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Agenda and Reports  
for the Annual Meeting of  
**THE COUNTY COUNCIL**

to be held on

**23 MAY 2017**

(i)

County Hall  
Kingston upon Thames  
Surrey

Monday, 15 May 2017

TO THE MEMBERS OF SURREY COUNTY COUNCIL

### **SUMMONS TO MEETING**

You are hereby summoned to attend the Annual Meeting of the Council to be held in the Council Chamber, County Hall, Kingston upon Thames, Surrey KT1 2DN, on Tuesday, 23 May 2017, beginning at 10.00 am, for the purpose of transacting the business specified in the Agenda set out overleaf.

DAVID McNULTY  
Chief Executive

**Note 1:** *For those Members wishing to participate, Prayers will be said at 9.50am. Reverend Phillip Jones, Guildford United Reform Church has kindly consented to officiate. If any Members wish to take time for reflection, meditation, alternative worship or other such practice prior to the start of the meeting, alternative space can be arranged on request by contacting Democratic Services.*

*There will be a very short interval between the conclusion of Prayers and the start of the meeting to enable those Members and Officers who do not wish to take part in Prayers to enter the Council Chamber and join the meeting.*

**Note 2:** *This meeting may be filmed for live or subsequent broadcast via the Council's internet site - at the start of the meeting the Chairman will confirm if all or part of the meeting is being filmed. The images and sound recording may be used for training purposes within the Council.*

*Generally the public seating areas are not filmed. However by entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes.*

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

If you would like a copy of this agenda or the attached papers in another format, e.g. large print or braille, or another language please either call Democratic Services on 020 8541 9122, or write to Democratic Services, Surrey County Council at Room 122, County Hall, Penrhyn Road, Kingston upon Thames, Surrey KT1 2DN, Minicom 020 8541 9698, fax 020 8541 9009, or email [anne.gowing@surreycc.gov.uk](mailto:anne.gowing@surreycc.gov.uk)

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

**1 CHAIRMAN**

1. To elect a Chairman for the Council Year 2017/18.
2. The Chairman to make the statutory declaration of acceptance of office.

**2 MINUTES**

(Pages 1  
- 12)

To confirm the minutes of the meeting of the Council held on 21 March 2017.

*(Note: the Minutes, including the appendices, will be laid on the table half an hour before the start of the meeting).*

**3 ELECTION OF COUNTY COUNCILLORS**

(Pages  
13 - 16)

The Chief Executive, as County Returning Officer, formally to report the return of County Councillors at the Elections held on 4 May 2017 for each of the 81 County Electoral Divisions in the County.

[Note: A list giving names of the County Councillors and the County Electoral Divisions for which they are elected is enclosed with this Agenda].

**4 APOLOGIES FOR ABSENCE**

The Chairman to report apologies for absence.

**5 CHAIRMAN'S ANNOUNCEMENTS**

The Chairman to report.

**6 DECLARATIONS OF INTEREST**

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter

- (i) Any disclosable pecuniary interests and / or
- (ii) Other interests arising under the Code of Conduct in respect of any item(s) of business being considered at this meeting

**NOTES:**

- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest
- As well as an interest of the Member, this includes any interest, of which the Member is aware, that relates to the Member's spouse or civil partner (or any person with whom the Member is living as a spouse or civil partner)
- Members with a significant personal interest may participate in the discussion and vote on that matter unless that interest could be reasonably regarded as prejudicial.

**7 VICE-CHAIRMAN**

1. To elect a Vice-Chairman for the Council Year 2017/18.
2. The Vice-Chairman to make the statutory declaration of acceptance of office.

**8 MOTION OF THANKS TO RETIRING CHAIRMAN**

The newly elected Chairman to move a formal motion of thanks to Mrs Sally Marks, the retiring Chairman of the Council.

**9 ELECTION OF LEADER OF THE COUNCIL**

To elect a Leader of the Council for a four year term, expiring on the day of the post election annual meeting which follows his / her election as Leader.

**10 LEADER'S STATEMENT**

The Leader to make a statement, including reporting on the appointment of the Deputy Leader and Members of the Cabinet.

There will be an opportunity for Members to ask questions.

**11 CONSTITUTIONAL AMENDMENTS**

(Pages  
17 - 32)

- (a) To agree amendments to the arrangements for Overview and Scrutiny in the County Council.
- (b) To approve the revised version of the Financial Framework for Local Committees.

**12 ANNUAL REVIEW OF POLITICAL PROPORTIONALITY 2017/18**

To agree the scheme of proportionality for 2017/18.

*[Note: to be tabled at the meeting]*

**13 APPOINTMENTS OF COMMITTEES**

To appoint Members of the various Boards / Committees of the Council for the Council year 2017/18 subject to any changes of membership to be reported to the meeting by Group Leaders.

*(Note: Proposals will be laid on the table at the meeting.)*

**Recommendations:**

- (1) **To appoint Members to serve on the Boards / Committees of the Council for the Council year 2017/18 in accordance with the wishes of political groups.**
- (2) **To authorise the Chief Executive to make changes to the membership of any of the Council's Boards / Committees as necessary during the Council year in accordance with the wishes of political groups.**

- (3) To appoint the County Councillors representing divisions in the Woking Borough area to serve on the Woking Joint Committee for the Council year 2017/18.**
- (4) To appoint the County Councillors representing divisions in the Spelthorne Borough area to serve on the Spelthorne Joint Committee for the Council year 2017/18.**
- (5) To appoint the remaining County Councillors for each district/borough area to serve on the appropriate Local Committee for the Council year 2017/18, and to authorise the Chief Executive to appoint an equal number of district/borough councillors to the Local Committees following nominations by the district and borough councils, which they should be requested to make politically proportional to their Membership.**
- (6) To appoint the County Council's representative to the Surrey Police and Crime Panel for the Council year 2017/18.**
- (7) To appoint four Members (who must be Cabinet Members or County Councillors representing divisions which include the Basingstoke Canal in their area) to the Basingstoke Canal Joint Management Committee.**

#### **14 ELECTION OF COMMITTEE CHAIRMEN AND VICE-CHAIRMEN**

To elect Chairmen and Vice-Chairmen of Committees for the Council year 2017/18.

*(Note: Proposals will be laid on the table at the meeting.)*

##### **Recommendation:**

**To elect Chairmen and Vice-Chairmen of Committees of the Council for the Council year 2017/18.**

#### **15 REPORT OF THE CABINET**

(Pages  
33 - 42)

To receive the report of the meeting of the Cabinet held on 28 March and 27 April 2017 and to agree one recommendation in respect of Surrey County Council's Corporate Strategy 2017 – 2022.

#### **16 MINUTES OF THE MEETINGS OF THE CABINET**

(Pages  
43 - 88)

Any matters within the minutes of the Cabinet's meetings, and not otherwise brought to the Council's attention in the Cabinet's report, may be the subject of questions and statements by Members upon notice being given to the Democratic Services Lead Manager by 12 noon on Monday 22 May 2017.

**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.

Use of mobile devices, including for the purpose of recording or filming a meeting, is subject to no interruptions, distractions or interference being caused to the PA or Induction Loop systems, or any general disturbance to proceedings. The Chairman may ask for mobile devices to be switched off in these circumstances.

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*

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**MINUTES OF THE MEETING OF THE COUNTY COUNCIL HELD AT THE COUNCIL CHAMBER, COUNTY HALL, KINGSTON UPON THAMES, KT1 2DN ON 21 MARCH 2017 COMMENCING AT 10.00 AM, THE COUNCIL BEING CONSTITUTED AS FOLLOWS:**

Sally Marks (Chairman)  
Nick Skellett CBE (Vice-Chairman)

|   |                      |   |                       |
|---|----------------------|---|-----------------------|
|   | Mary Angell          | * | Saj Hussain           |
|   | W D Barker OBE       |   | David Ivison          |
|   | Mrs N Barton         |   | George Johnson        |
|   | Ian Beardsmore       |   | Linda Kemeny          |
|   | John Beckett         |   | Colin Kemp            |
|   | Mike Bennison        |   | Eber Kington          |
|   | Liz Bowes            |   | Rachael I Lake        |
|   | Natalie Bramhall     |   | Yvonna Lay            |
| * | Mark Brett-Warburton |   | Ms D Le Gal           |
|   | Ben Carasco          |   | Mary Lewis            |
|   | Bill Chapman         |   | Ernest Mallett MBE    |
|   | Helyn Clack          |   | Mr P J Martin         |
| * | Carol Coleman        |   | Jan Mason             |
|   | Stephen Cooksey      |   | Marsha Moseley        |
|   | Mr S Cosser          |   | Tina Mountain         |
|   | Clare Curran         |   | Christopher Norman    |
|   | Graham Ellwood       |   | John Orrick           |
|   | Jonathan Essex       | * | Adrian Page           |
|   | Robert Evans         |   | Karan Persand         |
|   | Tim Evans            |   | Chris Pitt            |
|   | Mel Few              |   | Wyatt Ramsdale        |
|   | Will Forster         |   | Dorothy Ross-Tomlin   |
|   | Mrs P Frost          |   | Denise Saliagopoulos  |
|   | Denis Fuller         |   | Tony Samuels          |
|   | John Furey           |   | Pauline Searle        |
|   | Bob Gardner          |   | Stuart Selleck        |
|   | Mike Goodman         |   | Michael Sydney        |
|   | David Goodwin        |   | Keith Taylor          |
|   | Michael Gosling      |   | Barbara Thomson       |
|   | Zully Grant-Duff     | * | Chris Townsend        |
|   | Ramon Gray           |   | Denise Turner-Stewart |
|   | Ken Gulati           |   | Richard Walsh         |
|   | Tim Hall             |   | Hazel Watson          |
|   | Kay Hammond          |   | Fiona White           |
|   | Mr D Harmer          |   | Richard Wilson        |
|   | Nick Harrison        |   | Helena Windsor        |
|   | Marisa Heath         |   | Keith Witham          |
|   | Peter Hickman        |   | Mr A Young            |
|   | Margaret Hicks       | * | Mrs V Young           |
|   | David Hodge CBE      |   |                       |

\*absent

#### **11/17 APOLOGIES FOR ABSENCE [Item 1]**

Apologies for absence were received from Mr Townsend, Mrs Young, Mrs Coleman, Mr Brett-Warburton and Mr Page.

#### **12/17 MINUTES [Item 2]**

The minutes of the meeting of the County Council held on 7 February 2017 were submitted, confirmed and signed.

#### **13/17 DECLARATIONS OF INTEREST [Item 3]**

The Chairman announced that if any Members were school governors they could take part in the debate on schools but were asked to sign a form to declare that personal interest before leaving the Chamber.

#### **14/17 CHAIRMAN'S ANNOUNCEMENTS [Item 4]**

The Chairman made the following announcements:

- She had attended the official opening of the Innovation for Health Learning Laboratory at Surrey University, which was a centre of excellence.
- The Earl of Wessex visited three projects in Surrey and the Chairman attended one of those: the GASP Motor Project in Leatherhead.
- The celebration of 90 years of the Surrey Playing Fields.
- The County Chief Scouts Gold Award Presentation in Ashted.
- The Queen's Award for Voluntary Service reception at Loseley. Many volunteers had been nominated but the winners were not known yet.
- The Commonwealth flag raising ceremony & WWI commemorative act.
- The investiture of British Empire Medals which was inspirational in the stories of those receiving BEMs.
- Lord-Lieutenant of Surrey's 2016 Poppy Appeal Cadet competition presentation night. Many thousands of pounds had been raised by these young people.
- Turf cutting at Lindon Farm near Cranleigh, which will be the site for a centre of excellence for young people with learning disabilities.
  
- The Vice-Chairman attended the Official opening of Send CofE Primary School new Key Stage 2 building (for years 3 to 6).

Finally she paid tribute to the many Members who were not standing in the forthcoming election and had served on the Council for many years. She wished them all success for the future.

#### **15/17 LEADER'S STATEMENT [Item 5]**

The Leader made a detailed statement. A copy of the statement is attached as Appendix A.

Members raised the following topics:

- Whether there would be a referendum next year if the Government didn't come through with the Business Rate pilot.

- Clarification on what had happened in between the Cabinet decision for a 15% rise in Council Tax and one week later when the Council agreed a 5% rise.

## 16/17 MEMBERS' QUESTION TIME [Item 6]

Notice of 21 questions had been received. The questions and replies are attached as Appendix B.

A number of supplementary questions were asked and a summary of the main points is set out below:

**(Q2) Mrs Barton** asked if the Council should be taking a £30m risk, to which the Leader responded that a full response would be available at Cabinet next week if Mrs Barton cared to attend.

**(Q3) Mr Beckett** asked if the Cabinet Member for Highways, Transport and Flooding agreed that the fear of crime was still prevalent even if not a crime. The Cabinet Member responded that the police, safer neighbourhood teams and borough councils were working closely on fear of crime and where the fear was real it would be reacted to appropriately.

**(Q5) Mr Sydney** did not feel that his question had been answered and asked if his successor could be given a proper response. The Cabinet Member for Localities and Community Wellbeing responded that he felt a full answer had been given and referred Mr Sydney to the Cabinet Member briefing.

**(Q6) Mrs Watson** asked if the Leader agreed that Members should have a copy of the CIPFA report before making a decision on the budget, to which he reiterated that the report was to be issued later today.

**(Q7) Mrs White** asked why Surrey lagged behind other authorities in the amount of additional funding it was to receive. The Cabinet Member for Adult Social Care, Wellbeing and Independence responded that the calculation was decided by the Minister and was linked to Council Tax.

**(Q9) Mr Cooksey** asked where the money would be found for extending the Alt contract by six months and would full consultation take place with residents of Mole Valley? **Mr Hall** asked if the Cabinet Member would agree that the contract would be welcomed and in the summer all would have better chance of coming up with clear proposals. **Mrs Saliagopoulos** asked about a rumour of the closure of the Jarvis Centre in Guildford and asked for her comment on the users of the Blanche Herriott unit being spread across other areas when that closes. The Cabinet Member responded that much consultation had taken place during the commissioning of the contract and agreed with Mr Hall's comment. She had no knowledge of the position of the Jarvis Centre but would find out.

**(Q10) Mr Orrick** asked if the Leader would make a statement against hate crime and agree that all employees were wanted regardless of where they came from. The Leader agreed.

**(Q12) Mr Essex** asked if the local repair budget was to remain the same and asked why there were differences to resurfacing budgets between the boroughs. The Cabinet Member for Highways, Transport and Flooding explained that the amount of

deterioration was key to the amount of money spent and that the local committees were to be involved in the decision on the repair budget.

**(Q13) Mr Essex** asked why Members were not shown the CIPFA report earlier. The Leader responded that the report had to be read and checked for accuracy.

**(Q14) Mr Cooksey** asked when a decision would be taken regarding the 465 bus. The Cabinet Member for Environment and Planning reported that talks had concluded late on the previous Friday and that there was an agreement in principle for the 465 bus to continue unchanged for the next five years. A joint statement would be made later today.

**(Q18) Mr Evans** stated that whilst age provided experience, the makeup of the council did not reflect society and asked if council was to review its working practices to attract younger members. Several Members made comments to the effect that this was an ageist question and it should be about quality rather than age, and cited many examples of good works undertaken by older people, many of whom were volunteers.

### **Cabinet Member Briefings on their portfolios are attached as Appendix C.**

Members made the following comments:

**Cabinet Member for Highways, Transport and Flooding:** The Cabinet Member was urged to look at ways in which parish councils could be more involved as they knew their areas. The Cabinet Member agreed that parish councils were underused, that they had been invited to take on more services and he would continue to work with all partners and review.

**Cabinet Member for Environment and Planning:** The waste recycling centres are said to have implemented changes and are now giving expected savings, so why have they not met their targets and the further savings needed. The Cabinet Member responded that implementation of the charging did not take place until after April. The Cabinet Member also confirmed that involvement of parish councils would take place on highways, BOATs and byways.

### **17/17 STATEMENTS BY MEMBERS [Item 7]**

A statement was made by Mr Alan Young in relation to the Surrey Young Musician of the Year Award.

### **18/17 ORIGINAL MOTIONS [Item 8]**

#### **URGENT MOTION**

Under Standing Order 11.8 the Chairman had accepted an urgent motion which the Council agreed to debate.

Under Standing Order 12.1, Mrs Hazel Watson moved the motion which was:

‘That this Council has no confidence in the Leader of the Council.’

Mrs Watson made the following points:

- That the credibility of the Council had been undermined by the recent media leaks which was a distraction for the Council.
- That the Leader had not provided a well thought out budget.
- That senior Members were puppets for supporting the Leader.
- Opposition councillors had voted against the budget as full information was not available to make an informed decision.
- That the Leader was working for partisan Conservative benefits and not for residents and should resign.

The motion was formally seconded by Mr Forster who made the following points:

- Lobbying for a better deal for Surrey should have been applauded but the way in which it was done has brought the Council into disrepute.
- Other council leaders were also saying that the Leader should stand down from the LGA and the chairmanship of the LGA Conservative Group.
- There was a need for a fresh start with a new Leader.

Fifteen Members spoke on the motion and made the following points:

- The work that the Leader had undertaken in getting adult social care up the agenda was recognised and to ask him to step down now meant that what he had done was wrong – the vote of no confidence should take place on 4 May.
- Several Members questioned the timing of this motion, as it was the last council meeting before the election, and thought that the vote should rest with the residents.
- The referendum could not be won and therefore the Leader had caused weeks of concern for residents expecting a 15% rise in Council Tax.
- There had been a lack of transparency.
- There was a challenge to the Surrey Advertiser to print the Leaders' letters, written to the Secretary of State, the Chancellor of the Exchequer and the Prime Minister, in full.
- Several Members from all sides of the Council spoke of the hard work and good leadership of the Leader.
- There was too much secrecy and a call for more openness and transparency was made.
- The motion gained no benefit to residents.
- The vote for Leader was unopposed at the recent Conservative group meeting.
- That the motion should be aimed at the whole Cabinet and not just the Leader.

Under Standing Order 23.1 Mrs Hammond moved 'that the question be now put'. Under Standing Order 23.2 twenty Members stood in support for this procedural motion.

Under Standing Order 28.1 Mrs Watson requested a recorded vote, which was supported by seven of the required ten Members, and therefore was not carried.

The urgent motion was put to the vote, with 8 Members voting for and 47 voting against. There were 12 abstentions.

Therefore, the motion was lost.

### **Item 8a**

Under Standing Order 12.3 the Council agreed to debate this motion.

Under Standing Order 12.1 Mr Kington moved the motion, which was:

'This Council supports the introduction of a new and more open and transparent budget making process to be implemented following the Surrey County Election on 4th May including:

- An earlier start to the engagement of Scrutiny Boards in scrutinising already identified savings and forward plans and future thinking
- A set of budget proposals detailing draft service changes available in January for final scrutiny by Scrutiny Boards
- A fully costed budget with details of service changes, to be the subject of a vote at the budget meeting every February'

Mr Kington made the following points:

- The Council Overview Board involvement in the budget scrutiny worked well.
- Other boards did not work so well as the information they received was either incomplete or not available and therefore added no value to the budget process.
- The budget process should have started earlier and two budgets provided, one with a 5% increase in Council Tax and the other with a 15% increase.

The motion was formally seconded by Mr Selleck who made the following points:

- That the process should be re-worked for the new council.
- That the boroughs also be taken into consideration when deciding the process.

Ten Members spoke on the motion and made the following comments:

- The budget process/timetable was not an easy one, 2017/18 had been particularly challenging, and the boroughs' settlement was not known until the New Year.
- The time between knowing the settlement and needing to make a decision was only a matter of weeks.
- Budget seminars had been held for Members during the year and the process/budget was open to scrutiny to make recommendations.
- That more was needed to be done to involve all Members in the budget process and that various scenarios should be drafted.
- That as well as the final settlement there were also various grants awarded for specific areas which were announced after the budget grant and that this complicated the process further.
- That expertise of Members had been under-utilised since the Local Government Act 2000 and formation of the Cabinet.
- Several Members expressed sympathy with the motion but also recognised the difficulty with timing.

That there may be inadequate scrutiny in Surrey as there were monthly budget monitoring reports available. One Member responded that much of the information was confidential and therefore scrutiny boards were not privy to the detail.

Under Standing Order 13.2 the mover of the motion replied that he was heartened by the show of sympathy for the motion, that other counties did not have these problems and that every year Members are asked to vote for Council Tax increases without knowing what residents would get for it.

The motion was put to the vote with 22 Members voting for and 42 Members voting against. There were 3 abstentions.

Therefore, the motion was lost.

### **Item 8b**

Under Standing Order 12.1, Mr Forster moved the motion, which was:

'This Council:

1. recognises that the financial outlook for Surrey schools is likely to deteriorate as cost pressures increase;
2. regrets the phasing out of the Education Services Grant and its impact on schools and the council;
3. calls upon HM Government to increase the schools budget in order to prevent a serious detrimental impact on class sizes, support for pupils with special needs or valuable extra-curricular activities;
4. asks the Leader of the Council to write to all Surrey MPs, urging them to raise the council's concerns with the Secretary of State for Education.'

Due to time constraints it was agreed by the Council to take this motion without debate:

The motion was put to the vote with a majority voting for and no Members voting against. There were no abstentions.

Therefore, the motion was carried.

### **Item 8c**

The time limit for debating motions had been used. Therefore this motion was not debated.

## **ADJOURNMENT**

The meeting adjourned for lunch at 12.44pm and reconvened at 2pm with all those present who had been in attendance at the morning session except for Mrs Angell, Mrs Bramhall, Mr Carasco, Mr Ellwood, Ms Heath, Mr Hickman, Mrs Hicks,

Mr Johnson, Mrs Moseley, Mrs Mountain, Mrs Saliagopoulos, Mr Selleck, Mr Sydney and Mr Young.

#### **19/17 SURREY COUNTY COUNCIL PROGRESS REPORT [Item 9]**

The Leader presented the Surrey County Council Progress Report, the fifteenth of the Chief Executive's reports to Members. He said that included in the report were some outstanding examples of Surrey County Council achievements where the Council had listened and delivered.

Members made the following comments:

- That wellbeing of residents was extremely important and impossible to provide without the officers.
- Thanks was given to all staff for their hard work, loyalty and dedication.
- There was a call for more engagement of Members with Children and Young Peoples service.
- That the balance of the report should be more towards the budget challenges.
- That lobbying had raised £41m extra funding over the last four years.
- The report indicated positive change and transformation of services with partners.

#### **RESOLVED:**

- (1) That the report of the Chief Executive be noted.
- (2) That the staff of the Council be thanked for the progress made during the last six months.
- (3) That the support for the direction of travel be confirmed.

#### **20/17 ELECTED MEMBER DEVELOPMENT STRATEGY [Item 10]**

The Chairman of the Member Development Steering Group introduced the report stating that the strategy and role profiles had been refreshed. She highlighted the new Members' Portal which would soon be accessible via SharePoint and would not require an additional password to access it.

Members made the following comments:

- That Members' responsibility as corporate parents was an important one and not all seemed fully aware of it.
- It was suggested that the strategy be amended to include a process whereby Members' attendance at training would be noted and attendance notified to Members' group leaders on an annual basis.
- Attendance at all member development events was already recorded. Some Members spoke against this being imposed on them and others gave reasons why Members were not always able to attend development events.

#### **RESOLVED:**

That the Elected Member Development Strategy be approved.



**21/17 REPORT FROM PEOPLE PERFORMANCE AND DEVELOPMENT COMMITTEE - OFFICER CODE OF CONDUCT POLICY [Item 11]**

The Leader of the Council introduced the report which suggested changes to the Officer code of conduct.

**RESOLVED:**

That the Officer Code of Conduct be agreed.

**22/17 REPORT FROM SURREY PENSION FUND COMMITTEE - LOCAL GOVERNMENT PENSION SCHEME ASSET POOLING [Item 12]**

The Cabinet Member for Business Services and Resident Experience introduced the report which set out the proposed case for Border to Coast Pension Pool including the Inter Authority Agreement, Articles of Association and Governance documents. She thanked the Surrey Pension Fund Committee Members and Officers for all their hard work on this. She thanked the Members of the Scrutiny Board who were looking at the Environmental, Social and Governance (ESG) Policy.

Members made the following comments:

- Asset management would be the role of the pool and the actuary role would remain with the Council. Discussion had taken place regarding having a pension member as an observer on the committee and further detail had been requested. There was also some work taking place to look at how to work with other pension boards.
- The Leader thanked the Cabinet Member for the work she had done for pensioners in relation to increasing the size of the pension fund enormously since she had chaired the Pension Committee.
- Nothing of what is on the table will affect the benefits to any member of the pension plan.
- Guidance was expected from the Scheme Advisory Board regarding non-voting member representation on the committee.

**RESOLVED:**

1. That the Border to Coast Pension Pool (BCPP) be approved as the County Council's pooling option to provide compliance with the legislation that mandates pooling
2. That the acquisition by the Council, as Administering Authority of the Surrey Pension Fund, of one share in the Border to Coast Pensions Partnership Limited be approved and that the Chairman of the Pension Fund Committee (or Vice Chairman in their absence) be nominated to attend any meetings of the BCPP Shareholder Board on behalf of the Council.
3. That the creation of the BCPP Joint Committee be approved and that the Chairman of the Pension Fund Committee (or Vice Chairman in their absence) be nominated to attend on behalf of the Council.
4. That authority be delegated to the Director of Finance and the Monitoring Officer in consultation with the Chairman of the Pension Fund Committee to update the Council's Constitution to reflect the above approvals and to approve for

execution by the Council the final versions of any documents necessary to put these decisions into effect.

5. That the revised Pension Fund Committee Terms of Reference functions as set out within the Constitution be approved with the following addition: "Receive minutes and consider recommendations from and ensure the effective performance of the Joint Committee of the Border to Coast Pensions Pool and any other relevant bodies".

#### **23/17 AMENDMENTS TO THE CONSTITUTION - SCHEME OF DELEGATION - PUBLIC CONSULTATION [Item 13]**

The Leader introduced the report.

Members made the following comments:

- If consultation on service delivery changes is delegated to officers then that could cut out scrutiny. Will proposals go to scrutiny in other ways and will there be notification on the Council's website when consultations are taking place? The Leader responded that there would always be those opportunities.

#### **RESOLVED:**

The amendments to the Scheme of Delegation as agreed by the Leader were noted.

#### **24/17 REPORT FROM THE WELLBEING AND HEALTH SCRUTINY BOARD [Item 14]**

The Chairman of the Wellbeing and Health Scrutiny Board introduced the report, which was a legislative requirement, and set out the work of the Board over the last four years.

#### **RESOLVED:**

That the report be noted.

#### **25/17 REVIEW OF STANDING ORDERS - REPORT OF THE CONSTITUTION REVIEW GROUP [Item 15]**

The Chairman of the Constitution Review Group introduced the report which suggested changes to the Constitution in order to ensure that it is up-to-date, consistent and easy to follow. A paper was tabled suggesting further amendments to the annex of the submitted report and is attached as Appendix D.

Members made the following comments:

- That amendments to motions should be presented to Members in advance as by hiding them just compounds secrecy and is not good for decision making.
- That further amendments to this report should be brought back to the Annual Council Meeting, rather than dealt with at this meeting.
- One Member stated that it seemed unfair that if there were more than one amendment on the same motion and the first one carried then the second amendment would not even be known or discussed. The Chairman explained that amendments were taken in the order presented.

- It is not a good idea to make amendments during a debate like this and should be reviewed by the Group.
- The tabled proposals are the result of much difficult work and should be accepted with any further suggested amendments being looked at further and brought to a future Council meeting.

**RESOLVED:**

1. That the amendments to Standing Orders, as set out in the annex to the report, be approved for implementation from May 2017.
2. That the tabled paper on further amendments be brought to the Council Annual Meeting.

**26/17 MINUTES OF CABINET MEETINGS [Item 16]**

No notification had been received by the deadline from Members wishing to raise a question or make a statement on any matters in the minutes.

[Meeting ended at: 3.15 pm]

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**Chairman**

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County Council Meeting – 23 May 2017

**SURREY COUNTY COUNCIL****ELECTIONS – 23 MAY 2017**

| <b>Electoral Division</b>             | <b>Elected – May 2017</b> | <b>Party</b> |
|---------------------------------------|---------------------------|--------------|
| <b><i>Elmbridge Borough</i></b>       |                           |              |
| Cobham                                | Mary Lewis                | CONS         |
| East Molesey and Esher                | Peter Szanto              | CONS         |
| Hersham                               | John O'Reilly             | CONS         |
| Hinchley Wood, Claygate and Oxshott   | Mike Bennison             | CONS         |
| The Dittons                           | Nick Darby                | RA           |
| Walton                                | Rachael Lake              | CONS         |
| Walton South and Oatlands             | Tony Samuels              | CONS         |
| West Molesey                          | Ernest Mallett            | RA           |
| Weybridge                             | Timothy Oliver            | CONS         |
| <b><i>Epsom and Ewell Borough</i></b> |                           |              |
| Epsom Town and Downs                  | Tina Mountain             | CONS         |
| Epsom West                            | Bernie Muir               | CONS         |
| Ewell                                 | John Beckett              | RA           |
| Ewell Court, Auriol and Cuddington    | Eber Kington              | RA           |
| West Ewell                            | Jan Mason                 | RA           |
| <b><i>Guildford Borough</i></b>       |                           |              |
| Ash                                   | Marsha Moseley            | CONS         |
| Guildford East                        | Graham Ellwood            | CONS         |
| Guildford North                       | Angela Goodwin            | LIBDEM       |
| Guildford South East                  | Mark Brett-Warburton      | CONS         |
| Guildford South West                  | David Goodwin             | LIBDEM       |
| Guildford West                        | Fiona White               | LIBDEM       |
| Horsleys                              | Julie Iles                | CONS         |

|                                     |                  |        |
|-------------------------------------|------------------|--------|
| Shalford                            | Matt Furniss     | CONS   |
| Shere                               | Keith Taylor     | CONS   |
| Worplesdon                          | Keith Witham     | CONS   |
| <b><i>Mole Valley</i></b>           |                  |        |
| Ashtead                             | Chris Townsend   | IND    |
| Bookham and Fetcham West            | Clare Curran     | CONS   |
| Dorking Hills                       | Hazel Watson     | LIBDEM |
| Dorking Rural                       | Helyn Clack      | CONS   |
| Dorking South and the Holmwoods     | Stephen Cooksey  | LIBDEM |
| Leatherhead and Fetcham East        | Tim Hall         | CONS   |
| <b><i>Reigate and Banstead</i></b>  |                  |        |
| Banstead, Woodmansterne & Chipstead | Ken Gulati       | CONS   |
| Earlswood and Reigate South         | Barbara Thomson  | CONS   |
| Horley East                         | Graham Knight    | CONS   |
| Horley West, Salfords and Sidlow    | Kay Hammond      | CONS   |
| Merstham and Banstead South         | Bob Gardner      | CONS   |
| Nork and Tattenhams                 | Nick Harrison    | RA     |
| Redhill East                        | Jonathan Essex   | GREEN  |
| Redhill West and Meadvale           | Natalie Bramhall | CONS   |
| Reigate                             | Zully Grant-Duff | CONS   |
| Tadworth, Walton and Kingswood      | Jeffrey Harris   | CONS   |
| <b><i>Runnymede</i></b>             |                  |        |
| Addlestone                          | John Furey       | CONS   |
| Chertsey                            | Mark Nuti        | CONS   |
| Egham                               | Yvonna Lay       | CONS   |
| Englefield Green                    | Marisa Heath     | CONS   |
| Foxhills, Thorpe and Virginia Water | Mel Few          | CONS   |
| Woodham and New Haw                 | Mary Angell      | CONS   |

|                                   |                       |                   |
|-----------------------------------|-----------------------|-------------------|
| <b>Spelthorne</b>                 |                       |                   |
| Ashford                           | Naz Islam             | CONS              |
| Laleham and Shepperton            | Richard Walsh         | CONS              |
| Lower Sunbury and Halliford       | Tim Evans             | CONS              |
| Staines                           | Sinead Mooney         | CONS              |
| Staines South and Ashford West    | Denise Turner-Stewart | CONS              |
| Stanwell and Stanwell Moor        | Robert Evans          | LABOUR            |
| Sunbury Common and Ashford Common | Alison Griffiths      | CONS              |
| <b>Surrey Heath</b>               |                       |                   |
| Bagshot, Windlesham and Chobham   | Mike Goodman          | CONS              |
| Camberley East                    | Bill Chapman          | CONS              |
| Camberley West                    | Charlotte Morley      | CONS              |
| Frimley Green and Mychett         | Paul Deach            | CONS              |
| Heatherside and Parkside          | Edward Hawkins        | CONS              |
| Lightwater, West End and Bisley   | David Mansfield       | CONS              |
| <b>Tandridge</b>                  |                       |                   |
| Caterham Hill                     | Chris Botten          | LIBDEM            |
| Caterham Valley                   | David Lee             | LIBDEM            |
| Godstone                          | Rose Thorn            | CONS              |
| Lingfield                         | Lesley Steeds         | CONS              |
| Oxted                             | Cameron McIntosh      | CONS              |
| Warlingham                        | David Hodge           | CONS              |
| <b>Waverley</b>                   |                       |                   |
| Cranleigh and Ewhurst             | Andrew Povey          | CONS              |
| Farnham Central                   | Andy MacLeod          | FARNHAM RESIDENTS |
| Farnham North                     | Stephen Spence        | FARNHAM RESIDENTS |
| Farnham South                     | Wyatt Ramsdale        | CONS              |
| Godalming North                   | Penny Rivers          | LIBDEM            |
| Godalming South, Milford          | Peter Martin          | CONS              |

|                                     |                 |        |
|-------------------------------------|-----------------|--------|
| and Witley                          |                 |        |
| Haslemere                           | Richard Hampson | CONS   |
| Waverley Eastern Villages           | Victoria Young  | CONS   |
| Waverley Western Villages           | David Harmer    | CONS   |
| <b>Woking</b>                       |                 |        |
| Goldsworth East and Horsell Village | Colin Kemp      | CONS   |
| Knaphill and Goldsworth West        | Saj Hussain     | CONS   |
| The Byfleets                        | Richard Wilson  | CONS   |
| Woking North                        | Ben Carasco     | CONS   |
| Woking South                        | Will Forster    | LIBDEM |
| Woking South East                   | Liz Bowes       | CONS   |
| Woking South West                   | Ayesha Azad     | CONS   |





## REPORT TO COUNCIL

### CHANGES TO THE COUNTY COUNCIL'S OVERVIEW AND SCRUTINY FUNCTION

#### KEY ISSUE/DECISION:

To agree amendments to the arrangements for overview and scrutiny in the County Council.

#### BACKGROUND:

- 1 The Council's current overview and scrutiny structure was agreed in 2015, when the existing Scrutiny Boards were introduced. Article 7 of Part 2 of the Constitution sets out the terms of reference and specific remits for each of the Scrutiny Boards, and states that the number of committees will vary from time to time as agreed by the Council. Democratic Services has reviewed the existing arrangements in conjunction with Group Leaders and the Chief Executive, and this report sets out proposed changes for the Council's approval.

#### PROPOSED CHANGES

- 2 The proposed changes seek to build on the good practice evident under the existing scrutiny arrangements and to respond to the range of challenges facing the Council by providing a stronger, more joined-up and more flexible approach to overview and scrutiny.
- 3 The key changes to the current arrangements are as follows:

##### **(a) Scrutiny Boards to be re-named Select Committees**

The return to the previous title of 'select committee' is to strengthen the perception of their key role in policy development, rather than just scrutiny of decisions taken - the involvement of select committees in helping the Council to consider options for service delivery and advising the Cabinet before decisions are taken will be key to ensuring the best outcomes for residents.

##### **(b) New Overview & Budget Scrutiny Committee**

The remit of the existing Council Overview Board will be split, with the Overview & Budget Scrutiny Committee having an enhanced strategic role, including formally agreeing the work programmes of the Select Committees, to ensure a more cohesive approach and a strong focus on the Council's key priorities. The Committee will also have responsibility for budget scrutiny across all services.

The services previously under the remit of the Council Overview Board will now fall under the new Corporate Services Select Committee.

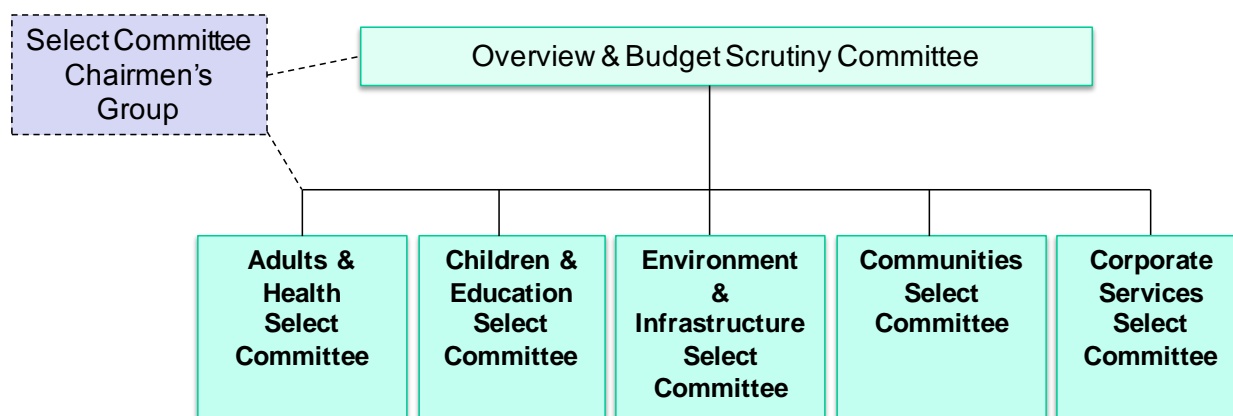
**(c) New Adults & Health Select Committee**

The proposals bring responsibility for health and social care issues together for the first time, in order to help ensure a strong and co-ordinated focus on these priority areas.

**(d) Creation of an informal Select Committee Chairmen's Group**

This Group, consisting of the Chairmen of the five Select Committees and the Audit & Governance Committee, will not be a formal part of the governance structure but will provide an opportunity to co-ordinate business, share good practice and support the training and development of Select Committee members.

- 4 The diagram below shows the proposed new structure. The remits of the new Select Committees are intended to align more closely with the Cabinet portfolios, and names have been chosen which more clearly reflect the areas of work for which they are responsible. Details of the services within the remit of each Select Committee are set out in the **Annex**.



- 5 The number of members to be appointed to each of the committees is as follows:

- Overview & Budget Scrutiny Committee – **12**
- Adults & Health Select Committee – **12**, plus 3 co-opted members
- Children & Education Select Committee – **12**, plus 2 co-opted members
- Environment & Infrastructure Select Committee – **15**
- Communities Select Committee – **12**
- Corporate Services Select Committee – **12**

The Chairman and Vice-Chairman of the Council will be ex officio members of all the committees.

**WAYS OF WORKING**

- 6 The intention is to have fewer formal meetings of committees than under the current arrangements, typically four for each Select Committee and six for the Overview & Budget Scrutiny Committee. The Overview & Budget Scrutiny Committee will ensure that Select Committee work programmes focus on the key priorities. It will also represent the views of the overview and scrutiny function cohesively and serve as the key link for engagement with the Cabinet and senior management.

- 7 Task groups (with membership drawn from across all Select Committees where appropriate) and other flexible approaches will be encouraged to ensure responsive and timely involvement of the overview & scrutiny function in discussions about service delivery and policy.
- 8 The Committees will continue to have responsibility for public scrutiny of Cabinet Members and officers, and the rights of Members to request items for inclusion on an agenda will be unaffected.
- 9 Subject to approval by the Council, the new arrangements will be implemented with immediate effect. A structured programme of induction and training is being developed by Democratic Services to support the introduction of the new arrangements, and officers will work with the Select Committee Chairmen's Group to review the effectiveness of the process over the coming year.

|                               |
|-------------------------------|
| <b><u>RECOMMENDATION:</u></b> |
|-------------------------------|

That the revised structure for overview and scrutiny in the County Council set out in paragraph four of the report, and the specific committee remits as shown in the Annex, be approved.

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**Contact:** Bryan Searle, Senior Manager, Cabinet, Committees and Appeals  
Tel: 020 8541 9019, email: bryans@surreycc.gov.uk

**Sources/background papers:** None

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**SELECT COMMITTEES**

| Name  | Relevant Services   |
|---|---|
| <p>Overview &amp; Budget Scrutiny Committee</p> | <p>Co-ordinates the Council’s policy development and scrutiny work by agreeing work programmes for Select Committees, ensuring that reviews are focused on the Council’s priorities and value for money, that reviews are cross-cutting where appropriate, and that work is not duplicated.</p> <p>Performance, finance and risk monitoring for all Council services</p> <p>Policy development and scrutiny for Cross-cutting/whole-Council issues, including:</p> <ul style="list-style-type: none"> <li>➤ Budget Strategy/Financial Management</li> <li>➤ Improvement Programme, Productivity and Efficiency</li> <li>➤ Equalities and Diversity</li> <li>➤ Corporate Performance Management</li> <li>➤ Corporate and Community Planning</li> <li>➤ Transformation</li> <li>➤ New models of delivery</li> <li>➤ Digital strategy</li> </ul> |

| Name                             | Relevant Services  |
|----------------------------------|--|
| Adults & Health Select Committee | <p>Policy development, scrutiny and performance, finance &amp; risk monitoring for adults' health and social care services:</p> <ul style="list-style-type: none"> <li>➤ Services for people with: <ul style="list-style-type: none"> <li>○ Mental health needs, including those with problems with memory, language or other mental functions</li> <li>○ Learning disabilities</li> <li>○ Physical impairments</li> <li>○ Long-term health conditions, such as HIV or AIDS</li> <li>○ Sensory impairments</li> <li>○ Multiple impairments and complex needs</li> </ul> </li> <li>➤ Elderly, frail and dementia care</li> <li>➤ Services for Carers</li> <li>➤ Social care services for prisoners</li> <li>➤ Safeguarding</li> <li>➤ Care Act 2014 implementation</li> <li>➤ Review and scrutiny of all health services commissioned or delivered within Surrey</li> <li>➤ Public Health</li> <li>➤ Statutory Health Scrutiny</li> <li>➤ Review delivery of the Health and Wellbeing Strategy</li> <li>➤ Health and Wellbeing Board</li> </ul> |

| Name                                    | Relevant Services  |
|---|--|
| Children and Education Select Committee | <p>Policy development, scrutiny and performance, finance &amp; risk monitoring for children's and education services:</p> <ul style="list-style-type: none"> <li>➤ Looked after children</li> <li>➤ Corporate parenting</li> <li>➤ Fostering</li> <li>➤ Adoption</li> <li>➤ Child Protection</li> <li>➤ Children with disabilities</li> <li>➤ Early Help (including Surrey Family Support Programme)</li> <li>➤ Services for Young People (including Surrey Youth Support Service)</li> <li>➤ Youth Crime reduction and restorative approaches</li> <li>➤ Working together with partners</li> <li>➤ Child Sexual Exploitation</li> <li>➤ Schools and Learning</li> <li>➤ Special Education Needs and Disability (SEND)</li> <li>➤ Transition</li> <li>➤ Further Education</li> <li>➤ Early Years Education</li> <li>➤ Services to improve achievements for those children in Surrey's care</li> <li>➤ Virtual school</li> <li>➤ School places</li> <li>➤ School transport</li> <li>➤ Participation of young people not currently in employment , education or training</li> <li>➤ Apprentices and skills for employment</li> <li>➤ Adult and Community Learning</li> </ul> |

| Name                         | Relevant Services   |
|------------------------------|---|
| Communities Select Committee | <p>Policy development, scrutiny and performance, finance &amp; risk monitoring for the following Council services:</p> <ul style="list-style-type: none"> <li>➤ Community Safety, including: <ul style="list-style-type: none"> <li>○ Crime and Disorder Reduction</li> <li>○ Relations with the Police</li> </ul> </li> <li>➤ Fire and Rescue Service</li> <li>➤ Cultural Services, including: <ul style="list-style-type: none"> <li>○ Library Services</li> <li>○ Major cultural and community events</li> <li>○ Heritage</li> <li>○ Arts</li> <li>○ Citizenship</li> <li>○ Registration</li> </ul> </li> <li>➤ Sport</li> <li>➤ Volunteering and Voluntary Sector Relations</li> <li>➤ Customer Services</li> <li>➤ Localism</li> <li>➤ Trading Standards and Environmental Health</li> <li>➤ Community engagement</li> </ul> |



| Name  | Relevant Services   |
|---|---|
| Corporate Services Select Committee           | <p>Policy development, scrutiny and performance, finance &amp; risk monitoring for central services:</p> <ul style="list-style-type: none"> <li>➤ Finance</li> <li>➤ Property estate and facilities management</li> <li>➤ Emergency and Contingency Planning</li> <li>➤ HR and Organisational Development</li> <li>➤ IMT</li> <li>➤ Procurement</li> <li>➤ Legal and Democratic Services</li> <li>➤ Orbis Partnership</li> <li>➤ Communications</li> <li>➤ Other Support Functions</li> </ul>   |
| Environment & Infrastructure Select Committee | <p>Policy development, scrutiny and performance, finance &amp; risk monitoring for the Environment &amp; Infrastructure directorate:</p> <ul style="list-style-type: none"> <li>➤ Planning</li> <li>➤ Waste and recycling</li> <li>➤ Transport Service Infrastructure</li> <li>➤ Flood prevention and infrastructure</li> <li>➤ Aviation</li> <li>➤ Public transport – bus and rail</li> <li>➤ Highways infrastructure</li> <li>➤ Highway Maintenance</li> <li>➤ Local Transport Plans and Strategies</li> <li>➤ Road Safety</li> </ul> |

*(Environment & Infrastructure  
Select Committee continued)*

- Street lighting
- Parking regulation and enforcement
- Rights of way
- Active travel including cycling and walking infrastructure, promotion and cycle training
- Concessionary Travel
- Community Transport
- Economic Development and the Rural Economy
- Economic Prosperity, including Local Enterprise Partnerships
- Housing
- Countryside
- Minerals
- Air quality
- Climate change and carbon energy
- Gypsy and Traveller sites
- Biodiversity and wildlife
- Tourism
- Europe
- Broadband



**OFFICER REPORT TO COUNCIL**

**CONSTITUTION: FINANCIAL FRAMEWORK FOR LOCAL COMMITTEES REVIEW**

**KEY ISSUE/DECISION:**

In 2016, the Audit and Governance Committee recommended that the Constitutional document, the Financial Framework for Local Committees be reviewed and updated. Following consultation with Members and officers, the Council is asked to approve the revised version of this document, attached at Annex A.

**BACKGROUND:**

1. The Financial Framework has governed the spend of funding relating to Local Committees (including Members Allocations, Highways and Youth funding) since 2001.
2. In March 2016, the Audit and Governance Committee recommended that the document be reviewed as it was last revised in 2013, to ensure that it was up-to-date.
3. A benchmarking exercise against other authorities with similar schemes, showed that the Council's scheme compared well with other authorities especially around resident experience.
4. Recognising the Council's priority on resident and Member engagement, officers took the opportunity to consider how to make the document easier to understand from a resident and Member perspective, and to provide consistency of the principles of the scheme.
5. It was also considered that it was appropriate to focus the framework on Members' Allocations funding, and include references to the local committee funding within the Scheme of Delegation, to make it fit more with the current practices.
6. Consultation was undertaken with all Members, local committee chairmen and the Leader of the Council on the revised document. Comments received during this consultation have been taken on board as part of the final document.

|                         |
|-------------------------|
| <b>RECOMMENDATIONS:</b> |
|-------------------------|

It is recommended that the Council approves the revised Financial Framework for Members' Allocations funding as set out in Annex A to the submitted report.

---

**Lead/Contact Officers:**

Lead Officer:

Jane Last - Head of Community Partnerships and Safety (020 8541 9794)

[janel@surreycc.gov.uk](mailto:janel@surreycc.gov.uk)

Contact Officer:

Michelle Collins – Community Partnerships Team Leader (01483 518093)

[michelle.collins@surreycc.gov.uk](mailto:michelle.collins@surreycc.gov.uk)

**Sources/background papers:**

Financial Framework for Local Committees (within the Council's Constitution)

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## Financial Framework for Members' Allocations

### Purpose of the Scheme

The Council allocates annually (subject to the provision made within the Medium Term Financial Plan) a maximum revenue sum to each divisional area, which County Councillors use to support local initiatives that demonstrate community benefit.

Community groups and other organisations are invited to apply for a share of this fund to help them deliver projects that respond specifically to local needs in line with the County Council's strategic priorities:

- Wellbeing – Everyone in Surrey has a great start to life and can live and age well
- Economic Prosperity – Surrey's economy remains strong and sustainable
- Resident Experience – Residents in Surrey experience public services that are easy to use, responsive and value for money.

### Funding - what can it be used for?

Grants are available to support both revenue and capital projects that will benefit the local community. All bids must evidence support for the work of local community groups or communities.

All applications must include a clear statement setting out the direct benefits to the local community.

Members may support the following types of projects:

1. Schemes based in their own division
2. Schemes based in other divisions within the borough/district where Members can pool funds under one lead Member.
3. Looked After Children Bursary (this is the only county-wide initiative or fund permitted under this scheme)

### What we cannot consider

1. Funding of political organisations (those registered on the Electoral Commission website [electoralcommission.org.uk](http://electoralcommission.org.uk))
2. Direct payment to or funding of individuals
3. Ongoing running costs e.g. salaries, rents
4. Funding is approved for one year only and cannot be relied upon or assumed in future years
5. Funding to local authorities and other statutory bodies to deliver core services or functions
6. Applications that
  - a. contravene the County Council's [policies](#), [priorities](#), or legal advice
  - b. involve taking sides on a planning dispute
  - c. relate to matters where the County Council is a statutory consultee
  - d. may bring the reputation of SCC into disrepute
  - e. support organisations to directly campaign against SCC or any local statutory partner
7. Funding for costs wholly or mainly incurred for core costs of schools (School and Early Years Finance Regulations apply)
8. Retrospective funding applications will not be accepted
9. Supporting award ceremonies

10. Applications for street lighting, grit bins or highways schemes including speed limit assessments.

## Making an application

Please take note of the funding criteria below before making an application and provide as much of the information required, to prevent any delay in processing your bid. If there is anything you are unsure of, please contact the Community Partnership Team for further advice.

1. Organisations that are applying must have a constitution and a linked group bank account.
2. Applications from private business, other local authorities and statutory bodies, private clubs or membership organisations will only be considered where the wider community benefit of the project is clearly demonstrated.
3. All applications should follow the Council's policy in relation to Equalities and Diversity.
4. Any organisation that has previously received funding from this budget must provide evidence that this funding has been spent before applying for new funding.

## Funding criteria

1. All proposals must demonstrate that their project is value for money regarding the use of public funds and include either a quotation, estimate or breakdown of costs.
2. Funds totalling more than £4999 would require at least two competitive, independent quotes unless part of a framework agreement.
3. Applications to supplement other SCC funding must clearly state the additional community benefits
4. Applicants are required to state:
  - a. Whether they are in receipt of other funds from, or have any outstanding applications to SCC.
  - b. Whether they have previously applied to SCC for funding and for what purpose
  - c. Whether the organisation applying is already under contract to SCC following a tendering process or is in receipt of a grant.
5. Applications should not include VAT where this is recoverable e.g. work carried out by SCC

## Application process

The application must have been endorsed by the appropriate local Member (s) unless it is not possible to obtain these views. (Where this is not possible e.g. because of long term illness or incapacity, the relevant Local/Joint Committee Chairman/Vice-Chairman's view will be sought prior the other Member's allocation being spent).

Applicants will be sent an electronic link to the online application process.

In cases where there has been an agreement to pool funds, one Member must agree to act as lead in securing approvals from the other councillors contributing.

All applications for funds follow the same agreed process and will be treated equally in being assessed against the Financial Framework set out in this document.

Throughout the process advice is available to applicants and Members from officers in the Community Partnership Team.

## Approvals

1. Members should comply with the Member Code of Conduct, and must not sponsor projects in which they have a
  - a. pecuniary interest – unless they have obtained a dispensation from the Audit & Governance Committee (Standing order 62)
  - b. prejudicial interest  
*(Definitions of pecuniary and prejudicial interests are set out in the Member Code of Conduct in the Council's Constitution Part 6 (1))*
2. Approvals of applications are delegated to officers in the Community Partnership Team in consultation with Members (see Part 3/Section 3/Part 3 of the Council's Scheme of Delegation).
3. Where an application has a link to or may affect a contract with SCC, the relevant service will be consulted for their view on the validity of the project and its appropriateness for funding.
4. Members should not confirm funding to an applicant before the approval process has been completed and all necessary checks and assessments have been undertaken.

## Budget Monitoring and Management

1. Where funding is used to commission an external organisation to carry out works, the County Council's financial regulations and standing orders will apply.
2. Funding can only be used for the purposes specified in the application form. If there are any minor variations (e.g. changes to specific costings or timescales) these must be agreed and approved by the Community Partnerships Manager or Team Leader in consultation with the local Member.
3. Funding should be spent within the financial year it is awarded:
  - a. Projects that require funds to be carried over to the next financial year will be subject to Cabinet approval
  - b. Any funding that is returned and unspent from previous financial years cannot be carried forward and re-allocated to projects in a new financial year (This includes money that is on the carried forward list from one financial year to the next where the project does not go ahead.)
4. Where Members' Allocations are used by a SCC service
  - a. An application form will need to be completed and all usual requirements for the grant observed
  - b. Payment of funds will be made by transfer from the allocations budget to the relevant service budget
5. Applicants will be required to acknowledge the provision of funds from SCC when referencing or publicising the event/project.
6. Applicants are required to submit evidence of expenditure and successful completion of their project/event (e.g. photos, invoices, press releases) within 12 months of receiving the funding.
  - a. Failure to supply this information may result in the funds having to be returned to SCC.
  - b. This evidence should be retained in case it is required at a later date and may be subject to an audit.
7. Reports on approved projects and expenditure are posted in the funding section on the local area pages of the SCC website on a monthly basis.
8. Articles on a selection of completed projects will be published on the local area web pages on the SCC website.

9. Where funding is used to commission voluntary sector services the requirements of [Surrey Compact](#) will be observed.



*County Council Meeting – 23 May 2017*

## REPORT OF THE CABINET

The Cabinet met on 28 March and 27 April 2017.

In accordance with the Constitution, Members can ask questions of the appropriate Cabinet Member, seek clarification or make a statement on any of these issues without giving notice.

The minutes containing the individual decisions for 28 March and 27 April 2017 meetings are included within the agenda at item 16. Cabinet responses to Committee reports are included in or appended to the minutes. If any Member wishes to raise a question or make a statement on any of the matters in the minutes, notice must be given to Democratic Services by 12 noon on the last working day before the County Council meeting (Monday 22 May 2017).

For members of the public all non-confidential reports are available on the web site ([www.surreycc.gov.uk](http://www.surreycc.gov.uk)) or on request from Democratic Services.

### RECOMMENDATIONS ON POLICY FRAMEWORK DOCUMENTS

#### A SURREY COUNTY COUNCIL, CORPORATE STRATEGY 2017 – 2022

The Cabinet considered Surrey County Council's, Corporate Strategy 2017 – 2022 at its meeting on 28 March 2017. A copy of the Cabinet report is attached as an Appendix 1 to this report.

#### The Cabinet agreed:

That the refreshed version of the Corporate Strategy 2017-2022 be endorsed and recommended that it be presented to the County Council meeting on 23 May 2017 for approval.

### REPORTS FOR INFORMATION / DISCUSSION

#### B SURREY HEARTLANDS SUSTAINABILITY AND TRANSFORMATION PLAN

1. NHS Sustainability and Transformation Plans (STPs) are place-based, five-year plans built around the needs of local populations. They are intended to identify benefits to be realised in the short and longer term – helping organisations within the STPs to meet their immediate (2016/17) financial challenges and ensure that the investment secured by the NHS in the Spending Review does not merely prop up individual institutions but is used to drive sustainable transformation in patient experience and health outcomes over the longer-term.
2. STPs are the overarching strategic plans for local health and care systems covering the period October 2016 to March 2021 and represent a significant

shift in NHS planning towards a place-based approach (as opposed to solely asking individual NHS organisations to produce their own plans).

3. The geographic 'footprint' for STPs is determined locally and based upon natural communities, existing working relationships and patient flows – there are three STPs covering Surrey: Surrey Heartlands; Frimley Health & Care; and Sussex and East Surrey.
4. Surrey County Council is playing an important role in the development of the three Sustainability and Transformation Plans (STPs) across Surrey. These Plans will play a pivotal role in shaping the future health and care priorities and landscape across Surrey and in the six months since the last STP update to Cabinet, significant progress has been made in the development of the Surrey Heartlands STP.
5. Recent dialogue with residents (through a deliberative research exercise) has shown that the types of changes under consideration as part of the STP (such as more self and community based care, greater reliance on non-medical services and intervention) were all regarded positively in the context of a more joined up and efficient health and care system that could provide greater access at times that suited residents.
6. Alongside the development of the STP, local partners (the County Council and three CCGs) have been in dialogue with national partners (primarily NHS England and the Department of Health) to discuss a health devolution agreement for Surrey Heartlands. Securing a devolution agreement will not be an end in itself – it will be a crucial vehicle and enabler to deliver the scale and pace of change set out in the STP.
7. The timetable for the development of the devolution work is to have the new arrangements in place for April 2017 and to use 2017/18 as a 'shadow year' – this will enable partners to work together to shape the approach and work through how the devolution of new responsibilities and greater integration of health and social care will operate in practice
8. The full report is available as part of the Cabinet's 31 March 2017 agenda, available on the County Council's website.
9. **The Cabinet AGREED:**
  1. That the progress that has been made in the development of the Surrey Heartlands Sustainability and Transformation Plan be noted.
  2. That the specific update in relation to the development of a health devolution agreement for Surrey Heartlands and the opportunities that it could bring to residents be considered.
  3. That the proposed governance principles for health devolution be endorsed and the Chief Executive, in consultation with the Cabinet Members for Wellbeing and Health; Adults Social Care, Wellbeing and Independence; and Children and Families Wellbeing be asked to take the necessary steps to finalise and implement the new arrangements.

**C QUARTERLY REPORT ON DECISIONS TAKEN UNDER SPECIAL URGENCY ARRANGEMENTS: 1 JANUARY – 31 MARCH 2017**

1. The Cabinet is required under the Constitution to report to Council on a quarterly basis the details of decisions taken by the Cabinet and Cabinet Members under the special urgency arrangements set out in Article 6.05(f) of the Constitution. This occurs where a decision is required on a matter that is not contained within the Leader's Forward Plan (Notice of Decisions), nor available 5 clear days before the meeting. Where a decision on such matters could not reasonably be delayed, the agreement of the Chairman of the appropriate Scrutiny Board, or in his/her absence the Chairman of the Council, must be sought to enable the decision to be made.

*There has been one urgent item in this quarter, as detailed:*

Integrated Sexual Health Service

(taken by the Leader of the Council on 20 March 2017)

**Reason for Urgency:**

That the decision cannot be reasonably deferred because of an urgent need to extend these contracts before they expire.

**Mr David Hodge, Leader of the Council**  
**12 May 2017**

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**SURREY COUNTY COUNCIL****CABINET****DATE: 28 MARCH 2017****REPORT OF: MR DAVID HODGE, LEADER OF THE COUNCIL****LEAD OFFICER: DAVID MCNULTY, CHIEF EXECUTIVE****SUBJECT: SURREY COUNTY COUNCIL: CORPORATE STRATEGY 2017-2022****SUMMARY OF ISSUE:**

The Cabinet is asked to endorse a refreshed version of the Council's Corporate Strategy. The Strategy will then be presented to the County Council meeting on 23 May 2017 for approval. The Strategy will ensure that Surrey residents remain healthy, safe and confident about their future.

**RECOMMENDATIONS:**

It is recommended that the Cabinet endorses the refreshed version of the Corporate Strategy 2017-2022 and recommend that it be presented to the County Council meeting on 23 May 2017 for approval.

**REASON FOR RECOMMENDATIONS:**

By reconfirming a long term vision for the county and setting goals and key actions for the next financial year the refreshed Corporate Strategy provides a clear sense of direction for Council staff, residents, businesses and partner organisations. As part of the Council's Policy Framework (as set out in the Constitution) the Corporate Strategy must be approved by the County Council.

**DETAILS:****Background**

1. On 16 July 2013 the County Council approved a long term Strategy for the Council. It was agreed that the Strategy would undergo a refresh on an annual basis. This report presents a refresh of the version that was previously approved by the Council on 9 February 2016.

**Corporate Strategy 2017-2022**

2. The strategic challenges facing the Council stem from two significant and persisting trends. Firstly, population changes - alongside the introduction of new responsibilities and duties - mean there are an increasing number of activities the Council needs to carry out in order to fulfil its purpose. Secondly, the total financial resource available to deliver these functions continues to reduce in real terms.
3. By implementing its Strategy since 2013 the Council has made good progress in meeting these challenges. The recently published [Annual Report 2015/16](#) and [Chief Executive's six month progress reports](#) illustrate this.

4. The refreshed document for 2017-2022 reconfirms the strategic direction which has helped the Council to navigate significant challenges over recent years. It also updates the context to reflect the challenging environment in which the Council is operating.

#### **Supporting strategies and plans**

5. There are a number of more detailed supporting strategies and plans which contribute to the delivery of the Strategy. These will continue to be refreshed periodically as required.
6. The detailed goals and actions that services will deliver in 2017/18 are included as part of the Medium Term Financial Plan reported to the Cabinet alongside this report.

#### **CONSULTATION:**

7. The Council's long term strategy has been discussed at a range of events over recent months involving Members and officers from across the Council.

#### **RISK MANAGEMENT AND IMPLICATIONS:**

8. There are no direct risk management implications arising from this report.

#### **Financial and Value for Money Implications**

9. The Corporate Strategy is developed in line with budget planning. It sets the strategic direction reflected in the Medium Term Financial Plan 2017-2022.

#### **Section 151 Officer Commentary**

10. The Corporate Strategy has been refreshed alongside the development of the Council's future budget. The Medium Term Financial Plan 2017-2022 is presented separately to Cabinet at this meeting.

#### **Legal Implications – Monitoring Officer**

11. Cabinet will need to take account of the Public Sector Equality Duty in considering this Strategy. There is a requirement to have due regard to the need to advance equality of opportunity for people with protected characteristics, foster good relations between such groups, and eliminate any unlawful discrimination. These matters are dealt with in the equalities paragraphs of the report. Otherwise there are no legal implications/legislative requirements arising directly from this report.

#### **Equalities and Diversity**

12. The Strategy sets out goals and commitments that have positive implications for all residents, including protected groups. There are specific positive commitments in relation to children and young people, older people, and people with disabilities. However, given the high-level nature of these goals it is not possible to carry out an equality impact assessment at this stage.
13. The equalities implications of the goals will continue to be considered in relation to the more detailed and specific policies that stem from the overall Strategy, including the full Medium Term Financial Plan 2017-2022.

## **WHAT HAPPENS NEXT:**

- Surrey County Council's Corporate Strategy 2017-2022 will be presented to the County Council at its meeting on 23 May 2017 for approval.
  - The Strategy will be published on the Council's website in readiness for the start of the 2017/18 financial year.
  - An internal communications campaign will be run to raise awareness of the Strategy.
  - The measures and targets for the Council's goals and key actions for 2017/18 will be finalised with progress reported throughout the year on the Council's website.
  - The Chief Executive will continue to publish six-monthly progress reports on the Council's website.
  - Scrutiny Boards will continue to scrutinise work programmes and performance.
- 

### **Lead Officer:**

David McNulty, Chief Executive

### **Consulted:**

Cabinet Members  
Continual Improvement and Productivity Network

### **Annexes:**

Annex 1: Surrey County Council: Corporate Strategy 2017-2022

### **Sources/background papers:**

- Chief Executive's [six month progress report](#)
  - Surrey County Council's [Annual Report 2015/16](#)
-

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## PURPOSE

Ensure Surrey residents remain **healthy, safe and confident** about their future

## VISION

**ONE** team for Surrey by 2022

## VALUES



**Listen**



**Responsibility**



**Trust**



**Respect**

## Context

We are committed to protecting the vital services our residents rely upon but this is becoming increasingly challenging. Surrey County Council has faced unprecedented increases in demand whilst central government grants has reduced significantly (£170m since 2010). We have worked hard to contain the costs and volume pressures, finding £450m worth of savings, but this is not enough. We still face a significant budget gap and are working hard as one team with our residents and partners to find a sustainable solution.



Changing birth rates and people moving into Surrey means that 11,000 more school places are expected to be needed by 2022. The Council also supports approximately 6,000 children at high risk and in need of social care intervention, and 900 looked after children, including 147 unaccompanied asylum seeking children.



Surrey's population is growing and their needs are becoming more complex, increasing demand on health and social care services. By 2022, there will be nearly 250,000 people aged over 65 in Surrey. The Council currently supports over 3,700 people with learning disabilities and 5,000 children with special educational needs and disability— these numbers are expected to continue to rise.



Surrey is a net contributor, paying more income tax to the Treasury than any area outside London. Surrey's economy expanded by 20% between 2011 and 2015, but there are critical challenges: roads are congested; employers struggle to attract staff with the right skills; and there is limited affordable housing. The council has also been given over 60 new responsibilities without proper funding to deliver.

## Our strategic goals

### 1. Wellbeing

**Everyone in Surrey has a great start to life and can live and age well**

To support this goal in 2017/18 we will

- Provide additional school places needed for the September 2017 school year
- Improve outcomes for children in need of support and protection
- Support families through the Surrey Family Support Programme
- Support our residents to live longer and live well by integrating health and social care services
- Enable people to stay well at home in their community and to return home sooner from hospital with the care they need

### 2. Economic prosperity

**Surrey's economy remains strong and sustainable**

To support this goal in 2017/18 we will

- Support young people to participate in education, training or employment
- Resurface and treat priority roads to ensure the resilience of our highway network
- Improve and renew priority pavements, particularly to support vulnerable users
- Increase waste recycling and reduce the amount produced and sent to landfill
- Support an infrastructure investment programme

### 3. Resident experience

**Residents in Surrey experience public services that are easy to use, responsive and value for money**

To support this goal in 2017/18 we will

- Enhance opportunities for residents to influence and shape council services
- Make better use of digital technology to improve services for residents
- Invest in flood and maintenance schemes
- Improve the satisfaction of families of children with special educational needs and disabilities with the support they receive
- Deliver the savings set out in the Medium Term Financial Plan

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MINUTES OF THE MEETINGS OF  
CABINET HELD ON 28 MARCH 2017  
AND 27 APRIL 2017

Any matters within the minutes of these Cabinet meetings may be the subject of questions and statements by Members upon notice being given to the Democratic Services by 12 noon on Monday 22 May 2017.

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**MINUTES OF THE MEETING OF THE CABINET  
HELD ON 28 MARCH 2017 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 Steve Cosser  
Mr David Harmer

**PART ONE  
IN PUBLIC**

**45/17 APOLOGIES FOR ABSENCE [Item 1]**

Apologies were received from Mrs Curran.

**46/17 MINUTES OF PREVIOUS MEETING: 28 FEBRUARY 2017 [Item 2]**

The minutes of the meeting held on 28 February 2017 were confirmed and signed by the Chairman.

**47/17 DECLARATIONS OF INTEREST [Item 3]**

Mr Martin declared an interest in relation to Item 21 and stated that he would leave the room during the discussion and voting on this item.

Ms Le Gal also declared an interest in relation to Item 21 but stated her intention to participate in the voting and discussion in relation to the item.

**48/17 PROCEDURAL MATTERS [Item 4]**

**a MEMBERS' QUESTIONS [Item 4a]**

Four questions were received. The questions and responses are attached as Appendix 1.

### Supplementary questions

**Q1 Mr Essex** noted that many of the Council's services were commissioned out to external suppliers on contracts spanning a number of years. He requested a breakdown of the services which the Council commissions from external providers, including spending on these contracts, by Directorate. The Leader of the Council confirmed that a breakdown of externally commissioned services by directorate would be provided but advised Mr Essex that he was able to request this information directly from officers rather than making a formal request to Cabinet. Ms Le Gal asked that details of the amount of officer time spent on compiling this information also be included in the response to Mr Essex's supplementary question.

**Q2 Mr Essex** highlighted some inconsistencies between the response to his question and the information provided in the report for item 10 of the Cabinet agenda and requested clarification on these discrepancies. The Leader of the Council indicated that this would be dealt with during the discussions in relation to Item 10.

**Q3 Mr Essex** felt that there should be greater opportunity for Members of the Council to scrutinise the budget prior to it being voted on by Full Council and suggested that scrutiny boards should be given access to the Equalities Impact Assessments included within Item 10 which gave details of potential implications arising from reductions in the Council's expenditure on specific services. The Leader of the Council highlighted that the Council Overview Board does review the proposed budget in advance of a decision on it being taken by Full Council but advised that a significant amount of information pertinent to the budget setting process only became accessible at the last minute meaning it was not possible for all scrutiny boards to review the budget before this decision.

**b PUBLIC QUESTIONS [Item 4b]**

No questions were received from members of the public.

**c PETITIONS [Item 4c]**

No petitions were received.

**d REPRESENTATIONS RECEIVED ON REPORTS TO BE CONSIDERED IN PRIVATE [Item 4d]**

There were none

**49/17 REPORTS FROM SCRUTINY BOARDS, TASK GROUPS, LOCAL COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL [Item 6]**

(i) Council Overview Board

Reports were received from the Council Overview Board in relation to the following matters:

- Surrey County Council's investment portfolio and the role of the Council's scrutiny function in reviewing this portfolio;
- the progress of the Sustainability and Review Board and the Medium Term Financial Plan; and
- the Investment Strategy Review.

A response from the Leader of the Council in relation to the Council's investment portfolio was tabled at the meeting and is attached as Appendix 2 to these minutes.

The recommendations from the Council Overview Board in relation to the Medium Term Financial Plan and the Investment Review Strategy are attached as Appendices 3 and 4 respectively and were considered with items 10 and 12 on the agenda to which the recommendations relate.

#### **50/17 SURREY HEARTLANDS SUSTAINABILITY & TRANSFORMATION PLAN [Item 7]**

The report was introduced by the Cabinet Member for Wellbeing and Health who highlighted the continuing role that Surrey County Council was playing in the development of the three Sustainability and Transformation Plans (STPs) operating in Surrey and advised that these would lead to closer integration between health and social care services in the county.

The Cabinet Member then read out a statement from Surrey Heartlands STP's Transformation Board regarding the development of the draft text for a Memorandum of Understanding with NHS England and NHS Improvement to devolve responsibilities for the delivery of healthcare services to Surrey Heartlands. The Cabinet was informed that the draft Memorandum of Understanding included details on a range of areas related to the devolution deal including expected improvements in residents' health; the scope of devolution envisaged; governance arrangements; a road map for delivery and transformation funding that would be made available over the next three years to achieve devolution. It was anticipated that the final text for the Memorandum of Understanding would be ready for SCC to sign following County Council elections on 4 May 2017.

The Cabinet Member stressed the importance of having strong governance arrangements in place to ensure that devolution was a success and advised that SCC's past experience of working with Surrey's Clinical Commissioning Groups would be vital for achieving this.

The financial and value for money implications outlined in the report were also highlighted by the Cabinet Member who emphasised that closer integration of health and social care facilitated by devolution would contribute to ensuring that services remained sustainable in the long term.

The Deputy Leader of the Council welcomed the report and opportunities presented by the proposed devolution agreement for Surrey Heartlands stating that closer integration in the delivery of health and social care services could make a real difference for residents.

#### **RESOLVED:**

That;

1. the progress that has been made in the development of the Surrey Heartlands Sustainability and Transformation Plan be noted;

2. specific update in relation to the development of a health devolution agreement for Surrey Heartlands and the opportunities that it could bring to residents be considered; and
3. the proposed governance principles for health devolution and asks the Chief Executive, in consultation with the Cabinet Members for Wellbeing and Health; Adults Social Care, Wellbeing and Independence; and Children and Families Wellbeing to take the necessary steps to finalise and implement the new arrangements were endorsed.

**Reasons for Decisions:**

In the six months since the last STP update to Cabinet, significant progress has been made in the development of the Surrey Heartlands STP.

Recent dialogue with residents (through a deliberative research exercise) has shown that the types of changes under consideration as part of the STP (such as more self and community based care, greater reliance on non-medical services and intervention) were all regarded positively in the context of a more joined up and efficient health and care system that could provide greater access at times that suited residents.

To further the intentions set out in the STP, a dialogue with national partners has taken place to develop a health devolution agreement. The devolution agreement is stated as a key mechanism for enabling the STP aims and ambitions as well as the integration of health and social care.

The Cabinet will be kept informed of progress on the STP, devolution discussions and the associated opportunities being explored.

**51/17 CRANLEIGH CHURCH OF ENGLAND PRIMARY SCHOOL [Item 8]**

An introduction to the report was provided by the Cabinet Member for Schools, Skills and Educational Achievement who stated that SCC had provided an additional 13,000 school places over the past five years in order to meet rising demand and it was anticipated that a further 11,000 schools places would be required over the next four years. It was proposed to rebuild Cranleigh Church of England Primary School to consolidate it on a single site at Glebelands Secondary School thereby creating an all-through school with 210 additional primary school places. This would help to mitigate growing demand for school places in the area which had arisen as a result of new housing developments around Cranleigh. The construction of the new school would be financed through the sale of the land on the two sites across which Cranleigh C of E Primary School was located coupled with a grant from the Department for Education (DfE) meaning that no additional capital funding would be required from SCC. Mrs Kemeny highlighted that the school also provided specialist support for children with learning disabilities and stated that the proposed rebuild as outlined in the report would enhance and expand support for children with learning disabilities in the area.

The Cabinet Associate for Children, Schools and Families indicated her support for the proposal emphasising the excellent work that staff at the school had done in facilitating inclusive education for children with learning disabilities but stressed that the dilapidated state of the school's buildings was placing limitations on the support that staff could provide. A new school was



required in order to support staff in providing as inclusive an educational environment as possible.

The Leader of the Council paid tribute to the work that Mrs Kemeny had done as Cabinet Member for Schools, Skills and Educational Achievement in ensuring that SCC was able to meet the significant growth in demand for school places which had taken place over the past four years.

**RESOLVED:**

That, subject to the agreement of the detailed financial information for the rebuilding of the school as set out in Part 2 of this agenda, the business case for the rebuilding of Cranleigh Church of England Primary School be approved.

**Reasons for Decision**

The proposal supports Surrey County Council's statutory obligation to provide sufficient school places to meet the needs of the population in the Cranleigh area.

**52/17 FRAMEWORK AGREEMENT FOR RESIDENTIAL PARENTING ASSESSMENTS [Item 9]**

An introduction to the item was provided by the Cabinet Member for Schools, Skills and Educational Achievement who stated that the Council aimed to formalise arrangements for conducting Residential Parenting Assessments (RPAs) by agreeing a framework for contracting providers to undertake these assessments. Mrs Kemeny highlighted that spending on RPAs by SCC had increased significantly over recent years and the introduction of this framework was designed to make spending on these assessments more cost-effective. The Cabinet was advised that SCC was an outlier in undertaking more RPAs than other local authorities and that steps were being taken to reduce these. The Courts were, however, able to require local authorities to undertake an RPA and so it was important to ensure that a framework was in place to manage costs in such cases.

Mrs Lewis followed up by detailing the efforts that were being made deliver improvements in Children's Services. This included enhancing the skillset of social workers empowering them to recognise and intervene at earlier stage on potential child safeguarding issues thereby reducing the need for SCC to conduct RPAs.

The Cabinet Members for Wellbeing and Health stressed the importance of County Councillors being aware of their responsibilities as corporate parents and asked whether the induction programme for new Members joining SCC following Council elections would include any information on this. The Cabinet Member for Business Services and Resident Experience stated that informing new Members of their responsibilities in relation to corporate parenting was central to the induction programme.

## **RESOLVED:**

That the establishment of a Framework is endorsed by Cabinet and award of a place on the Framework be made to the two suppliers for Lot 1, as detailed in the Part 2 report.

### **Reasons for Decision**

There is a duty on local authorities to provide parenting assessments under section 38 (6) of the Children Act 1989, when directed by the Courts during care proceedings.

Establishing a new Framework Agreement will facilitate a long term partnership with suppliers, creating the working environment to support continuous improvement for high quality, child centred assessment services.

Value for money will be secured through a clear pricing structure which will help to ensure transparency and clarity around costs with fixed prices for the first two years of the framework. In addition to this, there will be robust contract management.

The recommended awarded providers met the tender evaluation criteria as well as demonstrating their experience and ability to deliver robust and high quality assessment reports that would inform care planning decisions.

Changes to UK procurement regulations (the Public Contracts Regulations 2015) means that spot purchasing services above specified financial thresholds (£589,148 per annum for social services) is no longer an appropriate form of procurement.

## **53/17 SURREY COUNTY COUNCIL: CORPORATE STRATEGY 2017-2022 [Item 10]**

Attention was drawn to the data contained within the Corporate Strategy regarding demand for adult social care services which had increased considerably over the past few years and was expected to rise further. The Cabinet Member for Adult Social Care, Wellbeing and Independence advised that the Government had convened a Social Care Task Group to review figures on the delivery of social care services. The Leader of the Council emphasised the importance of SCC clearly articulating its experience in relation to rising demand on social care and the pressure that this had placed on its services across the board.

Mrs Hammond stressed the difficulty of condensing SCC's Corporate Strategy onto one-page. She highlighted that local authorities had been required to take on a range of additional responsibilities without being properly funded by Central Government to deliver these and advised that the challenges this had created for councils should not be underestimated. The Leader of the Council added that Members have a duty to support residents and the Corporate Strategy provided an outline of how SCC aimed to do this.

The Deputy Leader of the Council drew attention to the inclusion of economic prosperity on the Corporate Strategy and stated that this was perhaps the Council's most important function. He emphasised that Surrey contributes a

great deal of revenue to the Exchequer and indicated that it should get some of this back.

**RESOLVED:**

That the refreshed version of the Corporate Strategy 2017-2022 was endorsed and recommended for presentation to the County Council meeting on 23 May 2017 for approval.

**Reasons for Decision**

By reconfirming a long term vision for the county and setting goals and key actions for the next financial year the refreshed Corporate Strategy provides a clear sense of direction for Council staff, residents, businesses and partner organisations. As part of the Council's Policy Framework (as set out in the Constitution) the Corporate Strategy must be approved by the County Council.

**54/17 MEDIUM TERM FINANCIAL PLAN 2017 - 2020 AND SUSTAINABILITY REVIEW BOARD REPORT [Item 11]**

An addendum as well as an updated table outlining the County Council's projected earmarked reserves and balances were tabled at the meeting, these are attached as appendices 5 and 6 respectively.

The report was introduced by the Leader of the Council who highlighted concerns regarding SCC's financial stability following its funding settlement from Central Government. Of the £2 billion social care support fund announced by the Chancellor during his Budget Statement, SCC was set to receive £7.5 million for 2017/18 which would contribute towards closing the Council's budget gap but savings of £93 million were required for 2017/18. Attention was drawn to the work of the Sustainability Review Board (SRB) who had made a series of recommendations on potential savings.

The Leader of the Council introduced the revised recommendations in the report for consideration by the Cabinet which reflected amendments to the Medium Term Financial Plan (MTFP) as outlined in the table attached as Appendix 5 to these minutes. He highlighted that the decision had been taken to maintain SCC's contribution to the Community Building Grant Scheme for 2017/18 but indicated that it may be necessary to revisit this next year depending on budgetary constraints. Mr David Hodge further advised that SCC would be required to utilise £10 million of its reserves to balance its budget for 2017/18 and that it would be necessary to consider how these reserves could be replenished in future years to ensure that the Council's resilience wasn't negatively affected.

The Leader of the Council also announced his intention to establish a Member-led review into fees and charges levied by the Council to ensure that these were fair. Mr Mel Few stated that the Adult Social Care Directorate generates £46 million a year in revenue for the Council through fees and charges and advised that these have gone up 6% year on year.

The Chairman of the SRB, Mr Nick Harrison, read a statement to the Cabinet highlighting a number of areas where the Council could make significant and

sustained savings. He suggested that the Cabinet consider achieving further budget reductions through the following steps:

- reviewing central services;
- co-locating of services;
- reducing the Council's headcount;
- creating new revenue streams through fees and charges;
- promoting a single services approach; and
- more effective use of benchmarking

Mrs Mary Lewis and Mr Tim Evans, who were also on the SRB, thanked Mr Harrison for his efforts in his role as Chairman of the SRB. They both emphasised the need to work at pace to deliver the savings identified by the SRB and contained within the MTFP so that these were delivered in-year and could contribute to the Council's attempts to save £93 million in 2017/18.

The Chairman of the Council Overview Board, Mr Steve Cosser, also read a statement to the Cabinet regarding the MTFP. He acknowledged the challenges facing the Cabinet in deciding on what services budget reductions should fall given the potential impact on residents but stressed that the pace of delivery on these savings must be accelerated if the desired reductions were to be achieved. Mr Cosser further emphasised the need for the Council to undertake a root and branch review of service delivery in order to determine whether further savings could be made to close the Council's extant funding gap. He further suggested that Members should have more involvement in future savings programmes to improve the budget scrutiny process. The Leader of the Council agreed that hard decisions did have to be made in relation to the budget reductions and recognised that the pace of delivery on savings did need to pick up. He did, however, highlight that it was important to maintain funding in areas where money was being spent prudently and making a difference to residents such as Members' grants and local highways budgets. Mr Hodge further stated that the Council had to continue to deliver services while undertaking transformation programmes to realise budgetary savings.

Mr David Harmer, Chairman of the Economic Prosperity, Environment and Highways Board addressed the Cabinet and drew attention to concerns among Members about the proposed reduction to the local highways budget which it was felt would generate other costs for the Council. He instead proposed moving £2 million from the local highways budget to the capital budget for spending on highways projects. The Leader of the Council indicated that he would discuss the practicalities of this proposal with the Section 151 Officer following the meeting.

The Leader of the Council asked each Cabinet Member to provide the financial context for their specific service and received the following updates:

- Mrs Kemeny presented the finances for Children's Services on behalf of the Cabinet Member for Children and Families Wellbeing who had sent her apologies for the meeting. She indicated that demand on Children's Services was relentless stating that the county now had in excess of 900 Looked After Children which placed significant pressures on the Council. This, coupled with its improvement journey meant that Children's Services had a significant projected overspend

for 2017/18. Despite this, it was expected that the Service could make reductions as part of the MTFP while ensuring that vulnerable children remained protected.

- In relation to her own portfolio as Cabinet Member for Schools, Skills and Educational Achievement, Mrs Kemeny stated, that £4 million in savings were projected in the MTFP for the co-commissioning of children's health services. Mrs Kemeny advised the majority of savings for the Schools and Learning Service would be achieved through the Special Educational Needs and Disabilities (SEND) budget through closer collaboration with schools and a project to create a more cost-effective SEND Transport Service. Projected reductions in costs on agency staffing would further help to deliver the service's required savings.
- The Cabinet Member for Highways, Transport and Flooding indicated that the Highways Service would come in £1.8m under budget for 2016/17. He stated that partner organisations such as Local Enterprise Partnerships had been crucial in helping to build and maintain highways infrastructure across the County by generating and securing capital investment for Surrey's roads. Mr John Furey further highlighted the importance of retaining spending on mitigating flood risks in the County through initiatives such as the River Thames Scheme which gave SCC a significant net gain through investment in flood defences.
- Mr Mike Goodman, the Cabinet Member for Environment and Planning, stated that the savings target identified for his portfolio in the MTFP would be challenging to meet and highlighted that community recycling centres and renegotiation of contracts would shoulder the majority of budget reductions.
- Decreased spending on libraries and customer services were outlined in the MTFP for the Cabinet Member for Localities and Community Wellbeing's portfolio although it was emphasised that efforts would be made to minimise the impact of these reductions on frontline service delivery through consultation with residents.
- The Cabinet Member for Wellbeing and Health stated that SCC's Public Health budget allocation from Central Government was substantially less than it should be which would impact negatively on the Council's capacity to promote emotional wellbeing and to tackle unhealthy behaviours.
- The Deputy Leader, Mr Peter Martin, highlighted that budgetary constraints would put pressure on SCC's ability to promote economic growth throughout the County by reducing infrastructure investments.

The Cabinet Associate for Fire and Police Services congratulated the level of detail contained within the Equalities Impact Assessments that was completed by each Directorate and which outlined the adverse effects that the savings SCC was being required to make would have on residents, particularly those with protected characteristics. She suggested that directorates should seek to minimise the impact of services transformations on residents by working collaboratively.

**RESOLVED:**

That the Cabinet agreed:

1. the release of provisions of £2m and to use reserves of £10m to balance the 2017/18 budget;
2. the amended savings recommended by the Sustainability Review Board, as shown in Table 1 of the submitted report;
3. the capital programme of £387m from 2017 to 2020, which is a reduction of £21m from that approved 7 February 2017;
4. the capital programme includes £150,000 for the Community Buildings Grant Scheme;
5. to only borrow for capital schemes where there is a compelling business case and for officers to review future years' budgets within the capital programme to reduce spending;
6. the 2017/18 service strategies (Annex 1 to the submitted report);
7. the detailed service revenue and capital budgets for the year 2017/18 and indicative budgets for the years 2018-20 including amendments resulting from the Final Local Government Financial Settlement and other Government funding changes announced since 7 February 2017, including the March Budget (Annex 1 to the submitted report);
8. the proactive and systematic engagement of the County Council in responding to proposed changes in local government funding to ensure these changes do not further disadvantage Surrey, and seeking the appropriate recognition of the costs of delivering services in Surrey;
9. the following in relation to the funding of Early Years providers:
  - The Local Authority to retain £4.4m of the Early Years grant to manage the sector and allow for a devolved provision for more targeted support.
  - Fund Early Years providers at rates which are commensurate with the levels of funding in the Early Years DSG:
    1. £4.51 per hour for three and four year olds
    2. £5.88 per hour for two year olds

Change in the distribution of deprivation funding which has been simplified to be based on the Early Years pupil premium funding (paragraph 22 in the submitted report);

10. the publication of the service revenue and capital budgets as the Medium Term Financial Plan 2017-20.

The Cabinet further noted that:

11. the additional funding for adult social care announced in the Chancellor of the Exchequer's Budget 2017;
12. the options for areas for additional savings and service reductions identified by Sustainability Review Board (SRB) in a separate report (Annex 2 to the submitted report);
13. the Director of Finance's letter to the Department for Communities and Local Government confirming that the Adult Social Care Precept will

- be spent entirely on adult social care functions (paragraph 8 and Annex 3 to the submitted report);
14. the fees and charges approved under delegated powers (Annex 4 to the submitted report);
  15. the Cabinet establish a member led task group to review all service fees and charges and to report to the Cabinet in Autumn; and
  16. the Equality Impact Assessments of the savings proposals within directorate and service budgets (Annex 5 to the submitted report).

### **Reasons for Decision**

The Council has a legal duty to prepare a balanced and sustainable budget and to deliver statutory services to residents.

The Medium Term Financial Plan (MTFP) 2017-20 is a three year budget. It reflects assumptions about the current local and national financial, economic and political environment. Setting a three year budget is a key element of the Council's multi-year approach to financial management and its aim of achieving a sustainable financial position. Regular reporting through the year will enable effective tracking and management of progress with the strategy and the budget.

## **55/17 FINANCE AND BUDGET MONITORING REPORT TO 28 FEBRUARY 2017 [Item 12]**

The item was introduced by the Leader of the Council who stated that SCC's forecast position for the end of the 2016/17 financial year was an £6.8 million underspend, a significant improvement on the £22.4 million overspend which had been forecast in September 2016. He stressed, however, that many of the steps taken to return the Council to a balanced budget were one-off measures and that the problem of rising demand on services, particularly social care, represented a significant challenge to the Council's financial stability. Mr Hodge emphasised that despite the significant budget reductions already achieved it was incumbent upon officers and Members to continue to identify and deliver savings in the Council's budget in order to return SCC to a sustainable MTFP. He further stated that the Cabinet would continue to press the case for Surrey to get a fairer funding deal from Central Government.

The Leader of the Council asked each Cabinet Member to provide a statement on the forecast position for their portfolio for the end of the 2016/17 financial year:

- The Cabinet Member for Adult Social Care, Wellbeing and Independence indicated that there had been a £1 million improvement in the projected outturn for Adult Social Care but highlighted that there was still a forecast overspend of £14 million across the Directorate. He stressed that SCC had saved £250 million on adult social care spending over the past few years despite a coeval spike in demand for these services.
- Mrs Kemeny informed the Cabinet that there was a projected overspend of £10 million for Children's Services arising from increased pressure on social work teams. Out of county placements and an increase in the number of asylum seeking children coming into the care of SCC as a corporate parent had also placing additional pressures on the Children's Services budget. The graduation of the first cohort to be trained at the

Council's Social Work Academy did, however, mean that it was likely that spending on locums would reduce significantly in the short term.

- Mr Furey advised that the Highways Service had a projected outturn of - £1.8 million for the year despite increased spending on roads and pavements. Extra funding from the Thames Regional Flooding Funding Committee and contributions from district and borough councils as well as businesses had ensured that investment in funding on flood mitigation measures had been maintained.
- The Cabinet Member for Business Services and Resident Experience stated that there had been underspends in the Orbis Partnership and the New Homes Bonus both of which had been used to balance the budget for 2016/17.
- Mr Goodman indicated that there was anticipated to be a very slight overspend in the budget for his portfolio but that this would not have a material impact on the Council's budget position at the year end.

### **RESOLVED:**

Cabinet noted:

1. The forecast revenue budget outturn for 2016/17 was a £6.8m underspend, an improvement from £3.5m last month (Annex, paragraph 1 to the submitted report).
2. The forecast efficiencies and service reductions for 2016/17 was £66.4m, up by £0.1m from last month (as set out in Annex, paragraph 50 of the submitted report).
3. The Section 151 Officer's commentary and the Monitoring Officer's Legal Implications commentary (as set out in the submitted report, paragraphs 16 to 23).
4. That the transfer of a £2.0m underspend on the New Homes Bonus grant allocated to infrastructure projects to the Budget Equalisation Reserve (Annex, paragraph 27 of the submitted report) be approved.
5. That the reprofiling of £0.15m capital contribution to the Godalming flood alleviation scheme from 2016/17 to 2017/18 (Annex, paragraph 61 of the submitted report) be approved.

### **Reasons for Decisions**

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

### **56/17 INVESTMENT STRATEGY REVIEW [Item 13]**

The Chairman of the Council Overview Board (COB) addressed the Cabinet regarding recommendations made in response to the Investment Strategy Review. He stressed that COB should not be deprived of its ability to challenge individual investment decision made by the Council under the new arrangements. Mr Cosser further suggested that the Leader of the Council consider appointing two backbench Members to the Investment Board as a means of increasing its credibility. Mr Hodge responding by stating that COB would retain the ability to scrutinise the Council's overall strategy but not specific investments. He further advised that he would consult the Monitoring Officer on whether backbench Members should be included as part of the Investment Board.



The report was introduced by Ms Denise Le Gal as Cabinet Member for Business Services and Resident Experience. She advised that the Council is seeking to target an annual revenue of £10 million generated through investments and in order to do this it was necessary to increase the rate at which SCC was able to invest in income generation initiatives. A change in governance arrangements will assist in achieving this target and to reflect the delegation of new powers the Investment Advisory Board would be changed to the Investment Board. The Investment Board will be supported by professional advisors, both internal and external, whose costs will be covered by the income generated and the revolving investment fund.

#### **RESOLVED:**

That;

1. progressing the Investment Strategy, including arrangements to enable significant growth in the portfolio to reach an income target of £10m per annum by 2020/21 be approved;
2. a revision to the governance arrangements be authorised and authority be delegated by the Leader to the Investment Advisory Board to approve property investment acquisitions, property investment management expenditure, property investment disposals and the provision of finance to its wholly owned property company, Halsey Garton Property Ltd;
3. the name of the board is amended to reflect this delegation and it will be known as the "Investment Board" be approved; and
4. that a property investment advisor be procured by Surrey County Council to provide the necessary skills and level of support required to expand the investment portfolio noting that any upfront expenditure will be drawn from the Revolving Investment & Infrastructure Fund and that the procurement will be undertaken in two stages in line with the growth in the portfolio.

#### **Reasons for Decisions**

The proposed arrangements will support the Council to continue to grow its portfolio and increase the level of income received from investments thereby enhancing its financial resilience over the longer term.

The provision of a substantial ongoing and resilient source of income to provide financial support to the Council's front line services is becoming increasingly important. Investments undertaken as a result of the strategy agreed in 2013 are successfully delivering a net income stream to the Council.

#### **57/17 M3 ENTERPRISE ZONE [Item 14]**

The Deputy Leader presented the report to Cabinet stating that proposals for the development of a new Enterprise Zone in Surrey would establish an investment programme for the next 25 years. The Business Case developed by Enterprise M3 would be submitted to the Government for formal agreement should it be approved by the Cabinet.

Mr Few indicated his intention to abstain from voting on the item due to concerns raised by residents in his division about plans for new housing

developments in the Longcross part of the Enterprise Zone and the impact that it would have on the surrounding area.

Mr Goodman also stated his intention to abstain from voting on the item and cited concerns raised by residents in his division about increases in the amount of traffic that would arise as a result of the Enterprise Zone. He further suggested that including a junction directly onto the A3 in his division as part of the proposals would help to alleviate congestion in the area.

The Cabinet Member for Highways, Transport and Flooding expressed his support for the creation of the Enterprise Zone stating that it would generate £140 million for the local area over the next 25 years. He further stated that the concerns raised by Mr Few and Mr Goodman would be addressed during the development of the project.

The recommendations were agreed by the Cabinet with seven Members voting with the recommendations and two Members abstaining.

**RESOLVED:**

Cabinet approved Surrey County Council's agreement that Enterprise M3 should submit the Implementation Plan (included in the Part 2 Annex) to Government.

**Reasons for Decision**

The M3 EZ is a major opportunity to support economic growth on one of the largest available sites for commercial development in Surrey and to secure additional investment in the area. Over 25 years the further detailed work for the Implementation Plan suggests that the EZ could deliver about 130 new businesses, over 10,000 new jobs and generate an additional £230 million in retained business rates. For the Longcross site there could be 32 new businesses, 4100 new jobs and 90,000 sqm of new floor space with the development generating over £140 million in additional business rate income over the full 25 year period.

Successful implementation of the EZ requires support from all the relevant local authorities. Agreement between SCC and Runnymede about the infrastructure and other interventions that are needed to maximise development on the Longcross site will ensure that the package of measures is well targeted.

**58/17 SURREY LOCAL FLOOD RISK MANAGEMENT STRATEGY [Item 15]**

The report was introduced by Mr Furey, Cabinet Member for Highways, Transport and Flooding who highlighted many of Surrey's towns and villages were at risk of flooding. He emphasised the importance of local flood forums as a means of managing flood risk and ensuring that local knowledge and expertise were utilised in the creation and development of flood mitigation measures. There was seventeen local flood forums operating in Surrey but the hope was to double this number to ensure access to on the ground guidance and direction from local residents in flood.

Mrs Clack requested clarification in relation to how the recommendations in the report would support the work of local flood forums. The Cabinet Member

for Highways, Transport and Flooding advised that the strategy would improve channels of communication between SCC and individual local flood forums thereby enabling the Council to use this information in order to develop appropriate flood alleviation measures.

The Leader of the Council detailed his work on the 2007 Flood Review undertaken by SCC which highlighted 743 potential flood spots in the county. He inquired about mitigating the flood risk to Surrey with significantly less money available in order to do this and proposed a proactive approach to working with Central Government and local partners in order to secure the necessary funding in order to develop flood alleviation measures where they were required. Mr Furey responded by highlighting the transformative work that had taken place throughout the county to improve how the Council and its partners responding to flooding.

**RESOLVED:**

That;

1. the refreshed Local Flood Risk Management Strategy for Surrey be approved; and
2. Cabinet notes that the Council should consider options to strengthen and maintain future flood risk management work and that a report be presented to the Cabinet at its meeting in September 2017.

**Reasons for Decisions**

In its capacity as LLFA SCC has a duty to develop a strategy for flood risk management under the Flood and Water Management Act (2010). It also has to adopt a co-ordinated and co-operative approach to flood risk management with other Risk Management Authorities (RMA) under sections 9 and 13 of the same Act. The LFRMS sets actions and objectives to facilitate this.

Surrey's Corporate Strategy 2016-2021 states that 'investing in flood and maintenance schemes' is a priority under its Resident Experience goal. The refreshed LFRMS sets out the method for delivering this across the responsible authorities.

Flooding is a significant concern to the residents of Surrey. Approximately 1500 properties were flooded in the events of 2013/14 and more have been flooded since in localised incidents. It remains a high profile topic and it is important that SCC has a clear and up to date LFRMS that sets out priorities for flood risk management.

**59/17 LEADER / DEPUTY LEADER / CABINET MEMBER DECISIONS TAKEN SINCE THE LAST CABINET MEETING [Item 16]**

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 Decision**

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

#### **60/17 EXCLUSION OF THE PUBLIC [Item 17]**

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

#### **61/17 CRANLEIGH CHURCH OF ENGLAND PRIMARY SCHOOL [Item 18]**

The Cabinet Member for Schools, Skills and Educational Achievement advised that the report set out the financial parameters for building the school and stated that it would be funded by the sale of land from Cranleigh C of E Primary School's existing sites.

#### **RESOLVED:**

That;

1. the self-funding business case for re-building of Cranleigh C of E Primary School, Cranleigh at a total cost as set out in the Part 2 report, be approved;
2. 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 project will provide a much needed new facility to replace and combine the two currently separate infant and junior school sites. The project will also support Surrey County Council's (SCC) statutory obligation to provide sufficient school places to meet the needs of the population in the Cranleigh area.

#### **62/17 FRAMEWORK AGREEMENT FOR RESIDENTIAL PARENTING ASSESSMENTS [Item 19]**

The Cabinet Member for Schools, Skills and Educational Achievement indicated that the report requested agreement from Cabinet for the inclusion of two suppliers on Lot 1 of the Residential Parenting Assessments (RPAs). She reiterated that SCC was an outlier in the number of RPAs it conducted and that the Council would seek to reduce these.

**RESOLVED:**

That a Framework for Lot 1 be awarded to two suppliers in accordance with the financial details as set out in the Part 2 Report.

**Reasons for Decision**

There is a duty on local authorities to provide parenting assessments under section 38 (6) of the Children Act 1989, when directed by the Courts during care proceedings.

Establishing a new Framework Agreement will facilitate a long term partnership with suppliers, creating the working environment to support continuous improvement for high quality, child centred assessment services.

Value for money will be secured through a clear pricing structure which will help to ensure transparency and clarity around costs with fixed prices for the first two years of the framework. In addition to this, there will be robust contract management.

The recommended awarded providers met the tender evaluation criteria as well as demonstrating their experience and ability to deliver robust and high quality assessment reports that would inform care planning decisions.

Changes to UK procurement regulations (the Public Contracts Regulations 2015) means that spot purchasing services above specified financial thresholds (£589,148 per annum for social services) is no longer an appropriate form of procurement.

**63/17 M3 ENTERPRISE ZONE [Item 20]**

The Deputy Leader stated that the Part 2 report included the Business Plan for the M3 Enterprise Zone which would be submitted to Central Government. This was confidential due to the inclusion of specific financial information related to the proposals.

The recommendations were agreed by the Cabinet with seven Members voting with the recommendations and two Members abstaining.

**RESOLVED:**

That Surrey County Council's agreement that Enterprise M3 should submit the Implementation Plan to Government., as attached to the Part 2 report, be approved.

**Reasons for Decision**

The M3 EZ is a major opportunity to support economic growth on one of the largest available sites for commercial development in Surrey and to secure additional investment in the area. Over 25 years the further detailed work for the Implementation Plan suggests that the EZ could deliver about 130 new businesses, over 10,000 new jobs and generate an additional £230 million in retained business rates. For the Longcross site there could be 32 new businesses, 4100 new jobs and 90,000 sqm of new floor space with the

development generating over £140 million in additional business rate income over the full 25 year period.

Successful implementation of the EZ requires support from all the relevant local authorities. Agreement between SCC and Runnymede about the infrastructure and other interventions that are needed to maximise development on the Longcross site will ensure that the package of measures is well targeted.

#### **64/17 PARTIAL RE-FINANCING OF SURREY'S PFI WASTE CONTRACT [Item 21]**

The report was introduced by the Cabinet Member for Environment and Planning who stated that the refinancing of the SCC's PFI Waste contracts would help to contribute to the savings that the Council was required to make.

#### **RESOLVED:**

That;

1. the outline business case for the partial refinancing of Surrey's PFI waste contract be approved; and
2. authority be delegated to the Strategic Director for Environment & Infrastructure, Director of Legal, Democratic and Cultural Services and the Director of Finance, in consultation with the Cabinet Member for Environment and Planning to agree the detailed terms of the transaction including the sign off from DEFRA with a Variation Business Case.

#### **Reasons for Decisions**

These recommendations will help towards SCC achieving the required savings needed from the waste service, as outlined in the Medium Term Financial Plan. The partial refinancing will reduce the Council's Annual Unitary Charge payment to Suez, and will therefore improve the value for money and affordability of the existing waste PFI contract to the council and residents.

#### **65/17 PROPERTY TRANSACTION [Item 22]**

Mr Peter Martin left the room for the discussion on this item.

The Cabinet Member for Business Services and Resident Experience commended this transaction, which had been through the Investment Advisory Board, to Cabinet.

#### **RESOLVED:**

That:

1. Cabinet's approval for Surrey County Council's acquisition of a long leasehold interest as highlighted in the submitted report in accordance with the details outlined in that report be reaffirmed;
2. Cabinet's approval for the funding and reimbursement arrangements for Surrey County Council in relation to the acquisition of the leasehold

be reaffirmed; and

3. Approval be delegated to agree appropriate contractual and financial arrangements to the Chief Property Officer, in consultation with the Leader, Director of Finance and the Director of Legal & Democratic Services, following the completion of all necessary due diligence and upon exchange of agreements to lease, subject to a minimum rental value threshold being exceeded.

**Reasons for Decisions**

The proposed acquisition of the leasehold supports economic prosperity, one of Surrey County Council's corporate priorities.

**66/17 PUBLICITY FOR PART 2 ITEMS [Item 23]**

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

[Meeting closed at 16:45]

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**Chairman**

**CABINET – 28 MARCH 2017**

**PROCEDURAL MATTERS**

**Member Questions**

**Question (1) from Jonathan Essex (Redhill East)**

Please set out the savings for 2017/18 by directorate, and how they are split by in house savings and savings from changes to procurement/commissioning.

**Reply:**

The Council has not planned, nor analysed its savings plans between in house and procurement or commissioning.

The analysis in Annex 1 to the MTFP report sets out the savings by service. Aggregation by directorate gives the following analysis.

| <b>Directorate</b>                    | <b>2017/18<br/>£000</b> | <b>2018/19<br/>£000</b> | <b>2019/20<br/>£000</b> |
|---------------------------------------|-------------------------|-------------------------|-------------------------|
| Adult Social Care & Public Health     | -27,615                 | -18,567                 | -9,689                  |
| Children, Schools & Families          | -22,130                 | -15,169                 | -9,720                  |
| Environment & Infrastructure          | -12,487                 | -7,516                  | -2,743                  |
| Communities                           | -685                    | -600                    | -172                    |
| Strategic Leadership                  | -485                    | -217                    | -124                    |
| Legal, Democratic & Cultural Services | -650                    | -1,142                  | -389                    |
| Orbis                                 | -4,764                  | -2,996                  | 0                       |
| Central Income & Expenditure          | -24,684                 | -2,684                  | -3,002                  |
| <b>Total savings</b>                  | <b>-93,500</b>          | <b>-48,891</b>          | <b>-25,838</b>          |

**David Hodge  
Leader of the Council  
28 March 2017**

**Question (2) from Jonathan Essex (Redhill East)**

The Section 151 officer in the budget report to February council noted that the budget was unsustainable going forward and that the amount of reserves held by the council are at a minimum and could not be reduced. In the light of this, please confirm why it is now proposed to release a further £19.5m from reserves to balance the 2017/18 budget?

**Reply:**

Since writing her report to Council in February, a number of things have come to light which enable the Director of Finance to propose use of £19.5m to



balance the council's 2017/18 budget. The £19.5m comprises £11m released from provisions and £8.5m from reserves.

Provisions are sums set aside for future liabilities where the timing or amounts are uncertain. Provisions are the best estimate of the expenditure needed to settle the liability. Following a review of the council's provisions, the Director of Finance is satisfied the council no longer needs the provisions for potential liabilities relating to injury awards and to equal pay. The reduction in these provisions releases £11m, which the council will use to support 2017/18. The remaining £8.5m the council plans to use to balance 2017/18 comprises: additional retained business rates income, the 2016/17 revenue underspend and a small balance that may be necessary from existing reserves, depending on the outturn position.

After the Full County Council meeting in February, the council's 2017/18 retained business rates income was confirmed as over £4m higher than budgeted. The council plans to appropriate this amount to reserves in 2017/18. As at 28 February 2017, the council forecast -£6.8m revenue underspend for 2016/17. If this position continues to outturn, the council could make a small contribution to reserves. The forecast balance of the council's total earmarked reserves as at 31 March 2017 was £65.8. The likely amount (if any) the council would need to draw from this, does not have an unacceptable impact on the council's overall level of reserves.

As at 28 February 2017, the forecast underspend has risen to -£7m. If the council maintains this position, it should add a small net amount to its total reserves and improve its overall financial resilience.

**David Hodge**  
**Leader of the Council**  
**28 March 2017**

**Question (3) from Jonathan Essex (Redhill East)**

In the last year, there have been five Member briefings on the budget prior to the setting of the budget envelope at the February 2017 council meeting - please confirm when a similar budget briefing will be given to Members to explain the rationale and details of the proposed savings/cuts as set out in the MTFP.

**Reply:**

As has been pointed out, the Cabinet seek to keep all Members informed during the budget planning process and that is the reason why we held the five Member seminars. These seminars are designed to provide Members with the major issues the council is facing for its budget. This has included changes to funding, the impact of increased pressures, and also the total amount of savings required to create a balanced and sustainable budget. These seminars are not the appropriate forum to look at the detail of budget savings. The appropriate place to do this is in the Scrutiny Boards, which is what the boards have done and have provided their recommendations to the Cabinet.

Looking forward, these all member seminars will continue as we plan the 2018/19 budget in order to provide Members with a clear understanding of the financial and budget issues faced by the council. This information will provide the necessary context for their work in scrutiny boards.

**David Hodge**  
**Leader of the Council**  
**28 March 2017**

**Question (4) from Colin Kemp (Goldsworth East and Horsell Village)**

'The proposed changes to fire cover in the Spelthorne area has been a topic of great interest to the Resident Experience Board; throughout Performance and Finance Sub-Group meetings and full Board public meetings, Members have been made aware of the complications and delays around the development of the new Fordbridge fire station.

The Fordbridge project was approved by Cabinet in 2014. It was originally expected that a new fire station would be operational within the Spelthorne area, achieving savings in 2015/16. Surrey County Council have managed the pressure caused by the delay through other savings, of which the fire service contributed. However, as the council could not continue to meet this financial pressure the public were consulted over the closure of Staines fire station, before the completion of Fordbridge fire station.

After listening to public opinion, the Leader took the decision to honour the original commitment made by Cabinet, to keep Staines fire station open until the new Fordbridge fire station became operational. Though the Board understood this decision, Members and residents are aware that this leaves a significant financial pressure outstanding of approximately £900k per year.

Can the Cabinet please provide some clarification on how this financial pressure is being managed; whether this pressure is held against Surrey Fire and Rescue Service's budget, or another Council service, and if so, which; and when is the new Fordbridge fire station due to become operational?'

**Reply:**

The Council has identified £93m of savings and service reductions as part of the £123m needed to move toward a balanced and sustainable budget. Despite the additional funding for adult social care and the savings identified by the Sustainability Review Board, further actions are still required to achieve a balanced budget for 2017/18 and a sustainable budget for future years. The decision to keep Staines fire station open until the new Fordbridge station becomes operational adds to the financial challenge for the forthcoming year and further savings will be required to be identified. The saving is being held against the Fire & Rescue budget since the saving is achievable in later years once the new station is open.

The new Fordbridge station is forecast to become operational in the summer of 2018 dependent upon there being no further unexpected delays or problems on site.

**Richard Walsh**  
**Cabinet Member for Localities and Community Wellbeing**  
**28 March 2017**

**CABINET RESPONSE TO COUNCIL OVERVIEW BOARD**

**SCRUTINY IN A NEW ENVIRONMENT TASK GROUP  
RECOMMENDATIONS**

**(Considered by the Council Overview Board on 1 March 2017)**

**COMMITTEE RECOMMENDATIONS:**

**That Cabinet review:**

- a) the terms of reference for the Shareholder Board and consider the inclusion of a mechanism for tracking the performance of individual investments, and specifically the Property Investment Portfolio.
- b) the terms of reference for the Shareholder Board and consider the requirement that it report regularly, at least annually, to Cabinet on the performance of individual investments - and specifically the Property Investment Portfolio held by the Council - including with reference to each original business case and the Investment Strategy stated aims.

**Future scrutiny role and Constitution changes:**

- c) Annual reviews of the Shareholder Board (including a review of each LATC's performance) in the context of the Investment Strategy should be undertaken by the Council Overview Board in line with the constitution.
- d) Following this report the Constitution of Surrey County Council should be explicit in permitting the Council Overview Board to require Directors and Chief Executives of wholly owned LATCs (or trading companies where the Council has a controlling interest) to attend as witnesses to programmed agenda items to allow COB to fulfil its existing constitutional role to "review the performance of and hold to account any trading companies established by the Council."
- e) The Council Overview Board recommends that Scrutiny Boards consider conducting enquiries on proposals to commission services from wholly owned LATCs, at the initial stage when the business case is formulated. Long-term, once contracts are awarded, the boards should consider incorporating in their programme of work regular overview and scrutiny of service delivery.
- f) To carry out this work Scrutiny Boards should also be given the role to review the performance of trading companies that deliver relevant services under their remit. As above, the Constitution should be explicit in permitting Scrutiny Boards to access company financial information as part of their enquiries and to require Directors and Chief Executives of wholly owned LATCs (or trading companies where the Council has a controlling interest) to attend as witnesses to programmed agenda items.

**RESPONSE:**

The Cabinet would like to thank COB for their recommendations and for their work in reviewing the role of scrutiny in new models of delivery.

The council's investment portfolio is managed by the Investment Advisory Board rather than the Shareholder Board since the portfolio is the combination of assets held by the council and assets held by the council's wholly owned Property Company.

The investment performance is reported each month to Cabinet as part of the financial monitoring report. The Cabinet are considering a paper at their meeting today which includes an update to the terms of reference for the Investment Advisory Board, which will become known as the Investment Board. If approved the Investment Board will produce an annual performance report for the consideration of Cabinet and for the purposes of scrutiny.

The Committee will be aware that the Shareholder Board have produced two annual reports, in 2015 and 2016, which have been considered by Cabinet and scrutinised by COB. A further annual report will be provided in June 2017 which will provide comment about performance compared to expectations.

The Shareholder Board will continue to make information and its members available for attendance at COB meetings in order to aid its scrutiny role and will support reasonable requests from COB for the attendance of appropriate company officers to provide information to COB, however a change to COB's terms of reference would be a matter for Council rather than Cabinet.

**David Hodge**  
**Leader of the Council**  
**28 March 2017**

**COUNCIL OVERVIEW BOARD**

**Item under consideration: PROGRESS OF THE SUSTAINABILITY  
REVIEW BOARD AND THE MEDIUM TERM  
FINANCIAL PLAN 2017-22**

**Date Considered: 27 March 2017**

- 1 At its meeting on 27 March 2017 the Council Overview Board considered the Medium Term Financial Plan 2017-2022 and the report of the Sustainability Review Board.
- 2 The Council Overview Board recognises and shares the desire of the Cabinet to provide the best services possible for Surrey residents and understands the difficulties that there have been in reducing this offer. However, all the evidence the Board has considered confirms that the pace of change must accelerate significantly in the new Council and that there must be fundamental reviews of how frontline and support services are provided and the use and retention of council owned assets.
- 3 The Board further recommended that:
  - a) Cabinet notes the very strong resistance of the Council Overview Board to the notion that local member allocation and local committee highways schemes should be completely removed because of its disproportionate and detrimental impact on local communities and asks the Cabinet to not to proceed with this proposal.
  - b) That the Cabinet provide a commitment to early discussions in the new Council to improve the scrutiny process so as to afford all members a role and sense of ownership in the savings process required to achieve a sustainable budget.
  - c) Cabinet provides assurance that the enhanced tracking of savings, consultations and equality impact assessments in budget monitoring reports will be available to scrutiny boards

**STEVE COSSER**  
**Chairman of the Council Overview Board**

**COUNCIL OVERVIEW BOARD**

**Item under consideration: INVESTMENT STRATEGY REVIEW**

**Date Considered: 27 March 2017**

- 1 At its meeting on 27 March 2017 the Council Overview Board considered the Investment Strategy Review paper prepared for Cabinet.
- 2 The Council Overview Board welcomes the proposal to produce an annual report on the investment portfolio as previously suggested to the Cabinet by the Board.
- 3 The Board recommended that the Council Overview Board retains the right to scrutinise individual investment proposals on property acquisitions before a decision is taken.
- 4 The Board also recommends that Cabinet review the proposed membership of the Investment Board to:
  - a) replace the two specified Cabinet posts to two Cabinet Members with appropriate knowledge.
  - b) include a Member of the Council who is not a member of the Cabinet

**STEVE COSSER**  
**Chairman of the Council Overview Board**

**MEDIUM TERM FINANCIAL PLAN 2017 -2022 AND SUSTAINABILITY  
REVIEW BOARD REPORT – ADDENDUM**

Following the publication of the Medium Term Financial Plan and Sustainability Review Board report, a number of events have occurred that has led to a change in the recommendations. These are explained below.

Sustainability Review Board

10. The Cabinet would like to thank the Sustainability Review Board (SRB) for all their work in such a short period of time, and the recommendations the SRB has proposed.
11. The Cabinet notes the ambition of these recommendations, both in achieving immediate savings and also plans for the longer term. The cabinet recognises that the proposals to move Heritage and Arts and Music to self-funding basis will not be achieved during 2017/18 and that the feasibility of these proposals will be developed during the year.
12. The Cabinet also recognises the value of small sums invested in highways by elected members in their own divisions. Therefore the Cabinet will not take that proposal forward.
13. Table 1 below sets out the SRB's proposals and the cabinet's recommended additional savings for 2017/18:



Table 1

| <u>Function</u>                            | <u>Description</u>  | <u>SRB</u><br><u>2017/18</u><br><u>saving</u> | <u>Cabinet</u><br><u>2017/18</u><br><u>savings</u> |
|--|---|---|--|
| Communications                             | Stop Surrey Matters Move to digital communications wherever possible, including print on demand service of key documents.<br><br>Paper-free committee meetings by end of first year of new council. | £250,000                                      | £250,000   |
| Members Allocations                        | Propose to stop for next two years and then review<br><br><i>Cabinet – Reduce allocation to £6,000</i>  | £729,000                                      | £243,000   |
| Community Improvement Fund                 | Propose to stop in 2017/18 and then review.   | £264,000                                      | £264,000   |
| Surrey Growth Strategy                     | Propose a review of this – saving based on removing full budget<br><br><i>Cabinet – Reduce budget by £300,000 but allow 16/17 carry forward of underspending</i>                                    | Up to £670,000                                | £300,000   |
| Local Committee Highways Schemes           | Propose to stop in 2017/18 and then review.   | £450,000                                      | £0   |
| Fire Contingency crewing/specialist rescue | Remove this provision.  | £418,000                                      | £418,000   |
| Heritage                                   | Target for service to be self-funding by end of 2017/18.  | Up to<br>£1,381,000                           | £0   |
| Arts & Music                               | Target for service to be self-funding by end of 2017/18.  | Up to<br>£394,000                             | £0   |
| <b>Total Full-Year Effect</b>              |   | <b>£4,556,000</b>                             | <b>£1,475,000</b>                                  |

14. The Cabinet notes the urgency for the transformation programme and accepts the SRB's indicative figures for a contribution to savings in the fourth quarter of 2017/18 of up to £9.0m.

### Balancing 2017/18

15. The level of risks and liabilities faced by the council is increasing. On reflection, there is a need to maintain provisions for future uncertainties. Therefore, only £2m of provisions will be released, which can be used to support the budget in 2017/18.
16. The remaining balance of £10.0m will be met from the Budget Equalisation Reserve.
17. The use of these reserves will reduce the total earmarked reserves marginally compared to the level expected in February 2017, to £59.1m. This balance remains a minimum safe level of reserves for a county of this size and budget as well as with the current level of financial uncertainty.

### Capital Budget

18. The Cabinet recognises the importance that small sums of capital investment can have on residents' experience and the partnership working with District and Boroughs. It is therefore proposing to reinstate the £150,000 contribution for Community Buildings Grant Scheme for 2017/18.

### Recommendations

The changes described above will lead to amended recommendations. Recommendation 1 in the publicised paper has changed, as shown below. There is also an additional recommendations, which is now Recommendations 2 and 4. There is an additional recommendation 15 in regards to the review of fees and charges. All other recommendations remain the same.

It is recommended Cabinet approves:

1. the release of provisions of £2m and to use reserves of £10m to balance the 2017/18 budget;
2. the amended savings recommended by the Sustainability Review Board, as shown in Table 1 above;
3. the capital programme of £387m from 2017 to 2020, which is a reduction of £21m from that approved 7 February 2017;
4. the capital programme includes £150,000 for the Community Buildings Grant Scheme;

5. to only borrow for capital schemes where there is a compelling business case and for officers to review future years' budgets within the capital programme to reduce spending;
6. the 2017/18 service strategies (Annex 1);
7. the detailed service revenue and capital budgets for the year 2017/18 and indicative budgets for the years 2018-20 including amendments resulting from the Final Local Government Financial Settlement and other Government funding changes announced since 7 February 2017, including the March Budget (Annex 1);
8. the proactive and systematic engagement of the County Council in responding to proposed changes in local government funding to ensure these changes do not further disadvantage Surrey, and seeking the appropriate recognition of the costs of delivering services in Surrey;
9. the following in relation to the funding of Early Years providers:
  - The Local Authority to retain £4.4m of the Early Years grant to manage the sector and allow for a devolved provision for more targeted support.
  - Fund Early Years providers at rates which are commensurate with the levels of funding in the Early Years DSG:
    - £4.51 per hour for three and four year olds
    - £5.88 per hour for two year olds

Change in the distribution of deprivation funding which has been simplified to be based on the Early Years pupil premium funding (paragraph 22);
10. the publication of the service revenue and capital budgets as the Medium Term Financial Plan 2017-20.

It is further recommended that Cabinet notes:

11. the additional funding for adult social care announced in the Chancellor of the Exchequer's Budget 2017;
12. the options for areas for additional savings and service reductions identified by Sustainability Review Board (SRB) in a separate report (Annex 2);
13. the Director of Finance's letter to the Department for Communities and Local Government confirming that the Adult Social Care Precept will be spent entirely on adult social care functions (paragraph 8 and Annex 3);

14. the fees and charges approved under delegated powers (Annex 4);
15. the Cabinet establish a member led task group to review all service fees and charges and to report to the Cabinet in Autumn; and
16. the Equality Impact Assessments of the savings proposals within directorate and service budgets (Annex 5).

**Projected Earmarked Reserves and Balances**

|  | Opening<br>Balance<br>at<br>01-Apr-16<br>£m | Forecast<br>balance<br>31-Mar-17<br>£m | Approved<br>use to<br>support<br>2017/18<br>budget<br>£m | Forecast<br>01-Apr-<br>17<br>£m |
|--|---|--|--|---------------------------------|
| Revolving Infrastructure & Investment Fund | 11.1  | 11.1                                   |  | 11.1                            |
| Budget Equalisation Reserve                | 6.9   | 15.2                                   | -8.5   | 6.7                             |
| Eco Park Sinking Fund                      | 5.8   | 4.4                                    |  | 4.4                             |
| Insurance Reserve                          | 6.5   | 7.7                                    |  | 7.7                             |
| Investment Renewals Reserve                | 8.8   | 2.1                                    |  | 2.1                             |
| General Capital Reserve                    | 5.2   | 5.2                                    |  | 5.2                             |
| Street lighting PFI Reserve                | 5.1   | 4.4                                    |  | 4.4                             |
| Vehicle Replacement Reserve                | 3.9   | 3.0                                    |  | 3.0                             |
| Economic Downturn Reserve                  | 9.2   | 9.2                                    |  | 9.2                             |
| Public Health Reserve                      | 2.7   | 0.0                                    |  | 0.0                             |
| Economic Prosperity Reserve                | 2.5   | 2.5                                    |  | 2.5                             |
| Equipment Replacement Reserve              | 2.1   | 2.0                                    |  | 2.0                             |
| Child Protection Reserve                   | 1.1   | 0.0                                    |  | 0.0                             |
| Business Rate Appeals Reserve              | 1.3   | 1.3                                    |  | 1.3                             |
| Interest Rate Reserve                      | 1.0   | 1.0                                    |  | 1.0                             |
| <b>Earmarked Reserves</b>                  | <b>73.2</b>                                 | <b>69.1</b>                            | <b>-8.5</b>  | <b>60.6</b>                     |
| <b>General Fund Balance</b>                | <b>21.3</b>                                 | <b>21.3</b>                            | <b>0.0</b>   | <b>21.3</b>                     |

**Purpose of earmarked reserves**

**Revolving Infrastructure & Investment Fund** is to provide the revenue costs of funding infrastructure and investment initiatives that will deliver savings and enhance income in the longer term. Currently, the council transfers net income generated by the portfolio to the reserve.

**Budget Equalisation Reserve** supports future years' revenue budgets from unapplied income and budget carry forwards.

**Eco Park Sinking Fund** is to fund the future of the council's waste disposal strategy from surpluses in initial years.

**Insurance Reserve** holds the balance resulting from a temporary surplus or deficit on the council's self insurance fund and is assessed by an actuary for

the possible liabilities the council may face. It specifically holds £3.5m to cover potential losses from the financial failure of Municipal Mutual Insurance (MMI) in 1992 and also possible claims against the council. The company had limited funds to meet its liabilities, consequently, future claims against policy years covered by MMI may not be fully paid, so would be funded from this reserve. The balance on this reserve represents the latest assessed possible liability.

## **Projected Earmarked Reserves and Balances**

**Investment Renewals Reserve** enables investments in service developments to make savings in the future. The reserve makes loans to services or invest to save projects, which may be repayable. The recovery of the loan is tailored to the requirements of each business case, which is subject to robust challenge before approval as part of the council's governance arrangements.

**General Capital Reserve** holds capital resources, other than capital receipts, available to fund future capital expenditure.

**Street Light Private Finance Initiative (PFI) Reserve** holds the balance of the street lighting PFI grant income over and above that used to finance the PFI to date. The balance will be used when future expenditure in year exceeds the grant income due in that same year.

**Vehicle Replacement Reserve** enables the future cost of vehicle replacement to be spread over the life of existing assets through annual revenue contributions.

**Economic Downturn Reserve** is to allay the risks of erosion in the council's tax base due to the impact of the localisation of council tax benefit and a down turn in the economy.

**Child Protection Reserve** provided funding for additional staffing costs as a result of the increased number of children subject to a child protection order. This reserve was to fund the costs until 2015/16, when the base budget was to be increased to cover these costs. The final balance in this reserve was drawn-down during 2016/17.

**Public Health Reserve** holds any carry forward of unspent Public Health Grant from previous years, being used to fund activities in future years.

**Economic Prosperity Reserve** provides funding for projects that will increase economic development in the county.

**Equipment Replacement Reserve** enables services to set aside revenue budgets to meet future replacement costs of large items of equipment. Services make annual revenue contributions to the reserve and make withdrawals to fund purchases.

**Business Rate Appeals Reserve** mitigates against volatility in business rates income (driven by the volume and value of successful valuation appeals). The council bears 10% of any appeals losses (districts and

boroughs 40% and central government 50%) and has set aside £1.25m against potential business rates valuation appeals.

**Interest Rate Reserve** enables the council to fund its capital programme from borrowing in the event of an expected change in interest rates or other borrowing conditions.

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**MINUTES OF THE MEETING OF THE CABINET  
HELD ON 27 APRIL 2017 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:

None

**PART ONE**  
**IN PUBLIC**

**67/17 APOLOGIES FOR ABSENCE [Item 1]**

Apologies were received from Ms Denise Le Gal.

**68/17 MINUTES OF PREVIOUS MEETING: 28 MARCH 2017 [Item 2]**

The minutes were agreed as a true record of the meeting.

**69/17 DECLARATIONS OF INTEREST [Item 3]**

There were none.

**70/17 PROCEDURAL MATTERS [Item 4]**

There were none.

**a MEMBERS' QUESTIONS [Item 4a]**

There were none.

**b PUBLIC QUESTIONS [Item 4b]**

There were none.

**c PETITIONS [Item 4c]**

There were none.

**d REPRESENTATIONS RECEIVED ON REPORTS TO BE CONSIDERED IN PRIVATE [Item 4d]**

There were none.

**71/17 REPORTS FROM SCRUTINY BOARDS, TASK GROUPS, LOCAL COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL [Item 5]**

No reports were received.

**72/17 FINANCIAL BUDGET OUT TURN 2016/17 [Item 6]**

The report was introduced by the Leader of the Council who highlighted that Surrey County Council (SCC) had achieved an underspend of £6.7 million against forecasted expenditure for the 2016/17 financial year. In September 2016 the Finance Team had projected that SCC's spending for the year would exceed the budget by £22.4 million but the Cabinet had worked with senior officers to identify a series of savings to bring SCC back within budget. Mr Hodge further stated that the Council had achieved £66.4 million of savings against a target of £82.9 million but highlighted that measures taken to bring SCC's finance back into balance for the year had been a combination of genuine efficiencies coupled with one-off measures and spending delays. Attention was drawn to significant demand and cost pressures on Adult Social Care and Children's Services which had culminated in a collective overspend of £25 million for 2016/17 across these two services which had disrupted the savings plan leading to a shortfall of £16 million against the Council's target for the year. This meant that underlying pressures would persist in 2017/18 exerting a continued detrimental impact on the council's medium term financial position which remained unsustainable. The Leader emphasised the importance of Members and officers continuing to identify and implement ways of addressing the ongoing issues affecting the council's financial sustainability for 2017/18 and subsequent years.

Mr Hodge stated that the Council's reserves of £65 million were at the minimum safe level and so it was appropriate to use the underspend from the 2016/17 budget to replenish its reserves in order to mitigate the risk of non-delivery against the Council's savings target for 2017/18. He further advised that the report contained a combined total of £18.6 million in revenue and capital carry forward requests for 2017/18 and that it was necessary for the Cabinet to consider these carefully to ensure that there is sufficient capacity to meet these extra commitments in 2017/18 and to assure itself that the council overall has sufficient financial resources.

Cabinet Members were asked to comment on the financial position of their individual service areas and made the following statements:

- Mr Mel Few expressed his gratitude to the Adult Social Care team for their commitment to delivering high quality services to residents despite increasing budgetary and demand pressures. He highlighted the significant amount of savings that Adult Social Care had made since 2013 despite increasing demand on services both in terms of the

volume of residents entitled to social care and the level of support which they required. Mr Few confirmed that he agreed with the carry forwards requested within the report.

- The Cabinet Member for Schools, Skills and Education Achievement thanked the schools commissioning and admissions teams for the work they had done in creating a substantial number of additional school places over the past four years in order to meet rising demand. There had also been additional pressure on SCC's special educational needs and disabilities (SEND) provision which had led to overspend of £500,000 against the agreed budget. Pressure on SEND provision had, however, largely been managed through the Council's inclusivity strategy which aimed to keep children with SEND requirements in mainstream education. Mrs Kemeny advised that approval had been granted for two new special needs free schools which would enhance SEND provision in Surrey once completed.
- Mrs Clare Curran emphasised that between planned savings targets and implementing the Improvement Plan, it had been a challenging year for Children's Services. The Improvement Plan outlined a series of objectives designed to improve practice, strengthen relationships with partners and transform ways of working. The Cabinet Member advised that Children's Services had overspent its budget for the year by £10.6 million which had occurred as a result of increased demand for specialised care packages, costs associated with caring for asylum seeking children and increased staff costs as a result of employing more social workers. She did, however, stress that Children's Services had succeeded in delivering against its agreed programme of savings for 2016/17 but stated that making planned budget reductions for 2017/18 while continuing to implement the Improvement Plan would be extremely challenging.
- Mr John Furey stated that the Highways and Transport Service had underspent by £1.3 million against its allocated budget for 2016/17 despite challenging circumstances. Attention was drawn to the success of Project Horizon which had improved a significant portion of Surrey's road network. The Cabinet Member acknowledged that work was required to improve the state of the County's pavements but stressed that the ability to do this was contingent on the Council's future financial position due to the fact that improving highways infrastructure was not one of the Council's statutory obligations. Mr Furey further emphasised the valuable partnership that SCC had with the Local Enterprise Partnerships in the region which had helped to secure significant additional capital for SCC to invest in improving Surrey's highways network. The Leader of the Council stressed the importance of highlighting the volume of traffic on Surrey's roads to Government in an effort to secure fairer funding.
- The Cabinet Member for Environment and Planning advised that his portfolio had missed its savings target for the year by £800,000 which was largely due to a shortfall in anticipated savings arising from changes to Community Recycling Centres coupled with a delay in initiating the process of renegotiating contracts with suppliers. Mr Goodman highlighted that achieving the savings target for 2017/18 would be challenging but indicated that he was encouraged by potential

opportunities for collaborating with the district and borough councils as well as possible savings that could be achieved through contract renegotiations with Suez.

- Mr Richard Walsh stated that his portfolio covered a number of different service areas. He reported that Cultural Services had delivered an underspend of £500,000 for the year largely due to the efficiency of the Library service. The Cabinet Member further highlighted that Registration Services had also generated increased revenue during 2016/17.
- The Cabinet Member for Wellbeing and Health drew attention to the work of the Public Health team who were using their ring-fenced budget to alleviate pressure on other Council services by helping to tackle spiralling demand.
- The Deputy Leader advised that he had saved £800,000 from his agreed £1.7 million budget.
- Mrs Kay Hammond paid tribute to the work of Surrey Fire and Rescue Service (SFRS) who came in under budget for the year. She highlighted that SFRS had made a significant contribution to the overall savings achieved by the Council particularly through its emergency services collaboration partnership.
- The Leader of the Council expressed his gratitude to the Chief Executive of the Council for his contribution to balancing SCC's budget. He stressed that the work of the Chief Executive was an excellent advert for how effective collaborating with other public sector organisations could be.

#### **RESOLVED:**

That Cabinet noted the following:

1. The Council achieved £6.7m overall underspend for 2016/17 (Annex 1, paragraph 1 of the submitted report). 2016/17 was the seventh successive year, the Council had achieved a small underspend or balanced outturn.
2. Against this underspend, the Council has made £1.0m provision for the possible payment of legal costs and claims related to a number of contract compliance issues (Annex 1, paragraph 6 of the submitted report). After making this provision, the Council had £5.7m available to transfer to reserves.
3. The underspend included £1.6m of carry forward requests for spending on planned service commitments that continue beyond 2016/17. If Cabinet approves the carry forward requests, the remaining underspend is £4.1m. This is 0.2% of the Council's £1,686m full year gross expenditure budget.
4. Services achieved £66.4m efficiencies and savings (Annex 1, paragraph 53 of the submitted report) against the planned target of £82.9m.

5. The Council invested £257m through its capital programme in 2016/17, comprising £126m service capital programme and £131m long term investments (Annex 1, paragraph 64 of the submitted report).
6. The Council's year end earmarked reserves and balances, debt analysis and treasury management report (Annex 1, paragraphs App 8 to App 23 of the submitted report).

That Cabinet approved the following;

7. £5.7m transfer of remaining revenue underspend to the Budget Equalisation Reserve (Annex 1, paragraph 7 of the submitted report).
8. £1.6m revenue carry forward requests to be funded from within the £5.7m transferred to the Budget Equalisation Reserve (Annex 1, paragraph 3 and Annex 2 of the submitted report).
9. £3.5m carry forward overspend on services funded from dedicated schools grant (DSG) (Annex 1, paragraph 27 of the submitted report).
10. £5.8m increases in the capital budget for: third party contributions and grant allocation increases (£1.5m) and the delegated school funding drawdown (£4.3m) (Annex 1, paragraph 61 of the submitted report).
11. £17.0m capital programme re-profiling and carry forward requests (Annex 1, paragraphs 66 and 67 and Annex 2 of the submitted report).
12. To approve services' draw down of amounts carried forward, as and when they are needed, as part of the monthly budget monitoring process (Annex 1 of the submitted report, paragraph 5 for revenue and paragraph 67 for capital).
13. £1.8m transfer of Revolving Infrastructure and Investment Fund net income to the Budget Equalisation Reserve (Annex 1, paragraph 42 of the submitted report).
14. £2.9m transfer from the Vehicle Replacement Reserve to the Budget Equalisation Reserve.

### **Reasons for Decisions**

To review and manage the budget outturn for the 2016/17 financial year in the context of a multi-year approach to financial management and to approve final carry forwards to enable essential on-going projects to continue.

### **73/17 LEADERSHIP RISK REGISTER [Item 7]**

The report was introduced by Mr Mike Goodman who emphasised the importance of the Leadership Risk Register for ensuring that SCC takes the appropriate steps to mitigate potential risks. A total of seven identified risks had been removed from the register over the past few months as a result of the actions which had been taken to address them.

The Cabinet Member for Children and Families Wellbeing drew attention to the financial challenges faced by the Council and highlighted that these were clearly reflected in the Risk Register.

**RESOLVED:**

That the content of the Surrey County Council Leadership risk register as displayed in Annex 1 of the submitted report be noted and the control actions put in place by the Statutory Responsibilities Network be endorsed.

**Reasons for Decision**

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.

**74/17 PROCUREMENT OF (1) INSPECTION AND (2) MAINTENANCE OF TRAFFIC CONTROL SYSTEMS [Item 8]**

The report was introduced by the Cabinet Member for Highways, Transport and Flooding who advised that the Council was legally required to inspect and maintain Surrey's Traffic Control System. This was a niche service which limited the number of suppliers who were able to bid for the contract. The Council had introduced more robust Key Performance Indicators (KPIs) into the contracts in an effort to ensure effective performance from the supplier while contracts would be awarded on a 3 + 2 years basis to incentivise good performance. The Cabinet was further informed that SCC had sought to collaborate with other local authorities on the procurement of this service but this had not come to fruition due to varying requirements regarding the maintenance and repair of Traffic Control Systems.

Mr Goodman congratulated officers for their work in identifying potential risks arising from the contract and for detailing measures to mitigate these risks clearly in the report.

**RESOLVED:**

That the award of the contracts to Siemens PLC as agreed on the basis set out in the submitted Part 2 report be approved.

**Reasons for Decisions**

The revised contractual proposals enable Surrey County Council (SCC) to continue to inspect and maintain traffic control systems on its highway network across the county.

Surrey County Council has a general 'Network Management Duty' under the Traffic Management Act 2004 and the County's Traffic Systems Assets play a key role in delivering this Duty,

The Council Manages its Traffic Control Systems assets to the technical specifications set out "*TD24/97 All Purpose Trunk Roads Inspection and Maintenance of Traffic Signals and Associated Equipment*" (Volume 8, Section 1, Part 2 of the Design Manual for Road and Bridges 1997), and in

accordance with “*Management of Electronic Traffic Equipment - A Code of Practice Sept. 2011*” (DfT/Roads Liaison Group)

A full tender process for the inspection and maintenance of traffic control systems, in compliance with the requirement 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.

**75/17 LEADER / DEPUTY LEADER / CABINET MEMBER DECISIONS TAKEN SINCE THE LAST CABINET MEETING [Item 9]**

Mr Furey drew attention to the decision made at his Cabinet Member decision meeting on 11 April 2017 which committed £350,000 in funding from SCC to the Godalming Flood Alleviation Scheme. He praised the effectiveness of the Council’s partnership with the Local Flooding Forum in Godalming which had secured the necessary funding to establish flood defences in the town.

Mrs Kemeny highlighted the decision made by the Cabinet Member for Business Services and Resident Experience to approve the business cases for Ashford Park School, Loseley Fields School and Oakfield School which would help to expand school provision for children with special educational needs and disabilities in Surrey.

**RESOLVED:**

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

**Reasons for Decision**

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

**76/17 EXCLUSION OF THE PUBLIC [Item 10]**

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

**77/17 PROCUREMENT OF (1) INSPECTION AND (2) MAINTENANCE OF TRAFFIC CONTROL SYSTEMS [Item 11]**

The report was introduced by the Cabinet Member for Highways, Transport and Flooding who reiterated that inspection and maintenance of traffic control systems was a niche service which meant that the pool of suppliers able to bid for the contract was limited. Mr Furey advised that there would be a substantial rise in the cost of the contracts but stated that the Highways and Transport Team would mitigate these increases by generating revenue in other areas. Cabinet Members were further informed that social value had been built into the contract which Siemens would meet by reducing their carbon footprint and establishing an apprenticeship role.

**RESOLVED:**

That the Cabinet award;

1. a fixed price contract, at a value as set out in the submitted report over the five year contract term, for the provision of Lot 1 Inspections, to commence on 1 July 2017; and
2. a call off maintenance contract combining a fixed price revenue cost and an indicative five year capital replacement and refurbishment programme, at a total indicative value as set out in the submitted report over the five year (3+2) contract term, dependent on Capital Budget Allocation, for the provision of Lot 2 Maintenance, to commence on 1 July 2017.

**Reasons for Decisions:**

A full tender process, in compliance with the requirement 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. The value of both lots has increased in line with officer expectations based on knowledge of the traffic signals market. This increase will be managed within existing operational budgets and through flexibility of annual programmes for Traffic Systems as required.

**78/17 PUBLICITY FOR PART 2 ITEMS [Item 12]**

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

[Meeting closed at 2.56 pm]

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**Chairman**