools & Learning	9.8	8.8	0.0	-1.0
Cultural Services	0.6	0.5	0.0	0.0
Customer Services & Directorate Support	0.2	0.2	0.0	0.0
Surrey Fire & Rescue Service	1.6	1.4	0.2	0.0
Environment & Planning	6.4	3.4	2.6	-0.4
Highways & Transport	1.7	1.7	0.0	0.0
Central Income & Expenditure	0.9	0.8	0.0	-0.1
Communications	0.1	0.1	0.0	0.0
Finance	0.7	1.0	0.0	0.3
Human Resources & Organisational Development	0.8	1.2	0.0	0.4
Information Management and Technology	0.6	0.7	0.0	0.1
Legal & Democratic Services	0.5	0.5	0.0	0.0
Policy & Performance	0.1	0.1	0.0	0.0
Procurement	0.1	0.5	0.0	0.3
Property	3.4	3.0	0.7	0.3
Shared Service Centre	0.1	0.2	0.0	0.1
Total	67.4	44.0	20.5	-2.9

Note: All numbers have been rounded - which might cause a casting error

Significant variances in services' efficiencies & service reductions

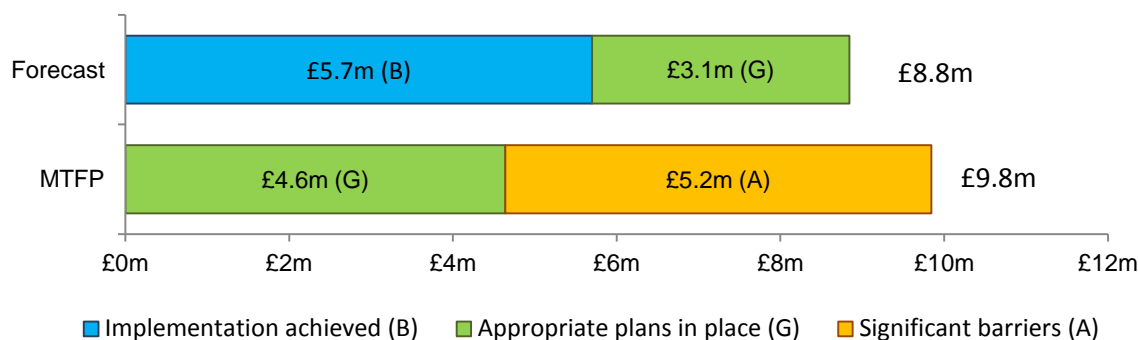
Adult Social Care



42. As at 31 January 2016, ASC forecasts a £2.8m shortfall against its efficiencies target (a decrease of 0.2m from December 2015). There is a high degree of risk associated with £0.5m of savings related to two efficiencies:

- £0.2m FFC stretch target of 20% savings for FFC re-assessments and new packages, ASC is making progress on these savings, but costs are not yet reducing by the full 20% so it remains challenging to achieve; and
- £0.3m optimisation of block contracts, which is still subject to negotiations with ASC's biggest block contract provider.

Schools & Learning



43. As at 31 January 2016, S&L forecasts a £1.0m shortfall against its efficiencies target (no change from November 2015). Decision to not progress some early years projects means S&L is unlikely to achieve £1.0m efficiencies in 2015/16.

Capital budget

44. The council demonstrated its firm long term commitment to supporting Surrey's economy through its £696m 2015-20 MTFP capital programme, including £176m capital expenditure budget for 2015/16.
45. As at 31 January 2016, the revised full year capital budget is £176.6m. Early in 2015, Cabinet approved £17.4m carry forwards from 2014/15 and £22.5m reprofiling from 2015/16 into future years. Table App 4 summarises movements in the capital budget to 31 December 2015.
46. Table 7 compares the current forecast expenditure for the service capital programme and long term investments of £222.3m to the revised full year budget of £176.6m.

Table 7: Forecast capital expenditure 2015/16 as at 31 January 2016

	Current full year budget £m	Apr - Jan actual £m	Feb- Mar projection £m	Full year forecast £m	Full year variance £m
Schools basic need	57.8	59.4	3.6	63.0	5.2
Highways recurring programme	33.9	42.1	-7.1	35.0	1.1
Property & IT recurring programme	25.6	17.5	3.1	20.6	-5.0
Other capital projects	59.3	31.4	10.3	41.7	-17.6
Service capital programme	176.6	150.3	10.0	160.3	-16.3
Long term investments	0.0	56.5	5.5	62.0	62.0
Overall capital programme	176.6	206.8	15.5	222.3	45.7

Note: All numbers have been rounded - which might cause a casting error

47. The forecast in-year variance on the 2015/16 capital programme as at 31 January 2016 is an underspend of £16m against the approved revised service budget of £177m. The main reasons for the underspend include;

- +£5.2m school basic needs programme expects to be ahead of schedule.
 - -£3.1m year to date underspend across a range of projects including Community Infrastructure Levies, Local Sustainable Transport Fund, Basingstoke canal and closed landfill site maintenance;
 - -£3.7m on schools capital maintenance due to only carrying out essential maintenance.
 - -£2.0m on Superfast broadband scheme life; and
 - -£6.2m on other school and corporate schemes due to scheme delays.
48. The cost of completing Project Horizon road maintenance schemes this year is expected to be higher than budgeted. This is due to a number of factors including higher than estimated contract costs, and the complexity of the roads being treated which require more costly treatments. Highways anticipate that costs can be accommodated within the wider Highways & Transport capital budget this year.
49. Approved Investment Strategy spending is expected to be £62.0m in 2015/16 (-£3.5m change from December 2015) and total capital expenditure £222.3m (£225.2m as at December 2015). Table 8 shows significant variances to the service capital programme.

Table 8: Significant variances to the service capital programme

	to 31 December £m	To 31 January £m
Schools capital maintenance, including children's centres	-£3.7m	-£3.7m
Merstham Library & Youth	-£1.3m	-£1.3m
Fire reconfiguration and training investment	-£1.2m	-£0.8m
School projects	-£1.1m	-£1.5m
SEN Strategy	-£0.7m	-£0.6m
Corporate capital projects	-£0.4m	-£0.8m
Land acquisition for waste	-£0.5m	-£0.5m
Closed landfill sites	-£0.4m	-£0.4m
IT Investment	-£0.2m	-£0.0m
Other variances	-£6.9m	-£6.7m
Capital variance	-£16.4m	-£16.3m

Note: All numbers have been rounded - which might cause a casting error

East Surrey Local Transformation Investment Fund

50. Surrey County Council is working in partnership with East Surrey CCG, Surrey & Sussex Healthcare NHS Trust (SaSH), First Community Health & Care (FCHC), Surrey County Council (SCC), Tandridge District Council (TDC) and Reigate & Banstead Borough Council (RBBC) to develop proposals for transforming the local model of health & care. This is known as the East Surrey Local Transformation Investment Fund (LTIF) and will significantly improve the quality of services for local patients and also generate efficiencies to contribute to local financial sustainability.
51. The objective of the LTIF is to deliver efficiencies for all stakeholders over time recognising the need for upfront investment in 2015/16 in order to deliver the longer term benefit in subsequent years.
52. The investment in 2015/16 is for £3.4m. This initial first year investment contribution is proposed to be made by Surrey County Council. The investment is focussed at generating 'development headroom' to support the establishment of the new models

of care identified in 5 above in future years. Future years' plans will be developed on an ongoing basis.

53. For 2016/17 and 2017/18, the partners will agree the investment required into the LTIF from each stakeholder together with any costs to be incurred by each directly related to the objectives of the LTIF. There will be a prior recognition, however, that SCC will receive a separate payment from the fund in 2016/17 of £3.4m.

Updated budget - revenue

- App 1. The council's 2015/16 revenue expenditure budget was initially approved at £1,671.3m. Adding virement changes since April increased the budget as at 31 January 2016 to £1,679.6m. Table App1 shows the original and updated income and expenditure budget, including the overall net expenditure the council plans to meet from reserves of £3.7m.

Table App1: 2015/16 updated revenue budget as at 31 January 2015

Service	MTFP Income £m	Carry fws & internal movements £m	Approved income £m	MTFP expenditure £m	Carry fws & internal movements £m	Approved expenditure £m	Updated net expenditure budget £m
Economic Growth	0.0	0.2	0.2	0.9	0.6	1.5	1.7
Strategic Leadership	0.0	0.0	0.0	0.4	0.0	0.4	0.4
Adult Social Care	-56.8	0.0	-56.8	428.6	0.4	429.0	372.2
Children's Services	-7.0	0.0	-7.0	96.0	2.4	98.5	91.4
Services for Young People	-10.6	0.0	-10.6	25.9	0.1	26.0	15.4
Schools & Learning	-145.3	0.3	-145.0	217.3	1.9	219.2	74.2
Strategic Services (CSF)	-1.5	-0.9	-2.4	3.6	1.1	4.6	2.2
Delegated Schools	-469.0	-7.3	-476.3	469.0	7.3	476.3	0.0
Community Partnership & Safety	-0.2	0.0	-0.2	3.0	0.7	3.7	3.5
Coroner	0.0	0.0	0.0	1.3	0.0	1.3	1.3
Cultural Services	-12.9	-0.1	-13.0	22.9	-0.1	22.8	9.8
Customer Services	-0.3	0.0	-0.3	4.6	0.1	4.7	4.5
Directorate Support							
Emergency Management	0.0	0.0	0.0	0.6	0.0	0.6	0.6
Magna Carta	0.0	0.0	0.0	0.0	0.8	0.8	0.8
Surrey Fire & Rescue Service	-13.1	0.0	-13.1	47.9	-0.3	47.7	34.6
Trading Standards	-1.6	0.0	-1.6	3.7	0.0	3.6	2.0
Environment & Planning	-8.5	-0.5	-9.0	88.2	1.1	89.4	80.4
Highways & Transport	-7.5	-0.6	-8.1	51.8	1.5	53.4	45.3
Public Health	-35.5	2.2	-33.3	35.8	-2.2	33.6	0.3
Central Income & Expenditure	-0.5	-0.3	-0.7	61.0	-10.1	50.9	50.2
Communications	0.0	0.0	0.0	2.0	0.1	2.1	2.1
Finance	-1.8	-0.1	-1.9	10.2	0.1	10.2	8.3
Human Resources & Organisational Development	-0.2	0.1	-0.1	9.3	-0.7	8.6	8.5
Information Management & Technology	-0.7	0.0	-0.7	25.2	1.0	26.2	25.5
Legal & Democratic Services	-0.5	0.0	-0.5	8.9	0.1	9.0	8.5
Policy & Performance	-1.1	0.0	-1.1	3.7	-0.2	3.6	2.5
Procurement	-0.2	0.2	0.0	3.4	-0.2	3.3	3.3
Property	-8.9	-0.7	-9.7	37.2	1.4	38.6	28.9
Shared Service Centre	-4.6	-0.8	-5.4	8.8	1.4	10.2	4.8
Services total	-788.3	-8.3	-796.6	1,671.3	8.3	1,679.6	883.0
General funding sources							
General Government grants	-237.2		-237.2			0.0	-237.2
Local taxation (council tax and business rates)	-642.1	0.0	-642.1		0.0	0.0	-642.1
Total	-1,667.6	-8.3	-1,675.9	1,671.3	8.3	1,679.6	3.7

Note: All numbers have been rounded - which might cause a casting error

App 2. When Council agreed the MTFP in February 2015, some government departments had not determined the final amount for some grants. Cabinet agreed the principle that services would estimate their likely grant and services' revenue budgets would reflect any changes in the final amounts, whether higher or lower.

App 3. To control their budgets during the year, managers occasionally need to transfer, or vire budgets from one area to another. In most cases these are administrative or technical in nature, or of a value the Director of Finance can approve. Virements above £500,000 require the approval of the relevant Cabinet Member. There were no virements above £500,000 in January 2015.

App 4. Table App 2 summarises the movements to the revenue expenditure budget.

Table App 2: Movements in 2015/16 revenue expenditure budget

	Income £m	Expenditure £m	Earmarked reserves £m	General balances £m	Virement count
MTFP	-1,667.6	1,671.3		3.7	
Carry forwards	0.2	7.8	-8.0	0.0	1
	-1,667.4	1,679.1	-8.0	3.7	1
Q1 Movements	-2.4	2.7	-0.3	0.0	99
Q2 movements	-1.1	2.1	-1.0	0.0	64
Q3 movements	-4.7	4.7	0.0	0.0	53
<u>Jan Movements</u>					
Internal service movements	-0.3	0.3	0.0	0.0	11
Cabinet approvals	0.0	0.0	0.0	0.0	0
Funding changes	0.0	0.0	0.0	0.0	
Total January movements	-0.3	0.3	0.0	0.0	11
January approved budget	-1,675.9	1,688.9	-9.3	3.7	228

Note: All numbers have been rounded - which might cause a casting error

App 5. Table App 3 shows the year to date and forecast year end gross revenue position supported by general balances.

Table App 3: 2015/16 Revenue budget year to date and year end forecast positions as at 31 January 2016

	Year to date			←----- Full year ----->			
	Budget £m	Actual £m	Variance £m	Budget £m	Remaining forecast £m	Projection £m	Variance £m
Income:							
Local taxation	-515.1	-516.8	-1.7	-642.1	-128.4	-645.2	-3.1
Government grants	-753.8	-736.5	17.3	-891.3	-134.1	-870.6	20.7
Other income	-118.4	-153.6	-35.2	-142.5	-22.8	-176.4	-33.9
Total income	-1,387.3	-1,406.9	-19.6	-1,675.9	-285.3	-1,692.2	-16.3
Expenditure:							
Staffing	255.2	250.5	-4.8	311.5	55.0	305.5	-6.1
Service provision	736.7	752.6	16.2	891.8	155.1	907.9	16.1
Non schools sub-total	991.9	1,003.1	11.4	1,203.3	210.1	1,213.4	10.1
Schools expenditure	410.9	410.9	0.0	476.2	65.3	476.2	0.0
Total expenditure	1,402.8	1,414.2	11.4	1,679.6	275.3	1,689.6	10.1
Movement in balances	15.5	7.3	-8.2	3.7	-10.0	-2.6	-6.2

Note: All numbers have been rounded - which might cause a casting error

Updated budget – capital

App 6. Cabinet approved £17.4m carry forward of scheme budgets requested in 2014/15's Outturn report and £22.3m reprofiling of 2015/16 capital spending by Property and Information Management & Technology into future years in May 2015's budget monitoring report. Table App 4 summarises the capital budget movements for the year. There were no significant virements in January except that the Cabinet May 2015 approval for ASC replacement system has been included.

Table App 4: 2015/16 Capital budget movements as at 31 January 2015

	to 30 June £m	31 December £m	To 31 January 2016 £m
MTFP (2015-20) (opening position)	176.2	176.2	176.2
Approved budget movements:			
Carry forwards from 2014/15	17.4	17.4	17.4
Business Services - reprofile to future years	-22.5	-22.5	-22.5
Weybridge Library - reprofile to future years	-0.1	-0.1	-0.1
Schools projects	0.3	0.6	0.6
Lindon Farm, Alford, Cranleigh		1.5	1.5
Third party delegated school contributions		2.5	2.5
Highways	0.1	0.1	0.1
Newlands Corner		0.1	0.1
ASC Replacement system			0.3
Minor virements		0.2	0.3
In year budget changes	-4.7	0.2	0.4
2015/16 updated capital budget	171.5	176.2	176.6
In year budget changes funded by:			
Third party contributions		2.5	2.5
Borrowing and reprofiling to future years	-4.7	-2.3	-2.1

SURREY COUNTY COUNCIL

CABINET

DATE: 23 FEBRUARY 2016

REPORT OF: MS DENISE LE GAL, CABINET MEMBER FOR BUSINESS SERVICES AND RESIDENT EXPERIENCE

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 January 2016.

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:

Strategic risk arrangements

1. The Director of Finance provides strong leadership on the council's risk management arrangements, which enables effective strategic risk conversations with senior officers and members. Monthly risk updates are provided by the Director of Finance to the Statutory Responsibilities Network and on an ad hoc basis to the Chief Executive's Direct Reports. The risk updates are focused on the Leadership risk register and emerging risks, but also includes the risk management strategy and plan, and the findings from the internal audit of risk management.
2. The Strategic Risk Forum, chaired by the Director of Finance, continues to challenge and scrutinise strategic risk through reviewing risk registers and emerging risks and proposing changes to the Leadership risk register to the Statutory Responsibilities Network.

Leadership risk register

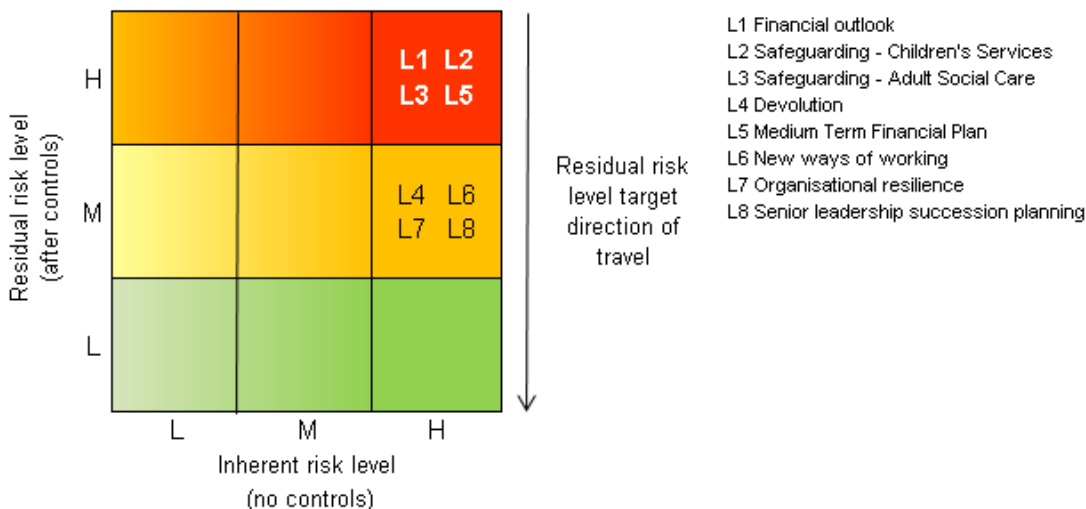
3. The Surrey County Council Leadership risk register (Annex 1) is owned by the Chief Executive and captures Surrey County Council's key strategic risks. The risk register focuses specifically on the strategic risks that have the potential to significantly disrupt or destroy the organisation.
4. The 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.

Refresh of the Leadership risk register

5. The risk register has been extensively reviewed and refreshed by the Statutory Responsibilities Network during December 2015 and January 2016 and now has eight risks, split into two sections:
 - Strategic risks (L1 to L4) – risks that have the potential to significantly disrupt or destroy the organisation; and
 - Cross-cutting risks (L5 to L8) – high level risks that can be mitigated more effectively through cross working.
6. A number of risks have been removed from the risk register due to:
 - Amalgamation with other risks;
 - The risk becoming reality (e.g. Comprehensive Spending Review); or
 - Reviewing and monitoring of the risk taking place at a directorate level.
7. The detailed changes are shown in Annex 2.
8. The directorate risk registers continue to be regularly reviewed and updated and are discussed at each Strategic Risk Forum. Emerging strategic risks and, if appropriate, escalation of residually high level directorate risks, are taken to the Statutory Responsibilities Network for discussion and possible inclusion on the Leadership risk register.

Residual risk level

9. 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.'
10. There are now eight risks on the Surrey County Council Leadership risk register, all of which have a high inherent risk level, as illustrated in the table below. Despite mitigating actions, four of these risks continue to have a high residual risk level (L1,L2,L3,L5) and four continue to have a medium residual risk level (L4,L6,L7,L8): 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:

11. The Surrey County Council Leadership risk register has been reviewed by a number of senior officer groups as detailed in paragraphs 1 and 2.

RISK MANAGEMENT AND IMPLICATIONS:

12. 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

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

Section 151 Officer Commentary

14. 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. Her attendance at key strategic meetings provides further insight and ensures an integrated risk approach.

Legal Implications – Monitoring Officer

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

Equalities and Diversity

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

WHAT HAPPENS NEXT:

17. 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
Annex 2 – Leadership risk register changes

Sources/background papers:

None

Leadership risk register as at 31 January 2016 (covers rolling 12 months)

Strategic risks – have the potential to significantly disrupt or destroy the organisation

Ref	Risk ref.	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	FN01	Financial outlook Lack of funding, due to constraints in the ability to raise local funding and/or distribution of funding, results in significant adverse long term consequences for services.	High	<ul style="list-style-type: none"> Structured approach to ensuring Government understands the council's Council Tax strategy and high gearing. Targeted focus with Government to secure a greater share of funding for specific demand led pressures (in particular Adult Social Care). Proactive engagement with Government departments to influence Government policy changes (especially grant distribution and 100% Business Rate Retention strategy). Continued horizon scanning of the financial implications of existing and future Government policy changes. Development of alternative / new sources of funding (e.g. bidding for grants). <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>	<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. Members proactively take the opportunities to influence central Government 	Director of Finance	High
L2	CSF1,2	Safeguarding – Children's Services 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.	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. Children's Services Improvement Plan is being 	<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. 	Deputy Chief Executive and Strategic Director of Children's Schools and Families	High

Key to references:

ASC = Adult Social Care risk
CSF = Children, Schools and Families risk
C&C = Customers and Communities risk

EAI = Environment and Infrastructure risk
FN = Finance Service risk
FR = Fire and Rescue Service risk

ORB = Orbis risk

Leadership risk register as at 31 January 2016 (covers rolling 12 months)

Owner: David McNulty

Ref	Risk ref.	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)
Page 28				<p>delivered to address areas of improvement from the Ofsted inspection and strengthen service and whole system capability and capacity.</p> <ul style="list-style-type: none"> • Strong leadership and governance arrangements. 	<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. - An Improvement Board (chaired by the Deputy Leader) oversees progress on the Improvement Plan and agrees areas of action as required. 		
	L3	ASC6,7	<p>Safeguarding – Adult Social Care Avoidable failure in Adult Social Care, through action or inaction, leads to serious harm, death or a major impact on wellbeing.</p>	<p>High</p> <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. • Care Act Implementation Board provides strategic direction and focus. • 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. • Strong leadership, including close involvement 	<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 of Adult Social Care & Public Health	High

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Leadership risk register as at 31 January 2016 (covers rolling 12 months)

Ref	Risk ref.	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)
				by Associate Cabinet Member for Adult Social Care in safeguarding functions.			
L4		Devolution Failure to achieve a 3SC devolution deal leaves SCC without a coherent response to the strategic challenges facing the county.	High	<ul style="list-style-type: none"> 3SC internal governance arrangements agreed - including a Strategic Oversight Group which manages 3SC risks (and 3SC risk register developed/approved). Programme office and workstream sponsors and leads agreed with roles and responsibilities defined. Regular meetings of local authority Leaders and Chief Executives. Regular engagement with 3SC partners. Regular engagement with central government at both political and official level. Negotiation with Government underway, following a successful Ministerial challenge meeting in January. 	<ul style="list-style-type: none"> Keep all processes under active review. Strategic Oversight Group reviewing risk register quarterly. 	Chief Executive	Medium

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Cross cutting risks – high level risks that can be mitigated more effectively through cross working.

Ref	Risk ref.	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)
L5	ASC1,2 CSF4 C&C2 EA11 FN2	Medium Term Financial Plan (MTFP) 2016-21 Failure to achieve the MTFP, which could be a result of:	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 	<ul style="list-style-type: none"> Prompt management action taken by Directors / Leadership Teams to identify correcting actions. (Evidenced by robust action 	Director of Finance	High

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Leadership risk register as at 31 January 2016 (covers rolling 12 months)

Owner: David McNulty

Ref	Risk ref.	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)
Page 30	FR72, 85 ORB11	<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>		<p>informally with Cabinet).</p> <ul style="list-style-type: none"> • 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. • Budget planning discussions held with Cabinet and Scrutiny Boards. • Early conversations are undertaken with all relevant stakeholders to ensure consultations about service changes are effective and completed in a timely manner. • Cross service networking and timely escalation of issues to ensure lawfulness and good governance. 	<p>plans)</p> <ul style="list-style-type: none"> - Members (Council, Cabinet, Scrutiny Boards) make the necessary decisions to implement action plans in a timely manner - Members have all the relevant information to make necessary decisions 		
	L60	ASC2,9 CSF4 EAI3,15 FR74 ORB4	<p>New ways of working</p> <p>Failure to identify and manage the impacts / consequences of implementing a range of new models of delivery leads to severe service disruption and reputational damage.</p>	High	<ul style="list-style-type: none"> • Shared and aligned strategies to ensure no unintended consequences. • Robust governance arrangements (eg. Inter Authority Agreements, Better Care Board, Health and Wellbeing Board, financial governance framework) in place with early warning mechanisms. • Regular monitoring of progress and risks against work streams. • Effective transition arrangements with continuous stakeholder engagement. • Continuous focus on building and maintaining strong relationships with partners through regular formal and informal dialogue. • Close liaison and communication with customers. 	<ul style="list-style-type: none"> - Leadership and managers recognise the importance of building and sustaining good working relationships with key stakeholders and having early discussions if these falter. - Progress discussions with Clinical Commissioning Groups in Surrey. - Members continue to endorse approaches to integration across the council. 	Chief Executive

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Leadership risk register as at 31 January 2016 (covers rolling 12 months)

Owner: David McNulty

Ref	Risk ref.	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)
L7	ASC4, 5,8 EAI2, 5,17 FR06 ORB5	Organisational resilience Failure to plan for and/or respond effectively to a significant event results in severe and prolonged service disruption and loss of trust in the organisation.	High	<ul style="list-style-type: none"> Developing an employment framework that supports flexibility in service delivery and organisational resilience. External risks are regularly assessed through the Local Resilience Forum and reviewed by the Statutory Responsibilities Network. Active learning by senior leaders from experiences / incidents outside the council informs continual improvement within the council. Close working between key services and the Emergency Management Team to proactively update and communicate business continuity plans and share learning. Robust governance framework (including codes of conduct, health and safety policies, complaints tracking). 	- Regular monitoring of effectiveness of processes is in place and improvements continually made and communicated as a result of learning.	Chief Executive	Medium
L8		Senior Leadership Succession Planning A significant number of senior leaders leave the organisation within a short space of time and cannot be replaced effectively resulting in a reduction in the ability to deliver services to the level required.	High	<ul style="list-style-type: none"> Improving collective ownership and risk sharing of organisational goals by introducing a scorecard for organisational performance. Workforce planning linked to business continuity plans High Performance Development Programme to increase skills, resilience and effectiveness of leaders Career conversations built into appraisal process looking forward five years Shaping leaders exercise Introducing new senior leadership appraisal process that mainstreams feedback (shaping leaders) and succession planning into appraisal process. 	- Transparent and effective succession plans	Chief Executive	Medium

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Movement of risks

Ref	Risk	Date added	Inherent risk level when added	Movement in residual risk level		Current residual risk level
L1	Financial outlook (previously called future funding)	Aug 12	High	Jan 16	↑	High
L2	Safeguarding – Children’s Services	May 10	High	Jan 15	↑	High
L3	Safeguarding – Adult Social Care	May 10	High	Jan 15	↑	High
L4	Devolution	Jan 16	High	-	-	Medium
L5	Medium Term Financial Plan	Aug 12	High	-	-	High
L6	New ways of working	Jan 16	High	-	-	Medium
L7	Organisational resilience	May 10	High	Aug 12	↓	Medium
L8	Senior Leadership Succession Planning	Mar 15	High	-	-	Medium

Risks removed from the register in the last 12 months

Risk	Date added	Date removed
<i>National policy development</i>	<i>Feb 13</i>	<i>Jan 16</i>
<i>Waste</i>	<i>May 10</i>	<i>Jan 16</i>
<i>Comprehensive Spending Review 2015</i>	<i>Sept 14</i>	<i>Jan 16</i>
<i>Reputation</i>	<i>Oct 14</i>	<i>Jan 16</i>
<i>Staff resilience</i>	<i>May 10</i>	<i>Jan 16</i>
<i>Information governance</i>	<i>Dec 10</i>	<i>Jan 16</i>
<i>Supply chain / contractor resilience</i>	<i>Jan 14</i>	<i>Jan 16</i>

Leadership level risk assessment criteria

Due to their significance, the risks on the Leadership risk register are assessed on their inherent risk level (no controls) and their residual risk level (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

Old risk ref	New risk ref	Risk	Change
L1	L5	Medium Term Financial Plan (MTFP)	No change to the risk.
L2	-	National Policy Development	Removed – part of MTFP risk
L3	-	Waste	Removed – monitored through the Environment and Infrastructure risk register
L4	-	Integration of health and social care	Integrated into new risk L6
L5	-	Comprehensive Spending Review	Removed – now an issue
L6	L2	Safeguarding – Children’s Services	No change to the risk
L7	L1	Financial outlook	Risk description and controls updated
L8	-	Reputation	Integrated into new risk L7
L9	-	Staff resilience	Removed – monitored at directorate level
L10	-	Business continuity	Integrated into new risk L7
L11	-	Information Governance	Removed – monitored at directorate level
L12	-	Supply chain	Removed - monitored at directorate level
L13	L3	Safeguarding – Adult Social Care	No change to the risk
L14	L8	Senior Leadership Succession Planning	Risk controls updated
L15	-	Integrated working	Integrated into new risk L6
L16	-	Partnership working	Integrated into new risk L6

SURREY COUNTY COUNCIL**CABINET****DATE: 23 FEBRUARY 2016****REPORT OF: MS DENISE LE GAL, CABINET MEMBER FOR BUSINESS SERVICES AND RESIDENT EXPERIENCE****LEAD OFFICER: JULIE FISHER, DEPUTY CHIEF EXECUTIVE****SUBJECT: CONTRACT AWARD FOR THE REFRESH OF DESKTOP AND LAPTOP DEVICES FOR SURREY COUNTY COUNCIL****SUMMARY OF ISSUE:**

This report seeks approval to award a contract to commence 21 March 2016, for the refresh of existing Council desktop and laptop computer devices and associated services.

The report provides details of the procurement process, including the results of the evaluation process and, in conjunction with the Part 2 report which contains commercially sensitive supplier information, demonstrates that the recommended contract award provides best value for money for the taxpayer.

For staff to provide services to our residents, Surrey County Council requires approximately 1,200 Desktop computer devices approximately 5,500 Mobile computer devices for staff that work flexibly.

It is at least 4 years since Surrey County Council last performed a major refresh of the hardware and software of the computer devices used. These devices are now out of warranty, are in many cases 'end of life,' are failing more often, and require more maintenance.

This contract decision is being made in line with East Sussex County Council and Surrey County Council's future plans to integrate and align IT systems across the Orbis Partnership.

RECOMMENDATIONS:

It is recommended that:

1. A call-off contract is awarded under the terms of the Crown Commercial Services Framework RM1054 to XMA Ltd for the provision of Desktop and Laptop devices and associated Services for Surrey Council to commence on 21 March 2016.
2. The contract is for an initial period of one year with an option for the Council to extend for two further periods of one year.

REASON FOR RECOMMENDATIONS:

Following the expiry of the last refresh contract some time ago, additional device supply and service has been ad-hoc across a number of Suppliers. To perform a device refresh using these ad-hoc arrangements would require far greater controls by the Council to manage efficiently and would not leverage purchasing scale to achieve best value for money.

The main aim of the refresh programme is to provide Council staff with a refreshed desktop or laptop device that will enable them to work more efficiently and flexibly and so improve services provided to residents.

A competition in compliance with the requirement of EU Procurement Legislation, Public Contract Regulations 2015 and Surrey County Council Procurement Standing Orders has been completed, and the recommendation provides best value for money for the Council after undertaking a thorough evaluation process.

DETAILS:

Business Case

1. The computer devices Council employees need in order to provide services to Residents must be reliable, effective and meet user needs. Office and end-user computer systems and their applications continue to evolve and regularly require upgrades to continue to work as needed. It is possible to extend device life through upgrades, longer warranties, increasing maintenance or to accept the consequences of increasing failures, although ultimately devices do need to be replaced.
2. The council uses its Equipment Replacement Reserve (ERR) to fund its IT equipment purchases. The proposed cost per device and for deployment services is less than is currently paid. Based upon the forecast mix of device types and volumes in the refresh, the council could reduce its contribution to the reserve by £0.7m over three years, although the amount will depend on the actual combination and number of devices required.

Background and options considered

3. To maximise flexibility and value for money during refresh, the following were planned in to the procurement project from the outset.
 - a) To upgrade recently purchased desktop and laptop devices that can be made compliant for future use instead of replacing them, without jeopardising any remaining device warranty.
 - b) To trial the use of a lightweight and lower-cost Mobile Thin Client device, e.g. Chromebook, that can be allocated in lieu of a full-function laptop where user needs permit. A number of alternative products have been and are being evaluated.
 - c) To allow the Council to purchase a range of different devices and device types to respond to fast pace changes within the IT market. This includes provisions in the new contract to allow the Council to purchase a range of devices from different manufacturers in competition with each other.

- d) To use an electronic tendering platform to manage the process efficiently and run a reverse auction event where bidders who can demonstrate a satisfactory capability to deliver would bid against each other.
- e) To look ahead and combine as many needs as possible from other projects in the build stage of the devices ordered.
- f) To include a 3-year Next Business Day On-Site warranty with all new devices, after which the Council can choose to continue their use until repair becomes uneconomic, or a further refresh becomes essential.
- g) To use the results from an assessment of individual or group user needs to drive post-refresh device allocation. This is to avoid an automatic 'like-for-like' refresh or to satisfy user preference at a higher cost than is really necessary. This is being performed by the Surrey IT team based on a review of software/applications useage and questionnaires.
- h) A forecast would be made of device-type volumes, which would be included within the competition to maximise price leverage.

Procurement Strategy

4. Several options were considered when developing the agreed Strategic Sourcing Plan (SSP) prior to commencing the procurement activity.

- a) Option 1 and selected: E-Tender and Reverse Auction with RM1054 Lot 1 framework suppliers

This option engages with pre-approved IT Resellers that can offer a range of suitable devices from the greatest choice of device manufacturers, as well offer the associated services to build or upgrade, configure, ship and swap the new or upgraded device with users' old device, making sure no data is lost in the process.

- b) Option 2: E-Tender Reverse Auction with RM1054 Lot 4 framework suppliers

This option engages with pre-approved device manufacturers that offer only their own branded products and service capability focussed on their own brand.

- c) Option 3: Conduct a full tender (OJEU)

It is more cost and time efficient to leverage the appropriate Crown Commercial Services framework for the contract, so a full OJEU tender was not considered to offer any commercial advantage to the Council. Furthermore, separating the responsibility for supply from services potentially across a number of suppliers is likely to impact a supply chain whose success will ultimately be measured by Surrey Council staff at the time their device is refreshed by the Supplier.

Key Implications

5. By awarding a suitable device refresh contract to commence on 21st March 2016 the council will better enable its staff to continue to meet their duties and obligations to residents.
6. Performance will be monitored through a series of Key Performance Indicators as detailed in the contract. In the event of Key Performance Failure, Service Credits shall apply as per below.

Service Level Performance Criterion	Key Indicator	Service Level Performance Measure	Service Credit for each Service Period
Accurate and timely billing of Customer	Accuracy /Timelines	at least 98% at all times	0.5% Service Credit gained for each percentage under the specified Service Level Performance Measure
Access to Customer support	Availability	at least 98% during working hours	0.5% Service Credit gained for each percentage under the specified Service Level Performance Measure
Complaints Handling	Availability/ Timelines	At least 98% during working hours	0.5% Service Credit gained for each percentage under the specified Service Level Performance Measure
provision of specific Services	Quality	at least 98% during working hours	2% Service Credit gained for each percentage under the specified Service Level Performance Measure
Timely provision of the Services	Services Availability	at least 98% during working hours	2% Service Credit gained for each percentage under the specified Service Level Performance Measure

7. The overall management responsibility for the contract lies with the Contract Management team within IMT, who will manage supplier performance in line with the local strategy and the contract, which also provides for a review of costs via an obligation for continuous improvement and benchmarking.

Competitive Process

8. Suppliers with a pre-approved capability to build, configure, deploy and service devices from a range of manufacturers to a further competition under Lot 1 of the Crown Commercial Services (CCS) framework RM1054 were invited to participate in the process.
9. In order to evaluate bids from all suppliers able to demonstrate a capability to offer a satisfactory quality level, a reverse e-Auction was used to drive best value.
10. There are twenty pre-approved suppliers on the CCS framework who each received the tender via the electronic platform, and were given twenty days within which to submit a response. Due to the geographical location of some of these suppliers not all were expected to participate, and in total four submissions were made.
11. As a result of the clarification process during the tender, the Council further refined the service scope and reduced the commercial risk. This clarification resulted in one of the four remaining suppliers choosing to not participate in the e-Auction itself, although leaving their offer open for acceptance.
12. Prior to e-Auction, the bids were evaluated by the team according to the pre-determined criteria against a weighting of 60% quality and 40% commercial criteria, using pre-Auction pricing for the commercial evaluation. Further information is available in Part 2 report.
13. References from each supplier were requested by the Council. In particular the evaluation team focussed on those suppliers that the Council have had little or no previous relationship. A further reference was also requested as part of this process to ascertain supplier performance on as near like-for-like supply basis as possible. Through the engagement with key personnel from referee organisations, e.g. County, City and Borough Councils and a major University, the team was able to form a view of the respective suppliers' strengths and weaknesses and their ability to meet our needs.

CONSULTATION:

14. Given the nature of the contract there was no external consultation, however critical to the successful outcome of the device refresh, is the suitability and compatibility of the actual devices used on the Surrey Council network, This includes ensuring that the devices themselves can support the software and applications required by staff to provide services to residents. The Surrey IMT team have carried out a thorough test of many devices and have rejected those that do not meet our needs.
15. The Technical Requirements for devices and services were developed by the Surrey IMT Team, based on the needs of Surrey Council's Modern Worker programme and learnings from previous refreshes and new deployments.
16. A fairly recent and relatively similar exercise within East Sussex County Council was also reviewed for lessons learnt, even though the IT strategy and IT environments between the Councils remain at an early stage of alignment and

integration. This proved a useful exercise and helped shape the approach to the overall procurement strategy.

RISK MANAGEMENT AND IMPLICATIONS:

17. The contract has no obligation to place any volume of device purchases, so the council may, at its will, change volumes and refresh rates to suit demand and budget circumstances at any time throughout the term.
18. All tenderers are pre-approved by Crown Commercial Services and each provided references for similar rollouts into Public Sector clients. It was evident that some suppliers could demonstrate greater experience of a deployment to-desk service like that tendered by the Council.
19. The following key risks associated with the contract and contract award have been identified, along with mitigation activities:

Category	Risk Description	Mitigation Activity
Financial	Fixed price devices and services require volume commitment	Clearly stated and clarified throughout the tender process that the Council has the right to amend volumes without impact on price
	Preferred device models are phased out by the manufacturers part-way through the process and replaced with more expensive device types	The Tender included an obligation for the supplier to run procurement events on behalf of the council to select new device types and charge a pre-agreed fixed margin in a transparent manner.
	Lower cost Mobile Thin Clients receive a poor reception or are found lacking for a wider user-base, thus reducing rollout volumes vs more familiar laptop.	IMT Team and Service Team Heads to promote the most cost-effective solution for the council and not satisfy user preferences. In worst case, the use of e-Auction has greatly reduced the cost difference between the device types making laptops more cost effective to deploy.
Reputational	The new devices selected suffer reliability and/or compatibility issues that cause productivity to suffer and impact service to residents.	The IMT Team have already carried out extensive testing of device types and models and their compatibility with Surrey infrastructure and end-user applications.
Reputational	End-Users end up with unsuitable devices for the needs of their role which impact the consistency of service delivery to Surrey residents.	The IMT team in conjunction with the services are profiling each job role to ensure user needs are appropriately matched with device-type capability and characteristics.

Financial and Value for Money Implications

20. The actual spend will be established once the user analysis is completed due to the variance in unit pricing between device types, however, based upon the prices in the recommended contract award, the Council is forecasting to refresh its device-estate of circa 6,700 units within 3 years of contract start and save approximately £0.7m compared to current estimates.
21. The procurement activity has delivered a solution that provides the required device refresh solution with significant identified savings against previous estimates. This should lead to savings on the annual contribution to the IMT Equipment Replacement Reserve.

Section 151 Officer Commentary

22. The Section 151 Officer confirms that the proposed call off contract, following the procurement strategy as outlined in the report, is likely to deliver savings to the current Medium Term Financial Plan (MTFP) of £0.7m over three years. Once final savings have been identified they will be recognised in the MTFP.

Legal Implications – Monitoring Officer

23. The Council has legal authority under Section 111 of the Local Government Act 1972 to carry out the device refresh. The procurement is legally compliant with the Public Contracts Regulations 2015 and with the Council's own Procurement Standing Orders. Legal is satisfied that the procurement has been done lawfully. The risk of a legal challenge is considered low.

Equalities and Diversity

24. Surrey Council staff equipped with suitable desktop or laptop devices and able to work flexibly and remotely will be more effective and more productive in serving the residents of Surrey.
25. Surrey staff will suffer less frustration from underperforming or non-functioning devices and derive greater job satisfaction.
26. The Environmental impact of devices has been considered as part of the technical requirements within the tender, which includes compliance with European Regulations on electrical and electronic equipment waste (WEEE) and RoHS Directive 2002/95/EC dealing with hazardous substances.
27. An equalities impact assessment has not been completed as a result of this procurement process as it does not impact on any policy or other decision and is neutral in any impact, including the specification between devices.

<u>Other Implications:</u>

28. Whilst it is acknowledged that there is a link to all aspects of Council service delivery where staff rely upon a desktop or laptop device that will be subject to refresh, there are no significant implications on any specific area.
29. The supplier will maintain devices under a three year warranty included with each device procured.
30. The protection of data stored by Council staff locally on devices that may be accessible during a warranty repair will be adequately protected under the provisions of the terms of agreement and also Surrey Council's own security policy that each bidder was asked to confirm compliance with before entry into the evaluation phase of the tender.

<u>WHAT HAPPENS NEXT:</u>

31. The timetable for implementation is as follows:

Action	Date
Cabinet decision to award (including 'call in' period)	23 February 2016
Cabinet 'call in' period	23 - 29 February 2016
'Alcatel' Standstill Period	03 March – 14 March 2016
Contract Signature	17 March 2016
Contract Commencement Date	21 March 2016

32. 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:

Steve Tiley, Category Specialist, Procurement, Tel: 07701 394701.

Consulted:

IT Design, IT Delivery, Referee Authorities

Annexes:

Part 2 Annex (item 14) – Commercial Details and Contract Award

Sources/background papers:

- No background papers were used in the preparation of this report.
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SURREY COUNTY COUNCIL**CABINET****DATE: 23 FEBRUARY 2016**

**REPORT OF: MRS LINDA KEMENY, CABINET MEMBER FOR SCHOOLS,
SKILLS AND EDUCATIONAL ACHIEVEMENT,
MRS HELYN CLACK, CABINET MEMBER FOR WELLBEING
AND HEALTH
MS DENISE LE GAL, CABINET MEMBER FOR BUSINESS
SERVICES AND RESIDENT EXPERIENCE**

**LEAD OFFICER: JULIE FISHER, DIRECTOR OF CHILDREN, SCHOOLS AND
FAMILIES**

**SUBJECT: PROCUREMENT OF CHILDREN AND YOUNG PEOPLE'S
OCCUPATIONAL THERAPY SERVICE**

SUMMARY OF ISSUE:

The joint commissioning of special educational needs and disabilities (SEND) services is a key strategy for Surrey County Council and its partners to improve outcomes for children, young people and families in Surrey.

The contracts for the current occupational therapy service for children and young people end in March 2017. Cabinet are asked to approve that from April 2017 the service is jointly commissioned with the six Surrey Clinical Commissioning Groups and therefore forms part of the Community Health Services procurement process

The recommendations should be considered alongside recommendations 1 and 4 agreed at Cabinet on 24 November 2015 for Item 12: 'The Procurement Process for Community Health Services' (see Annex 1).

RECOMMENDATIONS:

It is recommended that the Cabinet:

1. Approves that the Occupational Therapy service to support education, learning and training for children and young people in Surrey is jointly commissioned by Surrey County Council and Surrey's six Clinical Commissioning Groups from April 2017.
2. Approves that the procurement of the Council funded Occupational Therapy service forms part of the Community Health Services procurement process that was agreed at the November 2015 Cabinet meeting for Health Visiting and School Nursing, Parent Infant Mental Health and CAMHS Community Nurses.
3. Notes that in light of the addition of Occupational Therapy to the Community Health Services procurement process, that the delegation of decision-making is extended to the Director of Children, Schools and Families.
4. Notes that the Strategic Director for Adult Social Care and Public Health, the Cabinet Member for Wellbeing and Health and the Head of Procurement will

represent this service area at the Committee in Common (this enables all organisations involved in the procurement process to make joint decisions).

REASON FOR RECOMMENDATIONS:

A review by the College of Occupational Therapists (2015) recommended joint commissioning of this service.

A single provider for all children's community health services will facilitate easier access for users and provide benefits around information sharing and reducing on-costs (e.g. management and premises) and clear co-ordination of health care provision.

The occupational therapy workforce is small and can have difficulties in recruitment and retention that would be exacerbated by separate procurements.

The planning of the community health services procurement has already started; with governance and funding frameworks that are unlikely to pose any additional costs to Surrey County Council.

A single tender process would benefit both commissioners and potential providers.

Integrated community health service provision will facilitate better and seamless multi-health professional work; particularly for differential diagnostics, assessments of complex needs and intervention for children with disabilities.

DETAILS:

Current Situation

1. Occupational Therapy (OT) services for children and young people experiencing difficulties with everyday activities are commissioned by several different organisations, which prevents seamless service delivery. These organisations are Surrey's NHS Clinical Commissioning Groups (CCGs), Surrey County Council and some individual schools.
2. The CCGs are responsible for commissioning OT assessments, OT in Early Years and for school-aged children and young people who do not have an OT care package specified on their Education, Health and Care Plans (EHCP). Surrey County Council is responsible for commissioning OT for children and young people who have a specified OT care package on their Statement/EHCP. Increasingly, Surrey County Council has had to commission local private occupational therapists (at a higher cost) due to there being insufficient capacity within the current contracts.
3. Expenditure by Surrey County Council on children's OT, in response to tribunals, school and parental demand for OT via EHCP/Statements, is increasing significantly year on year. Surrey County Council has seen an increase in spend of £0.8 million over the last 5 years. In 2009/10 the spend was £0.22 million, and in 2014/15 it had risen to £1.1 million.
4. There are long waiting times for children referred to the CCG commissioned service; with waits of up to 2 years reported in some areas.

Background: Learning from Service Review

5. In Sept 2014 a review of OT services across Surrey was jointly commissioned by Surrey County Council and CCGs. The review was carried out by the College of Occupational Therapists (COT). The proposal to jointly commission and procure services is based on this review. Recommendations made in the review included:

Integration of services

- To integrate the health and education specifications and budgets both for Virgin Care Services Ltd and CSH Surrey, to increase equity, efficiencies and economies of scale and to enable delivery of the new service model.

Value for Money

- To develop a contract, in line with the occupation focussed and tiered model of service delivery for all children and young people's occupational therapy services in Surrey.

Service Model

- To develop outcome based key performance indicators for inclusion in the integrated specification and contract. Key performance indicators should be designed to support the new model rather than measure face-to-face activity alone.
- Agreement of OT provision across the county is recommended. This should include: a single point of access, standardised eligibility criteria and service provision, to ensure that occupational therapy needs of children and young people and their families are met in a timely and effective way.

Service Principles

6. Building upon work carried out around the Speech and Language Therapy Service, the same shared commissioning principles that were co-developed with provider and service user representation will be applied to the OT service:
 - The right support at the right time: All children and young people in Surrey access the right support at the right time to meet their needs
 - An open and transparent service: The Local Offer informs families of what help, information and services are available and how to access them
 - Seeing the bigger picture: Families and professionals work together to help and support a child to achieve their long term outcomes
 - Therapy for children and young people is everyone's business: Families and professionals are equipped with the right skills and resources to help children and young people achieve their long term outcomes
 - An outcome focused approach: Therapy provision is focused on helping children and young people achieve realistic outcomes that will help them to fulfil their life-time aspirations.

Legislation

7. The Children and Families Act 2014 and more specifically the Special Educational Needs (SEN) Code of Practice has provided new guidance and clarity regarding expectations about commissioning arrangements for children with special educational needs and disabilities. Local Authorities and Clinical Commissioning Groups must make joint commissioning arrangements for education, health and care provision for children and young people with SEN or disabilities (Section 26 of the Act).
8. Section 9.76 of the Code of Practice states that “In cases where health care provision or social care provision is to be treated as special educational provision, ultimate responsibility for ensuring that the provision is made rests with the local authority”.
9. The funding of occupational therapy for children and young people is the joint responsibility of health, education and social care (GB Parliament 2014). The SEND Code of Practice (DfE) includes guidance on the ‘joint planning and commissioning of services to ensure close co-operation between education, health and social care’ (DfE 2014 page 13). This emphasises the need for integrated service planning and commissioning
10. The Local Offer, which all Local Authorities are obliged to produce, will need to articulate service provision regarding occupational therapy. Given that OT is increasingly the only service to be commissioned by all three agencies (health, education and social care) there is a need to clearly define the criteria and boundaries of services and commission in a way that is in line with the guidance and legislation.

CONSULTATION:

11. **Rapid Improvement Event held in July 2013** - This was jointly sponsored by the Council and Guildford and Waverley CCG. Participants comprised families, schools areas teams, health providers and commissioners. Concerns captured from the event included: disagreement over funding and therapists; therapists don’t always see the child in a classroom setting; children without statements not getting support; have to fight for provision; things have to go wrong before anything is done and there is poor follow-up on the impact of the therapy.
12. The rapid improvement event identified a number of solutions that were quickly implemented and resolved some of the issues raised by families, schools and other professionals. More importantly it emphasised the negative impact that the current commissioning arrangements were having on service delivery and that until these were resolved no significant change in the service could take place. Following this event contracts with providers were extended in order to align the timeframes for procurement with Health contracts. In addition to this, the Council and Surrey CCGs together with families, schools and professionals have worked together to agree what these arrangements should look like in the future.
13. A therapy forum set up in February 2014 with representation from families, schools and early years. Therapy forum members agreed the five key principles for joint commissioning, as set out in paragraph 6.

14. The COT completed a review of the service in January 2015. The reviewer carried out five days of stakeholder interviews, which included interviews with staff, managers, colleagues, staff from partner agencies and parents. Detailed feedback is contained within Annex 1, the Equality and Impact Assessment and included:
- It is confusing and frustrating for schools and parents to have such disparity from the different services within the county.
 - Parents were not clear about outcomes of assessment and intervention demonstrates a lack of communication and clarity about the occupational therapy contribution.
 - There is a lack of equity in provision across health providers as a whole.

RISK MANAGEMENT AND IMPLICATIONS:

15. The risks identified in the November 2015 Cabinet paper 'The Procurement Process for Community Health Services' can also be applied to this paper.
16. The new contracting arrangements will need to recognise that transition to the new service will need to happen over an agreed period of time and the provider will need to demonstrate how this will be achieved working in partnership with families and schools.
17. In addition, there is a risk around the transition to the redesigned service model, in line with the recommendations of the COT service review based on national best practice models. This will mean a significant change for OT professionals and therefore the new contracting arrangements will need to be closely managed to ensure this takes place effectively. Robust contracting and monitoring arrangements will need to be jointly agreed and undertaken by Surrey CCGs and Surrey County Council.
18. Funding for the service will need to be determined before the release of the invitation to tender to ensure that the service specifications reflect the appropriate funding level.
19. The service specification and contract will also need to ensure that providers meet Surrey County Council's statutory responsibility for ensuring that OT specified in EHC plans is provided and if necessary defended in tribunals within the fixed financial envelope.
20. These risks are better mitigated through having a jointly commissioned and procured service.

Financial and Value for Money Implications

21. The total annual value of the Community Services procurement is approximately £92 million. The Council's budget for OT Services (education only) is currently £1.1m per annum, equivalent to £3.3m + 2.2m in a 3 + 2 year contract term. The CCGs are still reviewing the level of funding for children's occupational therapy within contracts that are currently block based and include adult community health services. It is expected that savings will be realised through the joint contract, so actual funding required should be less but will be confirmed when contracts are awarded.
22. The service is funded from the high needs block of the dedicated schools grant (DSG), a budget already under significant pressure.

23. A key element of the new contracting arrangements will be for the successful bidder to meet the therapy needs of all Surrey's children and young people who have occupational therapy specified in their EHC plan within the fixed contract value.
24. Over time, Surrey County Council has become increasingly reliant on expensive independent occupational therapists to meet demand. The new contract will require the successful bidder to meet additional demand and therefore reduce the Council's reliance on the use of independent therapists.
25. The successful bidder will be required to work to a new service specification for occupational therapy which will be an evidenced-based and outcomes focused model delivered by an appropriate skills-mix of staff.
26. All children's health services will be delivered by a single provider which will reduce on-costs (for example, management and premises) and also gives benefits around information sharing.
27. Integrating the EHC plan will alleviate the issues that currently arise from having separate contracting arrangements for the assessment of need and provision.
28. New contract arrangements will enable a new service model to be introduced based on the recommendations from the COT review and will also mean jointly agreed key performance indicators and monitoring arrangements between Education and Health.

Section 151 Officer Commentary

29. The spend on occupational therapies has increased significantly over the past few years and the objective of the joint contracting arrangements is to better manage costs going forward. The current funding is just over £1m and any savings realised following contract award will be included in the Medium Term Financial Plan.

Legal Implications – Monitoring Officer

30. Under Part 3 of the Children & Families Act 2014 the Authority has a duty to identify and assess the special educational needs of the children and young people for whom it is responsible. Once assessed the special educational provision that is specified in an EHC plan (previously known as a statement of special educational needs) must be provided by the Council. Such provision often includes therapies, one of which is the occupational therapy referred to in this report.
31. The Council has a duty to secure best value and to comply with relevant statutory provision in the way in which it procures services. The procurement process outlined in this report supports these objectives.

Equalities and Diversity

An Equality and Impact Assessment has been completed (see Annex 1)

Summary of key impacts and actions

Information and engagement underpinning equalities analysis	<p>Occupational therapy provision is valued within Surrey for its contribution to health, education and social care and for the impact on children's participation in everyday activities. There is however, significant variation and subsequent dissatisfaction amongst parents and schools at the levels of service available and the waiting times experienced; colleagues and partner agencies echoed these concerns.</p>
Key impacts (positive and/or negative) on people with protected characteristics	<ol style="list-style-type: none"> 1. The new service specification will include statutory provision which may be detailed in Education, Health and Care plans for 19-25 year olds, which has not been included previously. 2. Children and young people with disabilities will access the same service regardless of where they live or go to school in Surrey A single commissioned service will achieve better value for money for the service, redirecting funding to service delivery and reducing spend on on-costs. A county-wide service will achieve a greater skills-mix within the service and more efficient use of staffing, therefore improving the service for children and young people with a disability. 3. Following recommendations from the College of Occupational Therapists, the new service specification will require providers to make recommendations in line with evidence-based practice. Following recommendations from the College of Occupational Therapists, the new service specification will require providers to make recommendations in line with evidence-based practice.
Changes you have made to the proposal as a result of the EIA	<p>None</p>
Key mitigating actions planned to address any outstanding negative impacts	<p>Local Offer information updated on website. On-going communication and engagement with families, early years, schools, post-16 settings and health professionals Transition plan in place to support changes in service Additional resources and support in place for families</p>
Potential negative impacts that cannot be mitigated	<p>Not applicable</p>

Corporate Parenting/Looked After Children implications

32. The Community Health Services Procurement will include the CCG commissioning of Looked after Children Health Team. This will ensure continued alignment with other services and uniform offer across Surrey.

Safeguarding responsibilities for vulnerable children and adults implications

33. The occupational therapist is defined as a Level 3 professional within the 'Safeguarding children and young people: roles and competencies for healthcare staff'. This means that the occupational therapist could potentially contribute to assessing, planning, intervening and evaluating the needs of a child or young person and parenting capacity where there are safeguarding/child protection concerns¹.

Public Health implications

34. Including the education commissioned OT service in the Community Health Service procurement (which includes the Public Health services detailed in Item 12 of the November 2015 Cabinet report) will support a multi-professional, team around the family and child approach.

WHAT HAPPENS NEXT:

35. The broad timeframes for the Community Health Services commissioning and procurement are:

September – November 2015 - completed	Engagement with primary care practices, service users and the public, potential bidders and other stakeholders
January – March 2016	Development of service specifications, review of draft Pre-Qualifying Questionnaire, Invitation to Tender, specifications and contract
March 2016	Release of the Pre Qualifying Questionnaire
May/June 2016	Release of Invitation to Tender
August/September	Review of Bid
October 2016	Contract Award
From September/October 2016	Mobilisation and transition of services to new provider

Contact Officer:

Zarah Lowe, Provision and Partnership Development Manager.
Mobile: 07896 860760

Consulted:

Linda Kemeny, Cabinet Member for Wellbeing and Health
Helyn Clack, Cabinet Member for Wellbeing and Health
Ruth Hutchinson, Deputy Director Public Health
Harriet Derriet-Smith, Public Health Principal

¹ Published by the Royal College of Paediatrics and Child Health 2014, March 2014

Julie Stockdale, Head of School Commissioning
Deirdre Linehan, Principle Accountant
SEN Leadership Team
Children's Therapy Forum
Schools, Families and professionals through the College of Occupational Therapists
Review
Clinical Commissioning Groups
Health and Wellbeing Children's Group
Current service providers
Committee in Common

Annexes:

Annex 1 November Cabinet, Item 12 'The Procurement Process for Community Health Services'
Annex 2 – Equality Impact Assessment

Sources/background papers:

- College of Occupational Therapists Review
 - Joint Commissioning Strategy for Speech and Language Therapy
 - Public Health Cabinet paper (Item 12, November 2015)
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CABINET 24 NOVEMBER 2015 – RECORD OF DECISIONS**PROCUREMENT PROCESS FOR COMMUNITY HEALTH SERVICES (Item 12)**

1. That a procurement process with the NHS for Health Visiting, School Nursing, Parent Infant Mental Health and CAHMS Community Nurses be approved and include these within the Associate Commissioner arrangement between Surrey County Council and the six Clinical Commissioning Groups (CCGs) in Surrey, as set out in paragraphs 9 and 10 of the submitted report. The process will be led by North West Surrey Clinical Commissioning Group with the Council as a key partner.
2. That approval be granted to council officers to negotiate contract extensions with East Surrey CCG and First Community Health and Care for the provision of Health Visiting and School Nursing services.
3. That the award of new contracts with each of the Community Health Service providers for the provision of CAMHS Community Nursing and Parent Infant Mental Health Services, from 1 April 2015 to the earliest date possible that can be agreed with health partners, be approved.
4. That delegation of the decision making authority to the Strategic Director in consultation with the Cabinet Member for Wellbeing and Health and the Head of Procurement to sit on the Committee in Common, to be involved in the determination of the procurement and tendering process, including timeframes, and to award the contracts for the above services be approved.

Reasons for Decisions:

Commissioning and procuring NHS and public health services jointly will help to provide a seamless service for users and carers and reflects the synergies that exist between the services commissioned by the Clinical Commissioning Groups and the Council. Whilst North West Surrey Clinical Commissioning Group will lead the process the Council is a key partner due to the services included in the procurement.

Delegating decision making authority to the Strategic Director in consultation with the Cabinet Member for Wellbeing and Health and Head of Procurement, as part of a Committee in Common will allow for decisions on the procurement of Community Health Services in Surrey, to be made collectively with Clinical Commissioning Groups in line with the procurement time frames. All key decisions in the procurement process will follow the County Council's due process, and where required will be reported back or brought to the Cabinet for decision.

Aligning the timeframes for the commissioning and procurement of these services will address the issue of current contract expiry for the CAMHS Community Nurse Services and Parent Infant Mental Health Services delivered by the three Community Health Providers. It will also reduce the need to go out to market on multiple occasions.

[The decision on this item may be called in by the Social Care Services Scrutiny Board or the Wellbeing and Health Scrutiny Board]

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1. Topic of assessment

EIA title:	Procurement of children and young people’s occupational therapy service
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EIA author:	Zarah Lowe, Provision and Partnership Development Manager
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2. Approval

	Name	Date approved
Approved by¹	Beverley Clarke	

3. Quality control

Version number		EIA completed	
Date saved		EIA published	

4. EIA team

Name	Job title (if applicable)	Organisation	Role
Zarah Lowe	Provision and Partnership Development Manager	Surrey County Council	Lead Commissioner for Paediatric Therapies
Harriet Derrett-Smith	Public Health Principal	Surrey County Council	Commissioner for Public Health Services

¹ Refer to earlier guidance for details on getting approval for your EIA.

5. Explaining the matter being assessed

<p>What policy, function or service is being introduced or reviewed?</p>	<p>Occupational therapy is a person-centred profession concerned with promoting a balanced range of occupations to enhance health and wellbeing. Occupations refer to everything people do in the course of their daily life. Occupational therapists believe that everyone has the right to the opportunity to fulfil their potential (COT 2014).</p> <p>Surrey’s occupational therapy services for children and young people experiencing difficulties with everyday activities are commissioned by different organisations, which include: Surrey County Council Schools and Learning Service and Surrey County Council Children’s Services, Surrey Clinical Commissioning Groups and by some individual schools.</p> <p>Surrey County Council has the statutory responsibility to ensure that occupational therapy is provided to children and young people who have this specified on their Education, Health and Care plan.</p> <p>Surrey County Council Children’s Social Care funds and provides the equipment and adaptation service. This service is not included in the EIA as it is not part of the proposed changes.</p>
<p>What proposals are you assessing?</p>	<p>The Occupational Therapy Service for children and young people to be jointly commissioned by Surrey County Council and the six Clinical Commissioning Groups in Surrey (excluding Children’s Social Care) from April 2017.</p> <p>The Council funded Occupational Therapy Service to form part of the Community Health Services procurement process that was agreed in the November Cabinet meeting for Health Visiting and School Nursing, Parent Infant Mental Health and CAMHS Community Nurses.</p> <p>The impact of these proposals will be:</p> <ol style="list-style-type: none"> 1. Occupational Therapy across Surrey Clinical Commissioning Groups and Surrey County Council (Education) will be integrated to provide seamless care across the service 2. All children’s community health services will be accessing the same provider which gives benefits around information sharing and reducing on-costs (e.g. management and premises) and clear co-ordination of health care. 3. The planning of the community health services procurement planning has already started; with governance and funding frameworks that are unlikely to pose any additional costs to Surrey County Council. 4. This will be integrated with other community health service provision which will facilitate better and seamless multi-health professional work; particularly for differential diagnostics, assessments of complex needs and intervention for children with disabilities.

Equality Impact Assessment

Who is affected by the proposals outlined above?	<ol style="list-style-type: none">1. Children and young people aged 0-25 (18+ with Education, Health and Care plan and their families2. Providers of the occupational therapy service3. Occupational therapy staff4. Early years, school and college settings5. Health professionals
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6. Sources of information

Engagement carried out
<ul style="list-style-type: none"> • Rapid Improvement Event held in July 2013 - This was jointly sponsored by the Council and Guildford and Waverley CCG. Participants comprised families, schools areas teams, health providers and commissioners. Concerns captured from the event included: disagreement over funding and therapists; therapists don't always see the child in a classroom setting; children without statements not getting support; have to fight for provision; things have to go wrong before anything is done and there is poor follow-up on the impact of the therapy. • The rapid improvement event identified a number of solutions that were quickly implemented and resolved some of the issues raised by families, schools and other professionals. More importantly it emphasised the negative impact that the current commissioning arrangements were having on service delivery and that until these were resolved no significant change in the service could take place. Following this event contracts with Virgin Care Services Ltd and CSH Surrey were extended in order to align the timeframes for procurement with Health contracts. In addition to this, the Council and Surrey CCGs together with families, schools and professionals have worked together to agree what these arrangements should look like in the future. • A therapy forum set up in February 2014 with representation from families, schools and early years. Therapy forum members agreed the five key principles for joint commissioning. • The College of Occupational Therapy completed a review of the service in January 2015. The reviewer carried out five days of stakeholder interviews, which included interviews with staff, managers, colleagues, staff from partner agencies and parents. Detailed feedback included: <ul style="list-style-type: none"> • It is confusing and frustrating for schools and parents to have such disparity from the different services within the county. • Parents were not clear about outcomes of assessment and intervention demonstrates a lack of communication and clarity about the occupational therapy contribution. • There is a lack of equity in provision across health providers as a whole.
Data used
<p>The College of Occupational Review provided the following feedback on the stakeholder consultation that had been undertaken:</p> <p>Information for the review was gathering from the following groups by the methods indicated</p> <p>Parents <i>Sources of information</i></p> <ul style="list-style-type: none"> • School age and early years on line survey tool • Other parent's reviews forwarded from previous surveys • Phone interviews with parents.

- Health/ school main focus of parent's response, with some specific comments regarding social care included
- Just under half of those who responded to the survey (127 parents) have a child with Autistic Spectrum Disorder (ASD).
- Approximately 71% of those responding have a child in Special School or special nursery or special unit
- Representation of responses came from all areas of the County.

Key results

- Parents describe a battle to receive occupational therapy and without a statement in place intervention was felt to be lacking. One parent was very vocal in his call for better contract management by commissioner when services have waiting lists.
- Half of those who accessed both health and social care said communication between the services was good or excellent, half said it was poor or unacceptable.
- Parents resent having to go through the re-referral process each time a new need is identified and to have to wait again to be seen
- Parents interviewed whose children are thought to have Developmental Coordination Disorder (DCD) were frustrated by the lack of diagnostic pathway and lack of recognition of the condition as a whole in Surrey.
- When occupational therapists do see children and communicate with parents they make a big difference
- Nearly half of the respondents were not clear about the outcome of their occupational therapy assessment
- Nearly half of the respondents were not clear about the outcome of intervention
- Just over half of the respondents were happy with the quality of the service
- Parents interviewed did agree that the 'whole school approach' could work with sufficient resourcing and acknowledged that it might not have occurred to them to seek occupational therapy in the statement if their child's functional needs were being addressed and met in a collaborative, outcomes focused way. Those interviewed felt that this would need significant extra resources to achieve.

Two respondents commented as follows: -

'OT is an extremely important function of the council, to enable severely disabled children and their families to cope with the complex needs and barriers that prevent us from functioning in many aspects of "normal" everyday life. Resources for this service should be adequate, and ring fenced so they do not get absorbed by other areas of social services. OT adaptations can mean the difference between a family continuing to meet the needs of a disabled child, or consider it too much and request residential care. The service can ultimately create savings for the council by helping parents to continue to cope, rather than reach breaking point.'

'Shame their (occupational therapist's) input is so tied to the individual children's Statements rather than a fundamental component of the educational setting. i.e. is a discrete service taking place within the school. Would have more impact and benefit if fully integrated within school provision. Therapy staff and teaching staff do the best they can with the rationed service available but I believe there is unmet needs within the school as a result.'

Schools

Sources of information

- On line Survey
- Interviews of Head Teachers/ Special Educational Needs Coordinators (SENCOs)

School staff were very positive about the potential contribution of occupational therapy to the school team and children and young people, but many expressed frustration regarding the lack of provision and lack of integration into everyday school activities. Although this was not the feedback from every school, schools within each of the four provider teams districts made this observation. The schools that express satisfaction with the service were those which reflected that occupational therapy was part of the school team, integrated and co working with teachers.

Feedback summary

- 60 % of survey responses were from mainstream schools (it should be noted that most special school staff were interviewed by phone/ in person).
- Over-whelming response related lack of occupational therapy in schools, frustration at therapist working outside of class and not being part of the school team.
- Schools want to know when occupational therapy staff will be on site and that timetabled plans will be adhered to.
- They want occupational therapy to embed into school day/ team and co work with educational staff.
- School would welcome more training, although school staffing budgets are reducing so therapists need to have realistic expectations and build therapy into learning goals.
- Frustrating to be told to use the resource pack when they feel that the child needs an assessment.
- Some schools responded that they would be prepared to consider buying in occupational therapy.

Occupational therapy staff

Source of information

Meeting with teams

Staff survey

- Recognise potential for tiered working but present contract makes this very difficult as contracted for individual children.
- Frustration that education work is prioritised to the detriment of health role, as it is specifically contracted and needs to be met. So if there are vacancies the work that is prioritised tends to be health – (except in CSH where they have separated roles.
- Some special schools very difficult to engage with and not easy to employ new ways of working, i.e. working in class/ whole school working
- SEN/schools schedule annual reviews with short notice - need more time to work to amend levels.
- Health staff have concerns about working for non-NHS organisation and losing NHS pension, terms and conditions.
- Some staff are not confident that other teams have the skills needed to carry out the breadth of their role
- There are anxieties about the band 7 review in some areas, although the North West feel that this is the direction that they have taken already.
- Difficulty parking wastes a significant amount of time especially for social car staff
- The concern in the LA regarding health occupational therapists stipulating high levels of therapy is not borne out by the occupational therapists themselves, who report working to reduce those hours where possible but there attempts are sometimes

frustrated by lack of combined approach with SEN case officers.

- Poor IT access for health staff
- High levels of paperwork
- Travel a major problem as the county is very large and traversed by very congested roads.
- Not enough opportunity to carry out interventions in some teams – the role is felt to be too consultative

The concern in the LA regarding health occupational therapists stipulating high levels of therapy is not borne out by the occupational therapists themselves, who report working to reduce those hours where possible but their attempts are sometimes frustrated by a perceived lack of responsiveness from SEN case officers.

Colleagues health and social care

Source of information –interview with Paediatricians, Senior Managers in Health and Social Care

There was wide acknowledgement that the services are hard pressed to manage need, and there is insufficient resource. Occupational therapists are a valued part of the multi - disciplinary team and their expertise, particularly for those with DCD and ASD, is much valued.

Summary of comments

- For parents of young children the roles of health and social care are confusing and getting access to social care is reported to be difficult and stressful.
- An inequity in service arrangement which effects occupational therapy e.g. multi disciplinary coordinator role. Occupational therapists in the East team are not co-located with Drs and not always able to get to multi disciplinary assessment meeting due to staffing levels – this should be compared to Whitelodge where therapists working together all the time etc.,
- Health reports are often lengthy and Drs are often only reading the summary and test results, not the explanations
- Frustrating that schools referring ASD children are asked to use resource pack – this may not be appropriate for complex children
- Acknowledgement that DCD diagnosis is not meeting EACD guidelines.
- The perception is that the service responding to parents who ‘shout the loudest’ not to those with greatest need.
- Acknowledgment that differing practices and resourcing in each area has an impact on occupational therapy service delivery
- Lack of leadership and strategic post in children’s social care, hard for them to develop and increase their profile particularly in the west team.
- Need to look to adult social care occupational therapy team for models of integrated and flexible working

Special Educational Needs staff

Key points:

Source – interviews

- The need for occupational therapy staff to train and up skill teachers not only to support children more but also to understand the resource pack.
- The resource pack covers specialist and much lower-level need, which is confusing for teachers and support staff.

- There is an opportunity to work through the teacher-training centre and use their organisation to support occupational therapy practice
- The high number of children going to out of borough or non-maintained schools, at significant expense to the LEA often do so because of greater therapy provision within those schools compared to maintained schools in Surrey. Bringing children and young people back into Surrey maintained schools or reducing the drift would save money, which could be spent on therapies.
- The SEND teaching school alliance has a remit to organise and deliver cpd for specialist centres at present; this is likely to expand across all schools and may include some mandatory training elements in the future. Those leading the Alliance feel that this offers a great opportunity for occupational therapy to deliver teacher training and on going learning support supported by the organisational infrastructure of the alliance. It also can assist greatly in the delivery of the message to schools that all staff need to be up skilled to incorporate therapeutic suggestions and practice into the school day and that work with therapists must be fully collaborative if parents are to be assured that their child's needs will be met in Surrey maintained schools. (Without significant IPA hours)

7. Impact of the new/amended policy, service or function

Equality Impact Assessment

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

Protected characteristic ²	Potential positive impacts	Potential negative impacts	Evidence
Age	The new service specification will include statutory provision which may be detailed in Education, Health and Care plans for 19-25 year olds, which has not been included previously.		Children's and Families Act 2014 extends the age for statutory plans to 19-25 year olds with SEND who continue in education and training.
Disability	<p>Children and young people with disabilities will access the same service regardless of where they live or go to school in Surrey</p> <p>A single commissioned service will achieve better value for money for the service, redirecting funding to service delivery and reducing spend on on-costs.</p> <p>A county-wide service will achieve a greater skills-mix within the service and more efficient use of staffing, therefore improving the service for children and young people with a disability.</p> <p>Following recommendations from the College of Occupational Therapy, the new service specification will require providers to make</p>		College of Occupational Therapy Review, which cites a range of research to backup recommendations.

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² More information on the definitions of these groups can be found [here](#).

Equality Impact Assessment

	recommendations in line with evidence-based practice.		
Gender reassignment	Not applicable	Not applicable	Not applicable
Pregnancy and maternity	Not applicable	Not applicable	Not applicable
Race	Not applicable	Not applicable	Not applicable
Religion and belief	Not applicable	Not applicable	Not applicable
Sex	Not applicable	Not applicable	Not applicable
Sexual orientation	Not applicable	Not applicable	Not applicable
Marriage and civil partnerships	Not applicable	Not applicable	Not applicable
Carers³	Not applicable	Not applicable	Not applicable

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

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence
Age	Not applicable	Not applicable	Not applicable

³ Carers are not a protected characteristic under the Public Sector Equality Duty, however we need to consider the potential impact on this group to ensure that there is no associative discrimination (i.e. discrimination against them because they are associated with people with protected characteristics). The definition of carers developed by Carers UK is that ‘carers look after family; partners or friends in need of help because they are ill, frail or have a disability. The care they provide is unpaid. This includes adults looking after other adults, parent carers looking after disabled children and young carers under 18 years of age.’

Equality Impact Assessment

Disability	Not applicable	Not applicable	Not applicable
Gender reassignment	Not applicable	Not applicable	Not applicable
Pregnancy and maternity	Not applicable	Not applicable	Not applicable
Race	Not applicable	Not applicable	Not applicable
Religion and belief	Not applicable	Not applicable	Not applicable
Sex	Not applicable	Not applicable	Not applicable
Sexual orientation	Not applicable	Not applicable	Not applicable
Marriage and civil partnerships	Not applicable	Not applicable	Not applicable
Carers	Not applicable	Not applicable	Not applicable

Equality Impact Assessment

8. Amendments to the proposals

Change	Reason for change
Not applicable at this stage	Not applicable at this stage

9. Action plan

Potential impact (positive or negative)	Action needed to maximise positive impact or mitigate negative impact	By when	Owner
The new service specification will include statutory provision which may be detailed in Education, Health and Care plans for 19-25 year olds, which has not been included previously.	Local Offer information updated on website. Post-16 Case workers briefed On-going communication with families, schools, post-16 settings and health professionals	April 1 st 2017	Zarah Lowe, Partnership and Provision Development Manager
Children and young people with disabilities will access the same service regardless of where they live or go to school in Surrey A single commissioned service will achieve better value for money for the service, redirecting funding to service delivery and reducing spend on on-costs. A county-wide service will achieve a greater skills-mix within the service and more efficient use of staffing, therefore improving the service for children and young people with a disability.	Local Offer information updated on website. On-going communication and engagement with families, early years, schools, post-16 settings and health professionals Transition plan in place to support changes in service	April 1 st 2017	Zarah Lowe, Partnership and Provision Development Manager Karina Ajayi Head of Children's Commissioning – Community Health Services Surrey Children's Commissioning Team Hosted by: NHS Guildford & Waverley Clinical Commissioning Group
Following recommendations from the College of Occupational Therapy,	Local Offer information updated on website. On-going communication and engagement with families,	April 1 st 2017	Local Offer information updated on website.

Equality Impact Assessment

<p>the new service specification will require providers to make recommendations in line with evidence-based practice.</p>	<p>early years, schools, post-16 settings and health professionals Transition plan in place to support changes in service Additional resources and support in place for families</p>		<p>On-going communication and engagement with families, early years, schools, post-16 settings and health professionals Transition plan in place to support changes in service</p>
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10. Potential negative impacts that cannot be mitigated

Potential negative impact	Protected characteristic(s) that could be affected
Not applicable	

11. Summary of key impacts and actions

<p>Information and engagement underpinning equalities analysis</p>	<p>Occupational therapy provision is valued within Surrey for its contribution to health, education and social care and for the impact on children’s participation in everyday activities. There is however, significant variation and subsequent dissatisfaction amongst parents and schools at the levels of service available and the waiting times experienced; colleagues and partner agencies echoed these concerns.</p>
<p>Key impacts (positive and/or negative) on people with protected characteristics</p>	<ol style="list-style-type: none"> 1. The new service specification will include statutory provision which may be detailed in Education, Health and Care plans for 19-25 year olds, which has not been included previously. 2. Children and young people with disabilities will access the same service regardless of where they live or go to school in Surrey A single commissioned service will achieve better value for money for the service, redirecting funding to service delivery and reducing spend on on-costs. A county-wide service will achieve a greater skills-mix within the service and more efficient use of staffing, therefore improving the service for children and young people with a disability.

Equality Impact Assessment

	3. Following recommendations from the College of Occupational Therapy, the new service specification will require providers to make recommendations in line with evidence-based practice.
Changes you have made to the proposal as a result of the EIA	None
Key mitigating actions planned to address any outstanding negative impacts	Local Offer information updated on website. On-going communication and engagement with families, early years, schools, post-16 settings and health professionals Transition plan in place to support changes in service Additional resources and support in place for
Potential negative impacts that cannot be mitigated	Not applicable

SURREY COUNTY COUNCIL

CABINET

DATE: 23 FEBRUARY 2016

**REPORT OF: MRS LINDA KEMENY, CABINET MEMBER FOR SCHOOLS,
SKILLS AND EDUCATIONAL ACHIEVEMENT**

**MS DENISE LE GAL, CABINET MEMBER FOR BUSINESS
SERVICES AND RESIDENT EXPERIENCE**

**LEAD OFFICER: JOHN STEBBINGS, CHIEF PROPERTY OFFICER
JULIE STOCKDALE, ASSISTANT DIRECTOR FOR SCHOOLS
AND LEARNING (INTERIM)**

SUBJECT: SYTHWOOD PRIMARY SCHOOL, WOKING



SUMMARY OF ISSUE:

To approve the Business Case for the phase 2 expansion of Sythwood Primary School from a 2 Form of Entry primary (420 places) to a 3 Form of Entry primary (630 places) creating 210 additional primary places. Phase 1 delivered 90 primary places and was completed in August 2015. Phase 2 will deliver the balance of 120 primary places to meet the basic need requirements in the Woking area from September 2016.

RECOMMENDATIONS:

It is recommended that, subject to the agreement of the detailed financial information for the expansion set out in agenda item 15 in Part 2 of this agenda, the business case for the phase 2 expansion programme at Sythwood Primary School, the provision of an additional 120 primary places in Woking, be approved.

REASON FOR RECOMMENDATIONS:

The Local Authority has a statutory duty to ensure there are sufficient school places in the County and Woking is an area where school demand has increased significantly. This proposal, as part of a suite of expansions in school places, ensures that the Council is able to provide an appropriate pattern of provision in the Woking area to meet the needs of this rising population.

DETAILS:

Background

1. The number of primary school places required in Woking is increasing. There are insufficient primary school places to meet this demand and an increase in primary provision is needed. Sythwood Primary School is one of the schools best placed to expand to meet this demand and has already assisted the Council through the provision of additional places through bulge class provision in a number of year groups. The council has supported the school through the provision of additional space via the demountable programme. The school now

requires additional permanent accommodation to augment that already provided to allow the school to permanently admit 90 reception aged children in every year.

2. The requirement for school places has increased significantly in Woking. By September 2015, through the school expansion programme, the Council has provided 1260 additional primary school places at a range of schools within the borough. This action has been taken to address the additional demand that has arisen as a result of an increased birth rate, which peaked in the Borough in 2012 at 37% above 2002 levels, migration and local building. This proposal is part of a strategic response to this increase in demand.
3. Sythwood Primary School is a two form entry (420 places) Primary Academy School. The School is part of the Borne Academy Trust, a Surrey based Multi-Academy Trust headed by Epsom and Ewell High School. The School was last inspected in October 2013 and received a 'Good' judgement in all categories. Officers are confident in the schools ability to manage the increase in pupil numbers.
4. The proposal is to provide a standalone two storey modular building providing six general classrooms and associated spaces. As a result of the pre-planning consultation with planning and highways, additional staff car parking will be provided on the site.
5. It is anticipated that a planning application will be submitted for decision by the Planning and Regulatory Committee in March 2016.

CONSULTATION:

6. The Headteacher and school governors have been fully consulted on the expansion proposals.
7. Between 2 June 2014 and 9 July 2014 the Governing Body of Sythwood Primary School, in partnership with Surrey County Council has consulted on a proposal to expand the school from a 2 form entry primary school with a Published Admission Number of 60 (total of 420 pupils), to a 3 form entry primary school with a Published Admission Number of 90 (total of 630 pupils). A consultation paper was circulated to all parents/pupils and local residents. There has also been extensive consultation with other primary schools in the Woking area on this proposal. A public meeting was held on 18 June 2014, which provided an opportunity for parents, residents and the public, to ask questions about the proposal.
8. Only 4 formal responses to the consultation were received, 1 disagreed with the proposal to expand the school, 3 agreed with the need to provide additional spaces in the Woking area, but stated that they 'did not know' whether these places should be provided at Sythwood Primary School.
9. Based on those that responded to the consultation, the data above demonstrates that there is general support for the need to provide additional primary school places in Woking. Further analysis has been undertaken on the commentary received from consultees on the proposals

10. As an Academy School the Governing Body of Sythwood Academy Primary School determined the consultation in July 2014, and resolved the expansion should proceed subject to Cabinet approval of the Business Case.

RISK MANAGEMENT AND IMPLICATIONS:

11. There are risks associated with the project and a project risk register has been compiled and is regularly updated. A contingency allowance appropriate to the scheme has been included within the project budget to mitigate for potential identified risks.

Financial and Value for Money Implications

12. The project will be subject to robust cost challenge and scrutiny to drive optimum value as it progresses. Further financial details are set out in the report circulated as item 15 in Part 2 of the agenda. These details have been circulated separately to ensure commercial sensitivity, in the interest of securing best value.

Section 151 Officer Commentary

13. The school basic need scheme at Sythwood is included in the 2015-20 Medium Term Financial Plan.

Legal Implications – Monitoring Officer

14. Section 13 of the Education Act 1996 places a duty on a Local Authority (with responsibility for education) to ensure sufficient primary and secondary education provision is available to meet the needs of the population in its area.

Equalities and Diversity

15. The expansion of the school will not create any issues that would require the production of an Equality Impact Assessment.
16. The new school building will comply with Disability Discrimination Act (DDA) regulations.
17. The Academy sets its own Admissions arrangements. Its published criteria for 2016 give the highest priority to Looked After Children and those in exceptional circumstances. The third priority is siblings and the fourth is based on home to school distance. The fifth priority includes any other children making an application. The admissions criteria are fully compliant with the School Admissions Code.
18. The school will be expected to contribute towards community cohesion and to provide the normal range of before- and after-schools clubs provided in a typical Surrey County Council school.

Corporate Parenting/Looked After Children implications

19. This proposal would provide increased provision for primary places in the area, which would be of benefit to the community served by the school. This means it would therefore also be of benefit to any Looked After Children who have the opportunity of attending the school.

Climate change/carbon emissions implications

20. The design philosophy is to create buildings that will support low energy consumption, reduce solar gain and promote natural ventilation. The school will be built to the local planning authority's adopted core planning strategy.

WHAT HAPPENS NEXT:

If approved, to proceed to complete tenders and subsequent contract award through delegated decision.

Contact Officer:

Keith Brown, Schools and Programme Manager – tel: 020 8541 8651
Nicholas Smith, School Commissioning Officer – tel: 020 8541 8902

Consulted:

Tony Samuels, Cabinet Associate for the Built Environment
Colin Kemp, Local Member: Goldsworth East and Horsell Village - Woking
Julie Fisher, Deputy Chief Executive and Strategic Director for Children, Schools and Families
Paula Chowdhury, Strategic Finance Manager – Business Services

Annexes:

None - Part 2 report with financial details attached to agenda as item 15

Sources/background papers:

- The Education Act 1996
- The School Standards Framework Act 1998
- The Education Act 2002
- The Education and Inspections Act 2006
- Report to Cabinet: Schools Capital Budget Allocations Service update based on latest or most appropriate report year and version

SURREY COUNTY COUNCIL**CABINET****DATE: 23 FEBRUARY 2016**

**REPORT OF: MRS LINDA KEMENY, CABINET MEMBER FOR SCHOOLS,
SKILLS AND EDUCATIONAL ACHIEVEMENT**

**MS DENISE LE GAL, CABINET MEMBER FOR BUSINESS
SERVICES AND RESIDENT EXPERIENCE**

LEAD OFFICER: JOHN STEBBINGS, CHIEF PROPERTY OFFICER

**JULIE STOCKDALE, ASSISTANT DIRECTOR FOR SCHOOLS
AND LEARNING (INTERIM)**

SUBJECT: CLEVES JUNIOR SCHOOL, WEYBRIDGE**SUMMARY OF ISSUE:**

To approve the Business Case for the expansion of Cleves Junior School from a 5 Form of Entry junior (600 places) to a 6 Form of Entry junior (720 places) creating 120 additional junior places to help meet the basic need requirements in the Weybridge area for September 2016.

RECOMMENDATIONS:

It is recommended that, subject to the agreement of the detailed financial information for the expansion set out in agenda item 16 in Part 2 of this agenda, the business case for the provision of an additional 1 Form of Entry (120 junior places) at Cleves Junior School be approved.

REASON FOR RECOMMENDATIONS:

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

DETAILS:**Background**

1. Elmbridge Borough has been experiencing a significant increase in the demand for school places over the last seven years, reflecting both a significant rise in birth rate and increased house building and migration within the area. In 2002 births in the borough totalled 1466 and by 2014 this figure was 1785; the peak year for births being 2010 when the number rose to 1883. Overall this represents a 21.76% rise in births over the twelve year period.
2. This projected, sustained shortfall of primary places has been addressed by a number of temporary and permanent school expansions to meet the need in specific areas of the borough. Most of the current and predicted demand is now being met, but there remains a shortage of junior places in Weybridge. As the only junior school, serving two recently expanded infant schools, Cleves now also

needs to expand in order that the Local Authority is able to deliver against its statutory duty to provide sufficient school places.

3. The most recent Ofsted report on the school, from July 2007, rates the school as 'Outstanding'. Subsequent interim reviews by OFSTED have validated this judgment. The school is due another full inspection this academic year. The evident quality of education provision at Cleves was a key reason underpinning the move to expand this school and thereby increase the provision of high-quality school places to the local community.
4. If the Business Case is approved a new building will be provided on the Cleves' campus consisting of six classrooms with associated cloakroom provision and small group rooms. In addition to this, there will be some internal adaptations to the existing building to extend the dining room and to enable the school to arrange year groups of six classes in adjacent classrooms. Improvements will be made to create additional external hard play space to meet the spatial needs of an additional 120 pupils. Significant highway improvement works are included to address the congestion around the school site. The existing main entrance will be retained and an additional gate and pathway will be added on the Oatlands Chase side of the school playing field to create a further safe pedestrian route into the school and take pressure away from the main entrance.
5. A planning application will be submitted in February 2016 and a decision is expected at the Planning and Regulatory Committee in May 2016.

CONSULTATION:

6. The Headteacher and school governors have been fully consulted on the expansion proposals.
7. As an academy the increase in the admission numbers was the subject of a school-led consultation process, which was conducted over a 4-week period during the summer term 2015. This process engaged a range of interested stakeholders, including the school community, local residents, local admissions authorities and Surrey County Council. The outcome of this consultation has been determined by the Cleves Governing Body which decided to approve the principle of expansion. This decision was noted by the Cabinet Member for Schools, Skills and Educational Achievements on 28 July 2015 and has since been ratified by the Regional Schools Commissioner.
8. As part of the pre-planning application process, an open public presentation event was held at the school on 1 July 2015. The event was attended by approximately 10 people, consisting of parents/guardians and local residents. A team consisting of SCC officers, the design professionals and school staff and governors were present to respond to any questions or concerns. Some concerns were raised over parking and congestion outside of the school at drop off and pick up times. The School Travel Plan is being refreshed and the planning application will include mitigating measures as advised necessary by the Highways Development Planning team.

RISK MANAGEMENT AND IMPLICATIONS:

9. There are risks associated with the project and a project risk register has been compiled and is regularly updated. A contingency allowance appropriate to the

scheme has been included within the project budget to mitigate for potential identified risks.

Financial and Value for Money Implications

10. The project will be subject to robust cost challenge and scrutiny to drive optimum value as it progresses. Further financial details are set out in the report circulated as item 16 in Part 2 of the agenda. These details have been circulated separately to ensure commercial sensitivity, in the interest of securing best value.

Section 151 Officer Commentary

11. The school basic need scheme at Cleves is included in the 2015-20 Medium Term Financial Plan.

Legal Implications – Monitoring Officer

12. Section 13 of the Education Act 1996 places a duty on a Local Authority (with responsibility for education) to ensure sufficient primary and secondary education provision is available to meet the needs of the population in its area.

Equalities and Diversity

13. The expansion of the school will not create any issues that would require the production of an Equality Impact Assessment.
14. The new school building will comply with Disability Discrimination Act (DDA) regulations.
15. The Admissions arrangements are currently under consultation for 2017. The Governing Body is consulting on whether to name Oatlands Infant and Manby Lodge Infant schools as feeder schools in order to give their pupils priority for places. The outcome of this consultation will be discussed by the Cleves Governing Body which is the school's Admissions Authority and a decision will be reached this month in order for any changes to the Admissions Arrangements to be published on the school's website and on the Surrey County Council Co-ordinated Admissions process website.
16. Irrespective of whether or not Cleves' governors determine named feeder schools the highest admissions priority will be given to Looked After Children and previously Looked After children and to pupils with identified Special Educational Needs (SEN) thus supporting provision for the County's most vulnerable children. The school's admissions criteria will be fully compliant with the Schools' Admissions Code.
17. The school will be expected to contribute towards community cohesion and to provide the normal range of before- and after-school club provided in a typical Surrey County Council school.

Corporate Parenting/Looked After Children implications

18. This proposal would provide increased provision for primary places in the area, which would be of benefit to the community served by the school. This means it would therefore also be of benefit to any Looked After Children who have the opportunity of attending the school.

Climate change/carbon emissions implications

19. The design philosophy is to create buildings that will support low energy consumption, reduce solar gain and promote natural ventilation. The school will be built to the local planning authority's adopted core planning strategy.

WHAT HAPPENS NEXT:

If approved, to proceed to complete tenders and subsequent contract award through delegated decision.

Contact Officer:

Keith Brown, Schools and Programme Manager – tel: 020 8541 8651

Melanie Harris, School Commissioning Officer – tel: 020 8541 9556

Consulted:

Tony Samuels, Cabinet Associate for the Built Environment and Local Member:

Walton South and Oatlands - Elmbridge

Julie Fisher, Deputy Chief Executive and Strategic Director for Children, Schools and Families

Paula Chowdhury, Strategic Finance Manager – Business Services

Annexes:

None - Part 2 report with financial details attached to agenda as item 16

Sources/background papers:

- The Education Act 1996
- The School Standards Framework Act 1998
- The Education Act 2002
- The Education and Inspections Act 2006
- Report to Cabinet: Schools Capital Budget Allocations Service update based on latest or most appropriate report year and version

SURREY COUNTY COUNCIL**CABINET****DATE: 23 FEBRUARY 2016****REPORT OF: N/A****LEAD OFFICER: ANN CHARLTON, DIRECTOR OF LEGAL, DEMOCRATIC AND CULTURAL 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:

Andrew Baird, Regulatory Committee Manager, Tel: 020 8541 7609

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

February 2016

(I) CHANGE OF AGE RANGE AT ST NICHOLAS SCHOOL

Details of decision:

The Cabinet Member agreed to:

1. Determine the Statutory Notice stating the Local Authority's intention to change the age range of the school, such that the age range of the school is to be extended to include up to 10 Year 5 and 6 pupils from 1 March 2016.
2. Approve the provision of a two classroom modular building to deliver the accommodation required for the additional pupils at a total cost of £465,000.
3. Approve the arrangements by which a variation of up to 10% of the total value may be agreed by the Deputy Chief Executive in consultation with the Cabinet Member for Schools, Skills and Educational Achievement and the Leader of the Council.

Reasons for decision:

The change in age range will result in more local maintained specialist provision for pupils with Social, Emotional and Mental Health (SEMH) needs, together with reduced costs for this type of provision as fewer pupils will need to be placed in higher cost Non-Maintained Independent (NMI) provision.

(Decision taken by the Cabinet Member for Schools, Skills and Educational Achievement - 2 February 2016).

(II) SAFETY CAMERA DIGITAL UPGRADE – AWARD OF CONTRACT

Details of decision:

That the 11 fixed term one-off contracts for the installation and connection of the digital safety cameras be awarded to the three successful suppliers: Redspeed Ltd, Vysionics and 3M Ltd based on the open tender conducted listed in Appendix 1 is agreed.

Reasons for decision:

The upgrade/replacement of obsolete wet film safety cameras will maintain and enhance the level of enforcement deterrent and casualty reduction at each site. The investment will also ensure that safety camera enforcement and the Drive SMART Partnership remains financially sustainable at no cost to the county council or police.

(Decision taken by the Cabinet Member for Localities and Communities Wellbeing – 3 February 2016)

Contract Lot Awards and Scoring – Appendix 1

Lot	Supplier	Quality Score %	Price Score %	Total %
Lot 1 - A240 Reigate Road / A217 Brighton Road, Burgh Heath	RedSpeed	46.60	40.00	86.60
Lot 2 - A23 Brighton Road / Star Lane, Hooley (Highways England site)	RedSpeed (Option A)	47.00	40.00	87.00
Lot 3 - A240 Kingston Road / Bradford Drive, Stoneleigh	RedSpeed	46.60	40.00	86.60
Lot 4 - A240 Kingston Road / Stoneleigh Park Road, Stoneleigh	RedSpeed	46.60	40.00	86.60
Lot 5 - A240 Reigate Road, Burgh Heath (near Nork Way)	RedSpeed	46.60	40.00	86.60
Lot 6 - A31 Farnham Road, Guildford (near Agraria Road)	RedSpeed	38.00	40.00	78.00
Lot 7 - A232 Cheam Road, Ewell East (near Banstead Road)	RedSpeed	38.00	40.00	78.00
Lot 8 - B2221 Great Tattenhams, Tadworth (near St Marks Road)	RedSpeed	46.60	40.00	86.60
Lot 9 - A324 Hermitage Road, Woking	RedSpeed	38.00	40.00	78.00
Lot 10 - A217 Brighton Road (between Fir Tree Road, Banstead – M25 Junction 8, Lower Kingswood)	3M (Option A)	47.60	38.55	86.15
Lot 11 - A3(T) Esher By-Pass, Hook (Highways England site)	Vysionics (Option B)	50.20	29.69	79.89

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