

**MINUTES OF THE MEETING OF THE CABINET
HELD ON 20 SEPTEMBER 2016 AT 2.00 PM
AT ASHCOMBE SUITE, COUNTY HALL, KINGSTON UPON THAMES,
SURREY KT1 2DN.**

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

Members:

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

Cabinet Associates:

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

* = Present

Members in attendance:

Mr David Harmer, Chairman of Economic Prosperity, Environment and Highways Board

PART ONE
IN PUBLIC

165/16 APOLOGIES FOR ABSENCE [Item 1]

Apologies were received from Mr Hodge and Ms Le Gal.

166/16 MINUTES OF PREVIOUS MEETING: 14 JULY 2016 [Item 2]

The minutes of the meeting held on 14 July 2016 were confirmed and signed by the Chairman.

167/16 DECLARATIONS OF INTEREST [Item 3]

There were none.

168/16 PROCEDURAL MATTERS [Item 4]

169/16 MEMBERS' QUESTIONS [Item 4a]

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

Mrs Watson asked whether there were any other properties outside Surrey, which had been purchased by the County Council and whose details were not in the public domain. The Deputy Leader thought that the answer was none but agreed to advise Mrs Watson if this were not the case.

170/16 PUBLIC QUESTIONS [Item 4b]

A question from Mr Mendelssohn, Chairman of Thursley Parish Council was received. The question and response was attached as Appendix 2.

As Mr Mendelssohn was unable to attend the meeting, Mr Peter Hunter, a member of Thursley Parish Council attended the meeting, together with Mr David Harmer, the local County Councillor for this area.

Mr Hunter asked how Surrey County Council could help to resolve this on-going issue, which had blighted the area since the opening on the Hindhead tunnel.

Mr Harmer considered that a statement from the County Council was required, and that it was unacceptable that Highways England did not take action to resolve this issue.

The Cabinet Member for Highways, Transport and Flooding drew attention to his tabled response and said that much time and effort had already gone into trying to resolve this issue. However, he noted that there had been a lack of response from Highways England so he agreed to write again and request a timescale for action. He would also engage with local MP Jeremy Hunt and the Secretary of State for Transport Chris Grayling MP, and would share the correspondence with the parish council.

171/16 PETITIONS [Item 4c]

No petitions were received.

172/16 REPRESENTATIONS RECEIVED ON REPORTS TO BE CONSIDERED IN PRIVATE [Item 4d]

No representations were received.

173/16 REPORTS FROM SCRUTINY BOARDS, TASK GROUPS, LOCAL COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL [Item 5]

There were none.

174/16 APPROVAL TO AWARD A CONTRACT FOR THE PROVISION OF AN INTEGRATED SEXUAL HEALTH SERVICE [Item 6]

The Cabinet Member for Wellbeing and Health said that the provision of sexual health services was a statutory duty of Local Authorities and that the current contract ended in March 2017.

She said that the budget for this service had been reduced following the reduction in the ring fenced public health grant distributed by the Department of Health and the Council was trying to maintain a good level of service within the financial resource available. Therefore, following a full procurement and evaluation process, this report sought approval to award a contract to Central and North West London NHS Trust for the provision of an Integrated Sexual Health Service to commence on 1 April 2017.

She drew attention to the email from Dr Tina Peers, Clinical Director of the Sexual Health Services from Virgin Care, and its attachment relating to the financial and economic impacts of restricted contraceptive and sexual health services. She confirmed that it had been circulated to the Cabinet team and acknowledged the difficult decision that the Cabinet was taking today. However, she considered that the recommended contract delivered best value for money and met the needs of service users in Surrey and, by awarding this contract the Council would secure a cashable saving of £2m per year.

Finally, she drew attention to the Equality Impact Assessment which had been attached to the report and which set out the impacts of the recommendation on each of the protected group for each service.

Other Cabinet Members made the following comments:

- It was good news that an integrated sexual health service would be provided and that the provider was required to work in partnership across the County Council, as detailed in paragraph 6 of the submitted report.
- Due to closer working with NHS colleagues, this report would be the first of many reports presented to Cabinet.

RESOLVED:

That a contract be awarded to Central and North West London NHS Trust at a maximum value of £4,333,383.00 per year.

The contract will be for three years from 1 April 2017 with an option to extend for a further two years, in any event the contract shall be for no more than five years in total.

Reasons for Decisions:

The recommended contract award will deliver an evidence based Integrated Sexual Health Service (as described in paragraph 5 of this report) that meets national guidance and fulfils the Council's duties. The service will be open access to all (universal) in line with statutory requirements and the national specification issued by the Department of Health, however there is a clear expectation that the service will be responsive to the needs of key priority groups as defined in the Surrey Sexual Health Needs Assessment. Priority groups in Surrey include sex workers, men who have sex with men (MSM), Black Africans and young people.

The three existing contracts for sexual health services are expiring at the end of March 2017 and cannot be further extended.

A full tender process, in compliance with the requirements of EU procurement Legislation and the Council's Procurement Standing Orders has been completed, and the recommendation provides best value for money for the Council following a thorough evaluation process.

The service will be delivered in Surrey from local bases and will provide apprenticeship opportunities to Surrey Young People whilst delivering efficiencies for Public Health Services.

175/16 ST PETERS CATHOLIC SECONDARY SCHOOL, GUILDFORD [Item 7]

The Cabinet Member for Schools, Skills and Educational Achievement began by re-emphasising the enormous pressure that Surrey County Council was under to provide school places for all Surrey children and said that an additional 3154 places had been provided for this academic year.

This report set out the business case for the expansion of St Peter's Catholic School. The school would expand from 180 Published Admission Number per year (6 forms of entry - 900 places) to 210 Published Admission Number per year (7 forms of entry - 1,050 places) to help meet the demand for 150 additional secondary places in Guildford from September 2017.

She said that St Peter's Catholic School was oversubscribed and at the school's last Ofsted inspection, it had been judged 'outstanding'. She also said that the recent expansion at one of its feeder schools would increase pressure in the future for places at this secondary school. Finally, she drew attention to the consultation process and confirmed that the Headteacher and Governing Body had worked closely with the Local Authority on the expansion proposals.

RESOLVED:

That, subject to the agreement of the detailed financial information for the expansion set out in Part 2 of the agenda, the business case be approved for the expansion of St Peter's Catholic School, providing an additional 150 places.

Reasons for Decisions:

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

176/16 HAWKEDALE INFANT SCHOOL, SUNBURY ON THAMES [Item 8]

The Cabinet Member for Schools, Skills and Educational Achievement commended the approval of the business case for the expansion of Hawkedale Infant School from a 1 form of entry infant (90 places) to a 1 form of entry primary (210 places) to meet the demand for 120 junior places in the Sunbury on Thames area, to Cabinet.

She said that the proposal was part of the Sunbury on Thames primary school re-organisation that would create an additional 210 primary places between Hawkedale Infant and Springfield Primary Schools to help meet the basic need requirement in the Sunbury on Thames area for September 2017. A permanent expansion of Springfield Primary School was also proposed and would be subject to a separate report to Cabinet.

She also informed Members that at the last Ofsted inspection, this school had received a 'good' judgement, with outstanding features, and officers were confident in the school's ability to manage the increased numbers.

She drew attention to the consultation process and said that concerns raised about traffic and parking would be mitigated because additional parking would be provided onsite, plus there would be a new pedestrian access to the school. Finally, she said that a planning application had been submitted and that a decision was expected by October.

The Cabinet Associate for Adult Social Care, Wellbeing and Independence was the local Member and fully supported this school's expansion.

RESOLVED:

That, subject to the agreement of the detailed financial information for the expansion set out in Part 2 of this agenda, the business case be approved for the expansion of Hawkedale Infant School, providing an additional 120 junior places.

Reasons for Decisions:

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

177/16 FINANCE AND BUDGET MONITORING REPORT TO 31 AUGUST 2016 [Item 9]

The Deputy Leader presented the budget monitoring report for the first five months of the 2016/17 financial year, covering the period up to 31 August 2016. He said that this year Services forecast delivering £76m of their efficiencies. However, the overall forecast was currently for a £6.0m overspend at this year end. He said that this year, there had been very considerable and increased demand for Adult Social Care and Children's Services and the cost of providing the services was beginning to outstrip the targets.

He said that the next item on this agenda was a report on financial sustainability and budget planning for the five years to 2022. The scale of the challenge set out in that report reinforced the importance to the Council of achieving the savings Cabinet had planned.

On revenue, he said that the current forecast end of year revenue position was, as mentioned earlier, for a £6.0m overspend and therefore, that it would not be easy to produce a balance outcome this year. The overspend included a £10.7m forecast overspend in demand led social care services for adults and children. This was partly offset by £2.6m more income from business rates and reduced interest charges and £0.9m underspend on schools and SEND transport.

On efficiencies he said that at the end of August, Services forecast delivering £76m of their £83m total efficiencies and of the £76m forecast efficiencies, £47m has either already been implemented or was on track, £19m had some issues, and £10m was considered to be at risk.

Finally, on Capital, he said that the Council's £638m capital programme for 2016-21, improved and maintained services, invested in Surrey and generated income for the Council. He said that the 2016/17 capital budget had been revised and re-profiled in July and forecast making £151m capital investment in the Council's services this year. He considered that the reduction of reliance on government grants and council tax was a help to balance the budgets over the longer term and that the Revolving Infrastructure & Investment Fund was part of this strategy.

Other Cabinet Members were given the opportunity to highlight key points and issues from their portfolios.

RESOLVED:

That the report be noted, including the following:

1. That the forecast revenue budget outturn for 2016/17 was a £6.0m overspend, as set out in the Annex, paragraph 1 to the submitted report.
2. That forecast efficiencies and service reductions for 2016/17 were £75.8m, as set out in the Annex, paragraph 30 to the submitted report.
3. The revised budgeted full time equivalent staff numbers, as set out in the Annex, paragraph 25 to the submitted report.
4. The revised fees and charges for: cycle training, set out in the Annex, paragraphs 38 to 40 and traffic signal switch out, set out in the Annex, paragraphs 41 to 43, to the submitted report.

Reasons for Decisions:

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

178/16 BUDGET AND BUSINESS PLANNING 2017 TO 2022 [Item 10]

The Deputy Leader said that, since 2010 Local Authorities in England had been faced with a year on year reduction in funding from Central Government as a part of the deficit reduction policy. This reduction had included Surrey County Council, which had traditionally been one of the lowest funded local authorities from Government grants. At the same time, the demand for Surrey County Council's services had been increasing, especially in looking after an increasingly aged population, a high level of people with learning disabilities and providing school places for a record number of children. The County Council had met this challenge through a financial strategy that included: managing demand, efficiency savings and increases in the level of council tax.

In February 2016 the Council's Section 151 Officer highlighted that the 2016/17 budget was balanced through the use of substantial one-off funding and the Medium Term Financial Plan for 2016/17 to 2020/21 (MTFP 2016-21) required significant actions to become sustainable. The Council agreed to a

Public Value Transformation programme to investigate whether sustainability could be achieved through further significant transformation and this report presented an update on the Council's financial prospects and the key strategies to respond to the challenge presented in the next five year Medium Term Financial Plan (MTFP 2017-22).

Referring to the recommendations, firstly he drew attention to recommendation (7):

'delegation to the Leader of the decision to accept or decline the Government's four year settlement offer'

He said that currently, he was minded not to accept the offer, due to the negative Revenue Support Grant of £17.3m in year 4. However, before the Leader takes a decision on the four year settlement, the Deputy Leader said that he would welcome the views of the wider Council. He said that the Council's Constitution made provision for this (Standing Order 8.2(c)) and that the issue would be discussed at the full County Council meeting on 11 October, as part of the Report of the Cabinet, which would then still allow time for a decision to be taken before the Government deadline of 14 October 2016.

Secondly, he proposed amending recommendation (8) to include:

'Subject to minor adjustment agreed by the Chief Executive, in consultation with the Leader of the Council....' because there may still be some minor changes to be made to Annex 2 and 3 (tabled at the meeting), and which were Surrey County Council's and Three Southern Counties responses to DCLG's consultation papers on 100% Business Rates Retention.

Other Cabinet Members made the following points:

- The importance of continuing to work to influence Government policy and to lobby for funding based on need for some services
- Demand led pressures for services, particularly in Adult Social Care and Children's Services.
- The Adult Social Care precept of 2% this year had been welcome and had provided £12m extra funding. However, with demand-led provision driving up the service's costs by £24m.
- The negative Revenue Support Grant for Surrey County Council in year 4 of the settlement and whether other counties had similar issues – it appeared that Surrey's position was unique.
- The impact of the near zero contribution of the 'second generation' Better Care Fund.
- The importance of asking all Members for their views at full Council on 11 October 2016.
- The risks to the Council, as set out in paragraph 40 of the submitted report.
- Annex 2 should include more detail in relation to unfunded pressures.

- Annex 2 – the response to question 3 should perhaps also include more detail on Surrey’s pioneering unit cost approach.

RESOLVED (as amended):

1. That the context and background to the County Council’s financial prospects over the medium term, as set out in paragraphs 15 to 22 of the submitted report, be noted.
2. The achievement of £329m efficiency savings over the last five years and the further planned savings of £361m over the next five years be noted.
3. The impact of additional funding on the Council’s financial sustainability, as set out in paragraph 35 of the submitted report, be noted.
4. The revised cash limit budgets for each service in the absence of additional funding from government grants, council tax, or business rates; or further savings, as detailed in paragraph 33 and annex 1 of the submitted report be approved.
5. That Cabinet Members and officers develop proposals on delivering services within the revised cash limits for a future Cabinet meeting, as set out in paragraph 33 of the submitted report.
6. The development of proposals to the Government for additional funding through the adult social care precept, business rates retention and for school places, as set out in paragraph 35 of the submitted report, be approved.
7. That Cabinet would welcome a County Council view before a decision is taken on the Government’s four year settlement offer, and that an item seeking that view be included (in accordance with Article 8.2(c) of the Constitution) in Cabinet’s report to Council on 11 October 2016.
8. That the executive decision to accept or decline the Government’s four year settlement offer, as set out in paragraph 41 of the submitted report, be delegated to the Leader of the Council, for decision as soon as possible after the full Council meeting of 11 October 2016.
9. Subject to further minor adjustments agreed by the Chief Executive in consultation with the Leader of the Council, the Council’s own response to the 100% Business Rates Retention consultation be approved, and the joint response from the 3SC local authorities, as detailed in paragraph 48 of the submitted report, be endorsed.
10. That Scrutiny Boards examine the key budget proposals and report back to Cabinet, as detailed in paragraph 34 of the submitted report.

Reasons for Decisions:

The Council is required to produce a balanced budget each year. Surrey County Council also prepares a Medium Term Financial Plan (MTFP) that sets out its financial plans over a rolling five year period. The efficiency savings the Council has had to achieve over the last five years and the

efficiency plans it has had to make for the coming five years illustrate the unprecedented and continuing length of the Government's austerity programme, the simultaneous rise in service demand and the impact of additional spending pressures on the Council's financial sustainability. Given the confluence of these challenges, Cabinet's decisions need to ensure the Council plans and implements coherent and robust measures to achieve a balanced financial plan in MTFP 2017-22.

A key step in achieving a balanced and sustainable MTFP 2017-22 is for Cabinet to approve a suitable framework for developing proposals to deliver the Council's Corporate Strategy within the available budget envelope. A critical element of this is a set of revised cash limits for each service that officers will use to develop proposals for Cabinet to approve at a future meeting.

The Government has not announced detailed changes to its spending plans, austerity is set to continue and the Council needs to maintain a prudent approach. However, the recent changes in the Government's policy developments and economic forecasts mean there is increased continuing uncertainty over the level of future fundraising.

In March 2016, the Secretary of State for Communities and Local Government wrote to all Councils offering a four year settlement. The offer guarantees (subject to unforeseen significant economic events) each Council its Revenue Support Grant (RSG), Rural Services Delivery Grant and Transitional Grant over the period 2016/17 to 2019/20 as set out in the Final Local Government Settlement. To accept the offer, a Council must prepare and submit an efficiency plan to the Department for Communities and Local Government (DCLG) by 14 October 2016. A significant feature of the Council's proposed four year settlement is that it is set to receive -£17.3m negative RSG in 2019/20 (the Government will deduct £17.3m from the Council's other grants). To maximise the time available to consider this issue Cabinet is asked to delegate this decision to the Leader, which will be reported to Full County Council.

The Government is consulting on 100% Business Rates retention by local government and a fairer funding review. These will have a fundamental and strategic impact on the Council's financial sustainability. The Council's consultation responses, in conjunction with partner organisations', seeks to safeguard and advance Surrey residents' wellbeing and experience and Surrey businesses' prosperity.

179/16 MERSTHAM COMMUNITY HUB [Item 11]

In the absence of the Cabinet Member for Business Services and Resident Experience, the Cabinet Associate for the Built Environment introduced the report, informing Cabinet that in December 2013, they had approved a capital allocation in respect of Surrey County Council's financial contribution to building the Merstham Community Hub, and in December 2014, they had granted approval to an increase in this capital allocation.

Construction work then commenced, but after a year on site (April 2016), the appointed construction contractor had entered administration and all work on site stopped. Therefore, in order to complete the construction, it was

necessary to appoint another construction contractor. Reigate and Banstead Borough Council had been working to achieve this and, following preliminary negotiations with a potential new contractor, it was now known that further increased costs would be required to complete the work.

Other Cabinet Members fully supported this much needed initiative for this area, particularly as Merstham had the second highest number of NEETs (Not in Employment, Education or Training) in Surrey.

RESOLVED:

That a further increase in the Capital expenditure allocation for this scheme, as set out in the part 2 item of the agenda, be approved.

Reasons for Decisions:

The proposal will provide a new community hub that provides local residents with excellent facilities which will enhance their lives and help to regenerate this area of the Merstham estate. When completed, this scheme will provide a well-designed, sustainable, low energy community building for a wide range of users within easy reach of their homes. The proposals would distinctly enhance the quality of the facilities in the local area.

As a result of the contractor going into administration, the Hub and associated retail units have been left partially completed. The construction is not water tight or windproof, and so is vulnerable to the weather. A resumption of building work at the earliest opportunity will help to limit deterioration of the building, and then bring it to completion.

180/16 FORMATION OF SPELTHORNE JOINT COMMITTEE [Item 12]

The Cabinet Member for Localities and Community Wellbeing said that he was delighted to present this report to Cabinet and that the formation of a joint committee in Spelthorne was welcomed by all Spelthorne Members.

He said that, following Spelthorne Borough Council's agreement at their Cabinet meeting on 20 July 2016 and Council on 21 July 2016, approval to establish the joint committee, was now sought from Surrey County Council's Cabinet and Full Council

He highlighted the extended remit that a joint committee would have over and above that of the current local committee with decision making functions in relation to the Community Infrastructure Levy (CIL), youth provision and advisory functions such as older people's services.

Finally, he drew attention to recommendation (5), stating that a Chairman for the newly formed Spelthorne Joint Committee would need to be appointed at the County Council meeting on 11 October 2016.

The Cabinet Associate for Adult Social Care, Wellbeing and Independence, who was a councillor in Spelthorne, endorsed the Cabinet Member's comments. He considered that the Standing Orders set out in Annex A to the report were clearly written and that the formation of the joint committee would

continue to improve relationships between the County Council and the Borough Council.

RESOLVED:

1. To recommend that Full Council agrees to establish the Spelthorne Joint Committee to deal with both executive and non-executive functions from 1 December 2016 in place of the current Local Committee in Spelthorne which will cease to function from that date.
2. That the following changes to the scheme of delegation be approved:
 - to delegate the executive functions to the Spelthorne Joint Committee as set out in Annex A of the submitted report
 - to recommend to Council to delegate the non-executive functions to the Spelthorne Joint Committee as set out in Annex A of the submitted report
 - the advisory functions that will come under the remit of the Spelthorne Joint Committee as set out in Annex A of the submitted report.
3. That the functions that Spelthorne Borough Council has agreed to delegate to the Spelthorne Joint Committee, as set out in Annex A of the submitted report, be noted.
4. That the Spelthorne Joint Committee Terms of Reference, including the Standing Orders under which it will operate, as set out in Annex A of the submitted report be agreed, and authority be delegated to the Director of Legal and Democratic and Cultural Services to agree to any minor amendments to the Terms of Reference which may be required.
5. To recommend to Council to appoint a Chairman of the newly formed Spelthorne Joint Committee from 1 December 2016.

Reasons for Decisions:

Cabinet and full Council agreement is required to establish a Spelthorne Joint Committee in place of the current Local Committee arrangements; to delegate recommended executive functions to the newly formed Spelthorne Joint Committee; and to agree the Terms of Reference and Standing Orders under which the newly formed committee will operate.

This approach has already proved successful in Woking where a Joint Committee, has been operating since June 2014 and was recently reviewed and showed to have improved partnership working between both authorities.

The new Joint Committee will simplify and speed-up local decision making processes, enabling for the first time, all functions and budgets delegated to it by both authorities to be jointly decided upon.

Joint Committees are an innovative two tier response to central government policy initiatives including devolution. Positive conversations are being held with other Surrey Borough and District Councils on the formation of further Joint Committees with SCC.

181/16 LEADER / DEPUTY LEADER / CABINET MEMBER DECISIONS TAKEN SINCE THE LAST CABINET MEETING [Item 13]

This Annex set out the decisions taken by individual Cabinet Members since the last meeting of the Cabinet. Members were given the opportunity to comment on them.

RESOLVED:

That the decisions taken by Cabinet Members since the last meeting, as set out in Annex 1 of the submitted report, be noted.

Reasons for Decisions:

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

182/16 EXCLUSION OF THE PUBLIC [Item 14]

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

PART TWO – IN PRIVATE

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

183/16 APPROVAL TO AWARD A CONTRACT FOR THE PROVISION OF AN INTEGRATED SEXUAL HEALTH SERVICE [Item 15]

The Cabinet Member for Wellbeing and Health informed Cabinet that this report set out the confidential information relating to the commissioning and procurement process associated with the approval to award a contract for the provision of an integrated sexual health service, as detailed in item 6 of the agenda.

The Cabinet Member for Environment and Planning requested that she revisited the number of Key Performance Indicators for this contract because he considered 46 was a large number to monitor and she agreed to this request.

RESOLVED:

That the commissioning and procurement process associated with the award of this contract be noted.

Reasons for Decisions:

The existing contracts will expire on 31 March 2017. A full tender process, in compliance with the requirements of EU Procurement Legislation and Procurement Standing Orders has been completed, and the

recommendations provide best value for money for the Council following a thorough evaluation process.

184/16 ST PETER'S CATHOLIC SCHOOL, GUILDFORD [Item 16]

Introducing this report, which contained the confidential financial and value for money information relating to item 7, the Cabinet Member for Schools, Skills and Educational Achievement made reference to the school's contribution to the project for facilities above the Basic Need requirement. She also informed Cabinet that this proposal sought to utilise and trial the new Southern Modular Building Solutions Framework for Public Sector, which Surrey County Council had formal legal access.

RESOLVED:

It is recommended that Cabinet:

1. That the business case for the project to expand St Peter's Catholic School by 150 places, at a total cost to Surrey County Council, as set out in the part 2 report, be approved.
2. That the arrangements by which a variation of up to 10% of the total value may be agreed by the Deputy Chief Executive and Strategic Director for Children, Schools and Families, in consultation with the Cabinet Member for Schools, Skills and Educational Achievement, the Cabinet Member for Business Services and Resident Experience and the Leader of the Council, be approved.
3. That the award of contract for works to be delegated to the Chief Property Officer, in consultation with the Leader of the Council, Cabinet Member for Schools, Skills and Educational Achievement, Head of Procurement and Section 151 Officer when a competitive tender is followed through the new Southern Modular Building Solutions Framework for Public Sector, be approved.
4. That awards of future contracts for construction works for this project, which utilise modular methods of construction, above £500,000 in value, where a competitive tender procedure has been followed through the new Southern Modular Building Solutions Framework for Public Sector be approved and be delegated to the Chief Property Officer, in consultation with the Leader of the Council, Cabinet Member for Schools, Skills and Educational Achievement, Head of Procurement and Section 151 Officer.

Reasons for Decisions:

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

185/16 HAWKESDALE INFANT SCHOOL, SUNBURY ON THAMES [Item 17]

The Cabinet Member for Schools, Skills and Educational Achievement said that this report contained the confidential financial and value for money information relating to item 8.

RESOLVED:

1. That the business case for the project to expand Hawkedale Infant School by 120 places, at a total cost as set out in the submitted Part 2 report, be approved.
2. That the arrangements by which a variation of up to 10% of the total value may be agreed by the Deputy Chief Executive and Strategic Director for Children, Schools and Families, in consultation with the Cabinet Member for Schools, Skills and Educational Achievement, the Cabinet Member for Business Services and Resident Experience and the Leader of the Council, be approved.

Reasons for Decisions:

The proposal delivers and supports the Authority's statutory obligation to provide sufficient school places to meet the needs of the population in the Sunbury on Thames area.

186/16 MERSTHAM COMMUNITY HUB [Item 18]

RESOLVED:

That an increase in the capital expenditure allocation of a further sum of money, as set out in the Part 2 report, be approved.

Reasons for Decisions:

The proposal will provide a new community hub that provides local residents with excellent facilities which will enhance their lives and help to regenerate this area of the Merstham estate. When completed, this scheme will provide a well-designed, sustainable, low energy community building for a wide range of users within easy reach of their homes. The proposals would distinctly enhance the quality of the facilities in the local area.

10. As a result of the contractor going into administration, the Hub and associated retail units have been left partially completed. The construction is not water tight or windproof, and so is vulnerable to the weather. A resumption of building work at the earliest opportunity will help to limit ongoing deterioration of the building.

187/16 PROPERTY TRANSACTIONS [Item 19]

In the absence of the Cabinet Member for Business Services and Resident Experience, the Cabinet Associate for the Built Environment said that this acquisition continued the Investment Strategy agreed by Cabinet in July 2013 and confirmed that consideration of this property acquisition had already been

through the Investment Advisory Board and this Board had commended its approval to Cabinet.

RESOLVED:

1. That equity investment and a long-term loan, both as detailed in the submitted report, be provided to Surrey County Council's wholly owned property company, Halsey Garton Property Ltd, as outlined in paragraphs 10 to 12 of the submitted report.
2. That Legal Services be authorised to agree appropriate contractual arrangements for the provision of financing on behalf of the Council with funds to be released upon the completion of appropriate due-diligence in relation to the property acquisition.
3. That HGP be authorised to acquire the freehold interest in the property detailed in the submitted report, for a purchase cost, including associated costs of purchase, as set out in the submitted report.

Reasons for Decisions:

The provision of financing to the Council's property company to facilitate the proposed investment acquisition is in accordance with the Council's Investment Strategy and provides an asset that will contribute to the creation of a diversified portfolio over time to spread risk.

The investment will deliver an ongoing income to the Council, enhancing financial resilience in the longer term.

188/16 PUBLICITY FOR PART 2 ITEMS [Item 20]

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

[Meeting closed at 3.35pm]

Chairman

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Appendix 1
Item 4**CABINET – 20 SEPTEMBER 2016****PROCEDURAL MATTERS****Member Questions****Question (1) from Mrs Hazel Watson (Dorking Hills):**

Since May 2013 which land and property outside Surrey has been purchased for investment purposes by the County Council or by Halsey Garton its wholly owned property company?

Please provide the addresses, types of property and price paid for such land and properties where such details are now in the public domain following registration at HM Land Registry.

Reply:

The Investment Strategy was agreed by Cabinet in July 2013 as one of a series of responses to improve the financial resilience of the Council in the longer term. Halsey Garton Property Ltd (HGP), a company wholly owned by the council, was created in order to strengthen the council's ability to invest in a diversified and balanced portfolio of assets for their income return.

The council has provided the funding to enable HGP to purchase assets for investment purposes. The council is able to provide this funding because the income generated by the asset is higher than the cost of providing the finance. HGP has purchased six assets to date which are listed in the table below. The expected net income to the council of £1.2m per annum from these investments means that we do not have to find equivalent savings from services to residents.

Halsey Garton Property Ltd Purchases			Purchase Price £'000s
Property Address	Description	Date	
Hampton Park West, Melksham, Wiltshire, SN12 6NB	Manufacturing, warehouse and office premises	Nov-15	12,020
Units 5, 6A & 6B, Hawkley Drive, Bristol Distribution Park, Almondsbury, Bristol BS32 0BF	Manufacturing and warehouse premises	Apr-16	11,219
Unit 8B, Manton Wood Business Park, Worksop, Nottinghamshire, S80 2RS	Distribution warehouse	May-16	8,460
Washford Mills, Redditch, Worcestershire B98 8DU	Retail (out of town)	May-16	7,560

Parkgate, 2000 Aztec West, Bristol BS32 4UA	Office	Jun-16	19,90 0
Wiggs House, Agecroft Commerce Park, Salford, Greater Manchester, M27 8UJ	Distribution warehouse	Jul-16	7,760

Ms Denise Le Gal
Cabinet Member for Business Services and Resident Experience
20 September 2016

CABINET – 20 SEPTEMBER 2016**PROCEDURAL MATTERS****Public Question****Question (1): James Mendelsohn, Chairman of Thursley Parish Council**

Thursley Parish Council have been trying to work with Highways England, Surrey County Council and the Police to ensure effective traffic management whenever the Hindhead Tunnel has to be closed, either as a planned closure or as the result of an emergency, so as to avoid large vehicles coming through the narrow lanes of Thursley, becoming stuck in certain places, and thereby causing damage to both public and residents' property, and further traffic chaos as the highways become impassable.

However, this is not proving to be successful, with numerous traffic incidents being reported whenever the tunnel is closed. This culminated on the night of 31 August when one articulated lorry became stranded in Bowlhead Green at 2.30am, and a second became stranded outside the Church in Thursley at 12.30 am. Both incidents resulted in the roads becoming completely blocked, preventing access for all vehicles, and serious damage to both private and public property.

With the problems associated with the tunnel closures spilling onto SCC highways and causing significant distress and inconvenience to both residents and other drivers, and also damage to both public and private property, how can Thursley Parish Council and SCC work together to escalate the situation so as to prevent further problems occurring during subsequent tunnel closures?

Reply:

Surrey County Council Highways officers have worked closely with Surrey Police, Highways England and Thursley Parish Council over the last year to try and prevent errant heavy goods vehicles entering Thursley and Bowlhead Green villages during planned and unplanned Hindhead Tunnel closures.

The local highways team have installed 'Unsuitable for HGV' signs at the entry points to both villages at the A3 flyover bridge and the signs are clearly visible on both approaches. Thursley village is also protected by a 6'6" weight restriction that prevents any large vehicle entering unless access is required. The restriction is signed in advance and at both entry points to the village. In addition to this, 'Risk of grounding' signs have also been installed to further highlight the problems large vehicles may encounter if they enter the village. Any heavy goods vehicle that exceeds 6'6" can be prosecuted should they enter Thursley as a result of a tunnel closure if they do not require access. Surrey Police are responsible for enforcing the restriction.

Highway officers have also worked closely with Surrey Police Road Safety Officers and Highways England to look at the strategy used when an unplanned tunnel closure occurs, as well as advanced warning signs, diversion signs and vehicle activated signs on the A3 and all of the diversion routes. As a result of this work, Highways England is hoping to implement

various upgrades to signs etc over a phased approach. Surrey County Council will consider engaging with the local MP Jeremy Hunt in order to expedite these measures.

Surrey County Council will continue to work with Thursley Parish Council, Surrey Police and Highways England to try and prevent heavy goods vehicles from entering Thursley and Bowlhead Green during planned and unplanned tunnel closures.

Mr John Furey
Cabinet Member for Highways, Transport and Flooding
20 September 2016