

MINUTES OF THE MEETING OF THE COUNTY COUNCIL HELD AT THE COUNCIL CHAMBER, COUNTY HALL, KINGSTON UPON THAMES, KT1 2DN ON 10 OCTOBER 2017 COMMENCING AT 10.00 AM, THE COUNCIL BEING CONSTITUTED AS FOLLOWS:

*	Mary Angell	Naz Islam
	Ayesha Azad	Colin Kemp
	John Beckett	Eber Kington
	Mike Bennison	* Graham Knight
	Chris Botten	Rachael I Lake
*	Liz Bowes	* Yvonna Lay
*	Natalie Bramhall	David Lee
	Mark Brett-Warburton	Mary Lewis
	Ben Carasco	Andy MacLeod
	Bill Chapman	Ernest Mallett MBE
	Helyn Clack	David Mansfield
	Stephen Cooksey	Peter Martin
	Clare Curran	Jan Mason
	Nick Darby	Cameron McIntosh
	Paul Deach	Sinead Mooney
*	Graham Ellwood	Charlotte Morley
	Jonathan Essex	* Marsha Moseley
	Robert Evans	Tina Mountain
	Tim Evans	Bernie Muir
	Mel Few	Mark Nuti
	Will Forster	John O'Reilly
	John Furey	Tim Oliver
	Matt Furniss	Andrew Povey
	Bob Gardner	Wyatt Ramsdale
	Mike Goodman	Mrs Penny Rivers
	Angela Goodwin	Tony Samuels
	David Goodwin	Stephen Spence
	Zully Grant-Duff	Lesley Steeds
*	Alison Griffiths	Peter Szanto
	Ken Gulati	Keith Taylor
	Tim Hall	* Barbara Thomson
	Kay Hammond	* Rose Thorn
	Richard Hampson	Chris Townsend
	David Harmer	Denise Turner-Stewart
	Jeffrey Harris	Richard Walsh
	Nick Harrison	Hazel Watson
	Edward Hawkins	Fiona White
*	Marisa Heath	Richard Wilson
	David Hodge CBE	* Keith Witham
	Saj Hussain	* Victoria Young
	Julie Iles	

*absent

55/17 APOLOGIES FOR ABSENCE [Item 1]

Apologies for absence were received from Mr Graham Ellwood, Mrs Mary Angell, Mr Keith Witham, Mrs Rose Thorn, Mrs Barbara Thomson, Mrs Marsha Moseley, Mrs Natalie Bramhall and Mr Graham Knight.

56/17 MINUTES [Item 2]

The minutes of the meeting of the County Council held on 11 July 2017 were submitted, confirmed and signed.

57/17 CHAIRMAN'S ANNOUNCEMENTS [Item 3]

The Chairman made the following announcements:

- Marisa Heath has been made an Honorary Associate of the British Veterinary Association. This is awarded to very few individuals and is an incredible honour.
- As his predecessor, Sally Marks, did, he would be hosting the Chairman's Volunteer Awards, which were given to Surrey residents who deserve recognition for their services to the voluntary sector. He urged Members to nominate volunteers for this award.
- Headley Court had a formal farewell which the Countess of Wessex attended. He paid tribute to the services provided at Headley Court, which would now move to a new centre in Nottinghamshire.
- He paid tribute to David McNulty, who had retired as Chief Executive, and congratulated Julie Fisher on becoming the Acting Chief Executive.
- A silent tribute was held in remembrance of Mr Michael Gammon and Mr Bill Bellerby, previous county councillors.

58/17 DECLARATIONS OF INTEREST [Item 4]

Mrs Fiona White declared a personal interest in question 9 of Members' questions as she was the Council's nominee on the management committee of the Watts Gallery Trust.

The Chairman declared a personal interest in question 6 of Members questions as he was a user of the Performing Arts Library.

59/17 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:

- That the Leader was wearing a white ribbon in support of the Domestic Violence Management Board that was working towards achieving the White Ribbon Award.
- Whether there was support from Surrey MPs for extra funding for the Council and what pressure had the Leader put on MPs – Members were reminded that it was the responsibility of all Members to bring pressure to bear on Surrey MPs.
- What was the percentage rise in Council Tax needed to bridge the funding gap.

60/17 MEMBERS' QUESTION TIME [Item 6]

Notice of 17 questions had been received. The questions and replies were published as a supplementary agenda on 9 October 2017.

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

(Q1) Mr Robert Evans asked how many firefighters and engines would be deployed from Fordbridge Station and what the timescale was for its operation. The Cabinet Member for Communities reported that the station would be operating from summer 2018 and discussions were taking place regarding operations.

(Q2) Mr Chris Botten asked if Surrey maintained schools were better off than academy trusts. The Cabinet Member for Education explained that when a school became an academy the Council kept the deficit. She also explained that Surrey had a family of schools that worked together on a voluntary basis and did not wish to set them against each other.

(Q3) Mrs Angela Goodwin asked what the knock on effects of reduced Housing Related Support funding were.

Mr John O'Reilly asked if the Cabinet Member for Adults had anything further to say with regard to the response given to Mr Botten at Cabinet about the willingness to be flexible on the implementation of the scheme.

Mr Andy MacLeod asked if this was an excellent example of what Members should be talking to MPs about.

Mr Jonathan Essex stated that if this was found to have a detrimental impact on individuals that services could be restored and other sources of funding found.

The Cabinet Member for Adults stated that he would be feeding back and would ensure that there was no one unattended. Of the 4,000 receiving housing support, 553 of those received support under Adult Social Care. 30% of the saving had been held back as a reserve for any additional people requiring services under the eligibility criteria. He also stated that flexibility was limited and that he supported Members speaking to MPs.

(Q5) Mrs Fiona White asked if the Council should apologise to service users for the lack of an adequate consultation and would the Cabinet Member monitor delivery of family planning advice for young people.

Mr Chris Botten asked if the Cabinet Member was concerned that there were now situations whereby only one provider was coming forward and was this an indication that services could not be offered safely under the contract offer.

The Cabinet Member for Health stated that public health was underfunded and urged Members to include public health when writing to MPs. She stated that broad consultation did take place and the chosen providers had an excellent track record. She was content that whilst delivery would be monitored she would report back to council in due course.

(Q6) Mr David Goodwin asked what was to happen following consultation on the future of the Surrey Performing Arts Library and requested that results go back to select committee before going to Cabinet.

Mr Richard Walsh asked if the Cabinet Member for Communities would consider a private or commercial organisation, with volunteers, to take on this library.

The Cabinet Member for Communities confirmed that a report with the responses would be going to the select committee and all Members will have an opportunity to feed into the process as will all groups and residents.

(Q7) Mr Stephen Cooksey asked when would there be a more comprehensive list of savings available and how far had agreement been reached with borough and district councils on the abolition of recycling credit payments.

The Cabinet Member for Environment & Transport explained that at the last meeting Mr Cooksey had asked for the consultation to be reviewed and that is what happened. He had asked Members to put forward their ideas on how savings could be made and he did not receive anything from the Liberal Democrats. He also stated that the council were continuing to work with borough and district councils to increase recycling rates. There was £3m to £4m savings to be made on credits which would not have been possible but for the borough and district councils working with SCC, for which he thanked them.

(Q8) Mr Will Forster asked the Cabinet Member for Economic Prosperity if he thought it appropriate for the five expressions of interest to have been submitted without any consultation, or notification, of elected Members. The Cabinet Member responded that it took a long time to put bids together and all five bids were on the table and being discussed and agreed to go forward by the borough and district councils. He also went on to say that expecting the Council to have to bid for Government funding against other councils was not right and that there should be fairer funding.

(Q9) Mrs Penny Rivers asked how George Watts would have prioritised, with limited funds, either funding an art gallery or sheltered housing. The Leader responded that Mary Watts was also a great reformer and was the first to look after the first batch of apprentices. He also explained that it is a relatively small investment to reach so many to learn about the arts and should be commended.

(Q10) Mr Jonathan Essex asked for reassurance that public consultation would take place before a decision was made on the disposal of county council-owned sites. He also asked for confirmation that none of the sites had already been sold as the CBRE website stated that the Longmead site in Redhill had been sold. The Cabinet Member for Property & Business Services stated that there would not be a public consultation on the sites but discussions were taking place with borough and district councils where relevant. The Council's focus was for the optimisation, rather than sale, of these sites.

(Q11) Mr Robert Evans requested that Council reconsider the £27m tied up in tobacco companies as this was sending out the wrong message, especially to young people. The Chairman of the Surrey Pension Fund Committee stated that he would be happy to go through the Environmental Social Governance and Responsible Investment Policy with Mr Evans, or any other Member. The Cabinet Member for Property & Business Services thanked and accepted the

offer from the Chairman of the Surrey Pension Fund Committee to respond to Mr Evans.

(Q12) Mrs Hazel Watson asked the Leader if other county councils shared the view of the Leicestershire County Council funding model. The Leader responded that he did not agree with the model put forward by Leicestershire County Council and that the case for fairer funding needed to be put forward.

(Q17) Mr Jonathan Essex requested the same information in relation to the fire service. The Cabinet Member for Property & Business Services stated that he would see if that was possible.

Mrs Fiona White declared a personal interest in question 9 of Members' questions as she was the Council's nominee on the management committee of the Watts Gallery Trust.

The Chairman declared a personal interest in question 6 of Members questions as he was a user of the Performing Arts Library.

Cabinet Member Briefings: these were also published with the supplementary agenda on 9 October 2017.

Members made the following comments:

Cabinet Member for Environment & Transport was asked if he had written to the Government regarding the delay in Crossrail 2 and had the Council been involved in the consultation on the South Western Railway timetable which has a significant impact on Woking residents. He would write to Mr Forster after the meeting about consultations that had taken place.

The Leader of the Council was asked for an update on Coast to Capital to which he responded that a number of projects were being discussed at the Investment Board.

Cabinet Member for Wellbeing and Health was thanked and praised for bringing World Mental Health day to Members' attention.

Cabinet Member for Economic Prosperity was asked about funding for the Employment and Skills Board and what was hoped to be achieved in terms of maximising the impact of the apprentice levy. He responded that learning and skills was a major problem for businesses nationally. In conjunction with Hampshire CC a one year project was underway to look at skills needed by business and to understand the barriers. At the end of the year SCC will ask businesses to support and to take the apprentice levy.

Cabinet Member for Children was asked to consider further training on the Prevent Agenda for Members of the council and those of district and borough councils and responded that she would look into this.

Cabinet Member for Property and Business Services was asked about results and savings borne of the investment into Orbis and its three year business plan. He responded that savings were within the Medium Term Financial Plan. The next business plan would be considered at the joint committee on 16 October. Whilst there was a three year plan most of the focus would be on the next 18 months and proposed more integration.

61/17 STATEMENTS BY MEMBERS [Item 7]

Three Members made statements:

- i. Mr Chris Townsend – in relation to safety issues of a proposed crossing at Woodfield Lane/A24 junction in Ashted and related infrastructure.
- ii. Dr Andrew Povey – in relation to the need for a strategic approach to housing planning.
- iii. Mr Jeff Harris – in relation to the reintroduction of junior citizens events.

62/17 ORIGINAL MOTIONS [Item 8]

Item 8(i):

Under Standing Order 12.3 the Council agreed to debate this motion.
Under Standing Order 12.1 Mrs Watson moved the motion, which was:

This Council notes that:

- Surrey County Council has invested £186m, as of 24 July 2017, in purchasing commercial properties (such as warehouses, offices and retail premises) outside of Surrey via a wholly owned property company called Halsey Garton
- There is a significant risk that Surrey County Council will lose money on these property investments as a result of the costs of maintenance, professional advisors, rates and other costs exceeding the income from rent, loss of rent as a result of voids and loss of value as buildings become outdated
- That the County Council's stated intention is to invest up to £1bn by 2020/21, with a maximum return of only 2%
- Surrey County Council owns a significant number of buildings across Surrey which have been left vacant for years, in some cases over a decade and that such vacant buildings constitute a waste of money as those assets are unutilised, deteriorating and thus losing value.

Council is concerned that:

The County Council has invested in a large property portfolio outside of Surrey despite its clear inability to properly utilise its own vacant buildings within Surrey.

Therefore, Council calls upon the Cabinet to:

- a) cease further commercial property investment outside of Surrey as it risks losing public money
- b) prioritise County Council owned vacant buildings to either be used to provide services, or to be sold or let.

Mrs Watson made the following points:

- SCC invests large amounts in property outside of Surrey and encouraged the council to invest more in property inside of the Surrey borders in order to increase economic growth.
- Investment in retail premises was risky with a low rate of return.
- Some SCC owned properties had been vacant for years, which amounted to a waste of money.
- She considered there was secrecy around the vacant properties that were owned by SCC. Whilst there was a project looking at this it was still not open to the public and she requested that a full list of sites be published.
- She considered that SCC should prioritise investing more in Surrey.

The motion was formally seconded by Mrs White who reserved her right to speak.

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

- That a number of inaccuracies had been given to the media by Mrs Watson and Mr Essex and that, rather than criticising the council, they should help to find a solution.
- Informed decisions were made, supported by expert officers and CBRE using a scoring matrix. A full business case was then prepared for the Investment Board and Cabinet. Select committees were able to look at those proposals.
- Property in Surrey would also carry a risk. The Council had a limited ability to raise income and property was a long term investment.
- Considering the Council's own properties should be done in a controlled way and providing lists of vacant properties would be counter-productive.
- Procurement rules also had to be followed.
- One Member made reference to a site in their division that had no road or pedestrian access, which made it very difficult to try and sell that for housing. However, it was also stated that the property service should also consult county councillors as well as district and borough councillors.
- The diversified spread of investment complies with the Investment Board's mission statement.
- Statements were read out from the CIPFA Code and the Royal Institution of Chartered Surveyors' Code to highlight that this motion was naïve.
- One Member stated concern that SCC were not sophisticated property investors.
- There was a need to look at the portfolio as a whole. There were too many councils chasing too few deals both inside and outside of Surrey.
- The Leader gave some examples of some decisions taken by the Investment Board inside Surrey, which had been good decisions. He stated that the Investment Board considered all the risks and had robust debates, which was borne out by the fact that not all proposals were accepted. He also stated that residents were concerned about services and not buildings.
- One Member stated that, whilst borough and district councils invested in Surrey, SCC should look outside Surrey.

Mrs White, as seconder of the motion, talked of work done by previous working groups and using vacant buildings to provide services. Any assets not used for direct service delivery should be used to provide much needed capital for Surrey. Vacant buildings costs the county money.

Mrs Watson concluded the discussion by making the following comments:

- There was a need to tackle vacant properties urgently.
- 77% of investment by this Council was outside of Surrey and that was too much.
- More investment should take place inside Surrey to benefit residents.
- There was a lack of openness and transparency in gaining information.
- The Council were cutting services and risking money in investments outside Surrey.

The Chairman agreed that the motion would be taken in two parts, a) and b), as given in the motion.

Part a) of the substantive motion was put to the vote with 13 Members voting for and 54 Members voting against. There was 1 abstention.

Part b) of the substantive motion was put to the vote with 20 Members voting for and 46 Members voting against. There was 1 abstention.

Therefore it was:

RESOLVED:

That parts a) and b) of the motion were lost.

Item 8(ii)

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 notes:

- i. the challenging financial position faced by SCC
- ii. the savings made across several years to meet those challenges

However, this Council expresses its concern that in many areas the priorities for both spending and service reductions, and also new and increased expenditure, are unreasonable and do not reflect the priorities of residents.

This Council therefore calls upon the Leader and Cabinet to re-assess their spending and cost reduction plans through all-member and cross-political group discussions over the coming months to ensure that SCC has a set a priorities which will more closely reflect the concerns and aspirations of Surrey residents.

Mr Kington made the following points:

- This was not about reduced funding or savings that had been made but about the choices made, without proper consultation, ignoring residents' priorities.
- That there was a 'shrinkflation' of services, involving a reduction in services and higher costs, which was not unnoticed by residents.

- What was the point of seeking views when they were then dismissed, as in the case of the proposal to cut the free non household waste service, which received a very high number of objections from residents but the service was cut anyway.
- It was understood that there were hard choices to make but there was a lack of consideration of all the options.
- There had to be a way to discuss these issues properly before a decision is made, with plans shared at an earlier stage and select committees given the opportunity to review the options.

The motion was formally seconded by Mr Townsend, who reserved the right to speak.

The Leader of the Council suggested that council should not debate this motion as actions had been taken that Mr Kington was unaware of. Budget planning sessions had been arranged for Members and at the last Cabinet meeting concerns were discussed. An email invitation was sent to council, the Senior Management Team and to the Chairman of Overview and Budget Scrutiny Committee stating that two Cabinet workshops had been arranged to look at balancing the budget.

The Chairman made the decision that Council should continue debating the motion.

Five Members spoke to the motion and made the following comments:

- Residents' concerns included issues such as streetlights, footpath repairs, traffic lights and parking signs and not about what investments the council was going to make. There were so many hoops to jump through as councillors, it was a full time job. Cabinet says no to all requests. Cabinet should use all Members' talents before a decision was made.
- On election day the Conservatives increased their number on Council and therefore the electorate supported Conservative priorities. Cabinet meetings were an opportunity for Members to ask questions of the Cabinet. Mr Kington had not attended or taken part in any meetings since the election.
- The Leader has asked for the assistance of the Overview and Budget Scrutiny Committee to scrutinise plans that have been developed by Cabinet.
- A timeline was requested of service cuts planned if the budget position did not change. This would help Members to respond to residents' questions. Without the detail one cannot know the consequences and therefore cannot fight for funding changes.
- Cabinet was salami slicing and did not look back at the impact of cuts and whether it was the right decision to make.
- Whilst the annual budget is set each February, Members should also keep in mind the Medium Term Financial Plan where priorities and alternatives should be considered in a realistic manner.

Mr Townsend, as seconder to the motion, made the following comments:

- Many good points had been made and he hoped that council were listening.
- He cited recent examples of issues that the public were interested in.
- Investing in commercial property was not diversifying.

The Chairman asked Mr Kington, as the proposer of the original motion, to conclude the debate.

- He stated that some of the responses to the motion were patronising.
- He also thanked some Members for their comments.
- Attending Cabinet was a waste of time for opposition Members and rather than attend meetings he was out meeting with residents.

The substantive motion was put to the vote with 20 Members voting for and 23 Members voting against. There were 24 abstentions.

Therefore it was:

RESOLVED:

That the motion was lost.

Item 8(iii)

The Leader requested that the council accept a recommendation to approve the amendment as it was an error that needed to be put right.

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

That the wording of the Financial Framework for Members' Allocations, contained in Part 5 of the County Council's Constitution, be modified in the Section "What we cannot consider", point 5, to replace the word "core" with the word "statutory".

Mr Harmer made the following points:

- That this motion returned the wording to as it was six months ago.
- That the wording, as it stood at the moment, disadvantaged children in rural settings as Members were unable to use their allocations to support spending on play equipment.

The motion was formally seconded by Mr Hall.

The Chairman put the motion to the vote and it was:

RESOLVED:

That the wording of the Financial Framework for Members' Allocations, contained in Part 5 of the County Council's Constitution, be modified in the Section "What we cannot consider", point 5, to replace the word "core" with the word "statutory".

Item 8(iv)

The Deputy Leader proposed that this motion be referred to the People, Performance and Development Committee as a report on this topic was to be discussed at its meeting on 23 October 2017.

Mr Essex agreed to the referral of the motion.

Therefore it was:

RESOLVED:

To refer the motion to the People, Performance and Development Committee meeting on 23 October 2017.

The Council adjourned for 35 minutes and reconvened at 1.17pm.

The following Members were not in attendance for the remaining items of business: Mrs Clack, Mr Furey, Mr Nuti, Mr Furniss, Mr Islam and Mr Chapman.

63/17 REPORT OF THE CABINET [Item 9]

The Leader presented the report of the Cabinet meetings held on 18 July 2017 and 26 September 2017.

Reports for Information/ Discussion

A – Annual Report of the Shareholder Board

B – To note that there had been no decisions taken under special urgency arrangements in the quarter 1 July – 30 September 2017.

RESOLVED:

That the report of the meetings of the Cabinet held on 18 July 2017 and 26 September 2017 be adopted.

64/17 SURREY COUNTY COUNCIL PROGRESS REPORT [Item 10]

The Chairman pointed out an error in the report and suggested that line 5 of the second paragraph on page 5 should begin:

Due to the financial challenges ~~we don't have~~ funding is reduced for this financial year, ..

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

Members made the following comments:

- The case studies used in the report were commended.
- That the report was an understatement of the fantastic work undertaken by staff.
- Tracey Morris of Epsom Charities Rotary Club and volunteers were commended.
- Members were encouraged to view the Corporate Strategy page on the Council's website.

- A comment was made that there was not enough information on environmental services

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 was confirmed.
4. That line 5 of the second paragraph on page 5 of the report should begin:

Due to the financial challenges ~~we don't have~~ funding is reduced for this financial year, ..

65/17 INDEPENDENT REMUNERATION PANEL REPORT [Item 11]

The Leader of the Council tabled an amendment to the Independent Remuneration Panel's (IRP) recommendations, attached as Appendix B. It was proposed that any increases in allowances be backdated to the Council's AGM of 2017 rather than the date of the election because Members were not in their roles until the AGM. It was also proposed that any reductions for Members currently receiving Special Responsibility Allowances take effect from the Council's AGM 2018, as the same consideration was given to staff when their pay was reduced. It was suggested that the IRP be asked to review allowances for the members of the Fostering and Adoption Panel because they did a great amount of very complicated work which was a huge responsibility. The savings, if the recommendations were approved, would total £225k.

Members made the following comments:

- A vote should be taken on each of the separate elements of the recommendation and proposed amendments.
- It was difficult to justify pay increases so the reduction in special responsibility allowances (SRA) was welcomed.
- There was no moral argument not to make reductions from 1 November as proposed by the IRP.
- The IRP had not commented on the Lead Member of the Police and Crime Panel.

Mr Nick Harrison, seconded by Mr Chris Townsend, proposed the following amendment to the IRP recommendations:

- That the Surrey Lead Member on the Surrey Police and Crime Panel should receive an SRA only if they are the Chairman of the Panel.

On being put to the vote the motion was lost.

The Leader proposed that the allowance for the Lead Member on the Surrey Police and Crime Panel be included on the list of items for the IRP to review further. This was agreed.

Members continued to make the following comments on the main report:

- It was important that Members take the lead in reducing allowances.
- The Leader was asked if he had confidence in the IRP in understanding the work of council. It was also asked how much the IRP were paid, to which the Leader responded that he would find out.
- One Member did not agree with no allowance or no rise in allowance as in the long term this would mean that the Council would find itself out of alignment and have to make larger rises which residents would see as a 'hike'.
- That the basic allowance may be too large.
- Various Members stated that they currently did not claim the allowances they were entitled to and would continue not to take them.
- The report needed to be clearer when talking of the Pension Committee which was sometimes referred to as Pension Board. Pension Board allowances were set by the People, Performance and Development Committee.
- Would be happier to talk about reductions across the whole board and even a reduction in councillors, especially when there were several levels of government across the county.

Mr Eber Kington, seconded by Mr John Beckett, proposed that cuts in allowances should be made from 2 November 2017, not May 2018. On being put to the vote the motion was lost.

RESOLVED:

1. That the amended recommendations, attached as Appendix B, be agreed.
2. That the IRP be requested to review the allowance for the Lead Member on the Surrey Police and Crime Panel, in addition to reviewing the SRA for the members of Adoption & Fostering Panels, for the vice-chairmen of select and regulatory committees against the benchmark of the 27 other county councils, and reviewing the Joint/Local Committee vice-chairman role
3. To request that the IRP amend their report to refer to the Pension Committee and not the Pension Board.
4. That Members would be informed on how much the IRP were paid.
5. To also request that the IRP review the role and allowance for the Lead Member on the Police and Crime Panel. *(It was subsequently confirmed that the Chair of the IRP receives £1,500pa and the other two members £1,000pa each, plus travel expenses)*

66/17 UPDATES TO THE CONSTITUTION - ARTICLES REFRESH [Item 12]

The Vice Chairman introduced the report and thanked Members for their comments.

Mrs Clare Curran proposed an amendment, which was circulated at the meeting. It read:

Article 5, section 5.02, sub paragraph (b) - page 157 of the agenda - **"appointment of the Cabinet *including the Lead Member for Children's Services*"**

Article 11, section 11.01 subparagraph (d) - page 180 of the agenda - **"*Director of Children's Services and such other posts as are referred to in legislation as "Chief Officer" posts.*"**

The amendment was seconded by the Vice-Chairman and on being put to the vote the amendment was accepted.

RESOLVED:

1. That the updated Articles of the Constitution as shown in Annex A to the report, with the inclusion of the amendments below, be adopted and included within the Council's Constitution and published on the Council's website:
 - a. Article 5, section 5.02, sub paragraph (b) to include **"appointment of the Cabinet *including the Lead Member for Children's Services*"**
 - b. Article 11, section 11.01 subparagraph (d) to include **"*Director of Children's Services and such other posts as are referred to in legislation as "Chief Officer" posts.*"**
2. That the Select Committee Chairmen's Group and Group Leaders will report back to Council with a review of the effectiveness of the new scrutiny arrangements (Article 7) at the end of the municipal year 2017/18.
3. That the procedural information formally contained in the Articles, as shown in Annex B to the report, be inserted into the relevant sections of Part 4 of the Constitution (Standing Orders).

67/17 MINUTES OF CABINET MEETINGS [Item 13]

The minutes of the Cabinet meeting held on 26 September 2017 were published as a supplementary agenda on 9 October 2017.

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

[Meeting ended at: 2.47 pm]

Chairman

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County Council – 10 October 2017**Leader of the Council's statement**

Mr Chairman and Members, for many years local government has borne the brunt of massive funding reductions. The Local Government Association estimate that by 2020 councils will have seen government funding reduced by 16 billion pounds. And Surrey is one of the hardest hit councils.

Because, despite our very best efforts – year after year – to:

- reduce costs
- make efficiencies
- find new ways of delivering services and
- develop new ways of working with our partners...

The fact is that demand for services – particularly social care - continues to rise while the funding available significantly reduces.

The County Council faces a projected budget overspend this year of 21 million pounds. We also have our largest annual savings target of 104 million pounds. This is on top of the 450 million pounds of savings already made since 2010.

Mr Chairman, my Cabinet colleagues and I are working closely with officers to put in place a budget Recovery Plan, and to ensure a balanced budget that continues to deliver the crucial services that residents need. And I hope all Members will play a part in this through supporting the work of the Overview and Budget Scrutiny Committee – and in all Select and Local Committee work.

It is crucial that every Member - and every resident of Surrey - understands the funding challenges we face. 70 per cent of the County Council's budget is spent on Adults and Children's Social Care. And these are services that are facing huge rising demand. That leaves just thirty per cent of our budget to deliver every other service we provide for Surrey's 1.1 million residents, and the County's businesses. Services like highways, waste and libraries, which we know are all really important for our residents.

Failure to keep up with this demand for services will have a devastating domino effect right across the health and care system. Surrey cares for the largest number of people with learning disabilities in the UK. These residents have complex care needs and the number of people needing our support is rising – up 36 per cent over the last five years. Emerging analysis from the County Councils Network shows that pressures on learning disability care are increasing across the country, but that the pressures are most acute in Surrey. Some four times higher than any other local authority.

Yet Government funding for Surrey's residents with learning disabilities is facing a 32 million pound shortfall this year, and rising to 46 million pounds shortfall in two years' time. If that was a family member or a friend, all of us would want the very best in care for them, wouldn't we?

When it comes to older people, one in five people in Surrey will be over the age of 65 by 2020. And that's an extra 20,000 older people driving further demand for care and support

services. The cost of providing this additional care will cost Surrey taxpayers 20 million pounds annually.

At the other end of the spectrum, demand for high need Children's Services also continues to rise, adding 6.8 million pounds to our budget. The number of looked after children continues to increase. And the complexity of their needs – and in particular a significant rise in teenagers with challenging behaviour - requires additional social work support and residential placements.

We also face a 16 million pound shortfall this year – rising to 28 million pounds next year - in Special Education Need services as a result of increasing demand and changes in legislation.

Mr Chairman and Members, the County Council is providing desperately needed care and support for the most vulnerable children and adults in our society. So, I make no apologies for calling for Fair Funding for Surrey.

I am proud that when I was Conservative Group Leader at the LGA I advanced the case for a fair funding formula review with the then Secretary of State, Greg Clark. The County Council continues to support and participate in the Government's long term Fair Funding review. But we cannot wait to deal with the unfairness in the system. Residents need this care and support today! It is time that Government properly funded Surrey County Council to provide the services that our residents need.

And let's remember the 11.2 billion pound net contribution that Surrey's taxpayers already makes to the Exchequer, every year. I have never asked for a special deal. Only a fair deal for Surrey taxpayers. The County Council has made the case for fair funding to our Surrey MPs. We have provided the facts, which speak for themselves. The case for fair funding is indisputable.

I am circulating today to all Members the two financial tables that we gave to our MPs, along with this statement. Every one of us must make clear our support for fair funding, so that the residents of Surrey – and the most vulnerable, in particular – have the services that they need. The County Council will continue to work closely with our partners to serve our residents.

We have a track record of working together and taking new and innovative approaches to tackling the challenges we face together - through better collective use of our assets, closer working with our District and Borough partners and shared arrangements, like Orbis. By collaborating with the Local Enterprise Partnerships and neighbouring authorities through Transport for the South East, we are making a stronger case for the infrastructure investment that our county needs to support new jobs and economic growth. So, I am pleased to inform Members that the Leaders of all twelve Surrey councils have agreed to work up a business case – for submission at the end of the month - for a joint bid to become a Business Rates Pilot in 2018/19.

A successful bid could bring significant financial benefits for the whole of Surrey and see further joint working, cooperation and decision-making between the County and the Districts and Boroughs. This would not solve all our funding pressures – especially as the pilot scheme is only for one year - but it would be an important step towards fair funding for Surrey.

Another area of partnership is in health and social care, where the County Council is working together with our partners in the NHS. Surrey Heartlands offers an exciting pathway to a new integrated local model of service delivery and decision-making. But true transformation of health and social care means Government must back up this local joint working with the funding it needs.

I call upon the Government to allow those councils and NHS partners who are ready, to be given the freedom and the funding that they seek, to allow them to deliver a new plan for change. A new plan for transformation and cooperation. A new plan to deliver better health and care for Surrey residents. And most of all, a new plan that will become the benchmark for change in our society.

To conclude Mr Chairman, we are probably facing the most difficult financial and demand challenges this Council has ever seen. Times are tough and difficult decisions lie ahead. But there are also opportunities. Opportunities to continue to improve the care and services that we provide to our residents.

I believe **we all** came into politics to make people's lives better. Collectively, we have a duty to look after our residents and to make a difference for them. Together – as Members, and with our Districts and Boroughs, the NHS and our other partners – we can work as One Team.

One Team for Surrey and One Team for Surrey residents.

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Table 1 – Surrey County Council’s current funding deficit due to clearly inequitable government funding decisions

Revenue funding

Government funding decision that has created a funding deficit for Surrey County Council		SCC Funding deficit £m		
		2017/18	2018/19	2019/20
1	Rolling Learning Disabilities and Health Reform grant into main Settlement Funding Assessment	32	39	46
2	Awarding Public Health funding to authorities based on historic PCT spending rather than DH published target allocations based on population needs	17	17	17
3	Providing funding for Unaccompanied Asylum Seeking Children to authorities that is well below the true costs of care for these children	4	4	4
4	Allocating improved Better Care Fund monies largely based on authorities’ council tax funding bases rather than the proportion councils would normally receive based on the ASC Relative Needs Assessment	11	17	23
5	Implementing changes to funding allocations that result in Surrey having a negative Revenue Support Grant	0	0	17
Total revenue funding deficit £m		64	77	107
Surrey Council Tax increase that would be required to cover funding deficit		11%	13%	18%

Capital funding

Government funding decision that has created a funding deficit for Surrey County Council		SCC Funding deficit £m		
		2017/18	2018/19	2019/20
6	Allocating highways capital funding without taking account of the impact of high traffic volumes	8	8	8
		8	8	8

Table 2 – Surrey County Council’s asks of government to address areas of clear funding inequality

Revenue Funding

Ask of government		Ongoing Benefit to SCC £m	
		2018/19	2019/20
1	Include Surrey as a Business Rates Retention pilot area	25	30
2	Remove Surrey’s negative RSG	0	17
3	Restore the Learning Disabilities and Health Reform grant as a separate allocation to reflect authorities with disproportionate responsibilities for supporting higher numbers of people with complex learning disabilities	39	46
4	Uplift Surrey’s Public Health grant by 10% per year over the life of the current Parliament (including funding reductions already planned) to bring Surrey up to its target allocation by 2021/22	4	8
5	Fund all UASC at the new rates currently only applied for arrivals post July 2016	2	2
6	Write off the historic Firefighter injury pension costs	<i>See below*</i>	<i>See below*</i>
		70	103

** This wouldn’t provide any additional ongoing benefit to SCC, but it would avoid the council having to pay £9m of costs in 2018/19 which would make the council’s current funding deficit even worse.*

Capital Funding

Ask of government		Ongoing Benefit to SCC £m	
		By 2018/19	By 2021/22
7	Change highways capital funding allocations to be based on total volume of traffic	8	8
		8	8

Recommendations of the Conservative Group to Full Council on 10th October 2018.

Type of Allowance	Existing Scheme	IRP Recommendation	Conservative Group Recommendation
Basic Allowance (81)	12,442.80	12,442.80	12,442.80
Leader	43,085.87	43,085.87	43,085.87
Deputy Leader	31,312.41	27,924.00	27,924.00*
Chair of the Council	18,035.95	18,035.95	18,035.95
Vice-Chair of the Council	8,015.98	6,512.98	6,512.98*
Cabinet Member (8)	22,544.93	24,402.00	22,544.93
Cabinet Associate (4)	12,524.96	0.00	0.00
Overview and Budget Scrutiny Committee	12,024.00	12,024.00	12,024.00
Select Committee Chair (5)	10,019.97	10,019.97	10,019.97
Planning and Regulatory Committee Chair	12,024.00	12,024.00	12,024.00
Audit and Governance Chair	9,017.97	10,019.97	10,019.97
Pension Fund Board Chair	8,015.98	10,019.97	10,019.97
Local and Joint Committee Chairs (11)	8,015.98	8,015.98	8,015.98
Vice-Chairs of Committees (20)	1,503.00	0.00	0.00*
Opposition Leader	5,009.99 (x2)	12,024.00 (total)	12,024.00 (total)
Payments to political parties	170.34	170.34	170.34
Additional Allowances and Expenses			
Member of Adoption and Fostering Panel	1,002.00	1,002.00	1,002.00
Lead Member for Scrutiny of PCC	8,015.98	8,015.98	8,015.98
Co-optees Allowance	0.00	0.00	0.00
Travel and Subsistence	No changes to the existing scheme		
Childcare Allowance	£8/hour, no cap	£8/hour, no cap	£8/hour, no cap
Care of Dependents Allowance	£14.50/hour, no cap	£14.50/hour, no cap	£14.50/hour, no cap

*Reductions in allowances effective AGM 2108

Appendix B

The Council requests the Independent Remuneration Panel to continue their work and conduct a review into the following areas.

1. Review Member of Adoption & Fostering Panel
2. Review Vice Chairmen of Select & Regulatory Committees against the benchmark of the 27 other County Councils
3. Review Joint/Local Committee Vice-Chairman role

The Group recommends that where an allowance has been increased that it should be backdated to the date of the May 2017 Local Election.

The Group recommends that all reduction changes to allowances should be implemented from the Council's AGM 2018; subject to any further recommendations from Independent Remuneration Panel