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Agenda and Reports  
for the meeting of  
**THE COUNTY COUNCIL**  
to be held on  
**5 DECEMBER 2017**

(i)

County Hall  
Kingston upon Thames  
Surrey

Friday, 24 November 2017

TO THE MEMBERS OF SURREY COUNTY COUNCIL

## SUMMONS TO MEETING

You are hereby summoned to attend the meeting of the Council to be held in the Council Chamber, County Hall, Kingston upon Thames, Surrey KT1 2DN, on Tuesday, 5 December 2017, beginning at 10.00 am, for the purpose of transacting the business specified in the Agenda set out overleaf.

JULIE FISHER  
Acting Chief Executive

**Note 1:** *For those Members wishing to participate, Prayers will be said at 9.50am. Reverend Chris Hollingshurst from St John's Church, West Byfleet 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 [joss.butler@surreycc.gov.uk](mailto:joss.butler@surreycc.gov.uk)

This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Democratic Services on 0208 541 9122

**1 APOLOGIES FOR ABSENCE**

The Chairman to report apologies for absence.

**2 MINUTES**

(Pages 1  
- 24)

To confirm the minutes of the meeting of the Council held on 10 October 2017.

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

**3 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.

**4 CHAIRMAN'S ANNOUNCEMENTS**

The Chairman to report.

**5 LEADER'S STATEMENT**

The Leader to make a statement.

There will be an opportunity for Members to ask questions.

**6 MEMBERS' QUESTION TIME**

1. The Leader of the Council or the appropriate Member of the Cabinet or the Chairman of a Committee to answer any questions on any matter relating to the powers and duties of the County Council, or which affects the county.

**(Note: Notice of questions in respect of the above item on the agenda must be given in writing, preferably by e-mail, to Democratic Services by 12 noon on Wednesday 29 November 2017).**

2. Cabinet Member Briefings on their portfolios

These will be circulated by email to all Members prior to the County Council meeting, together with the Members' questions and responses.

There will be an opportunity for Members to ask questions.

## **7 STATEMENTS BY MEMBERS**

Any Member may make a statement at the meeting on a local issue of current or future concern.

***(Note: Notice of statements must be given in writing, preferably by e-mail, to Democratic Services by 12 noon on Monday 4 December 2017).***

## **8 ORIGINAL MOTIONS**

### **Item 8(i)**

**Dr Andrew Povey (Cranleigh & Ewhurst) to move under Standing Order 11 as follows:**

That the wording of the Financial Framework for Members' Allocations contained in Part 5 of the Council's Constitution, be modified in the section "What we cannot consider", point 7, to replace the word "core" with the word "statutory".

### **Item 8(ii)**

**Mr Chris Botten (Caterham Hill) to move under Standing Order 11 as follows:**

This Council notes that:

(i) significant numbers of children who are either in the care of the County Council or children with special educational needs are being placed in residential care or special schools outside Surrey. This means that children are either living a long way from family and friends or have to travel long distances to get to and from school which is detrimental to children and their families and;

(ii) the County Council is projecting to overspend its special needs transport Budget by £1.2 million in 2017/18.

This Council supports plans to develop travel training for young people with special educational needs and to encourage the take up of the parental travel allowance.

This Council agrees that there is a lack of County Council provided

residential places and special needs places for children within Surrey and the County Council must urgently invest in providing more of such places for children in Surrey.

**Item 8(iii)**

**Mrs Hazel Watson (Dorking Hills) to move under Standing Order 11 as follows:**

This Council notes that the County Council does not currently have a road sign inspection policy and that it relies upon members of the public to notify the County Council of missing and damaged road signs.

This Council calls upon the Cabinet:

(i) to develop a sign inspection policy with regular inspections to be carried out by Council officers to identify missing and damaged road signs and to implement such a policy; or

(ii) alternatively if the County Council is expecting members of the public to notify it of missing or damaged road signs, to provide an interactive map showing which road signs should be in place to enable them to more effectively perform their role.

**Item 8(iv)**

**Mr Robert Evans (Stanwell and Stanwell Moor) to move under Standing Order 11 as follows:**

Surrey Council recognises the huge contribution made to the County by all its employees.

Council notes that:

- local government pay is amongst the lowest in the public sector;
- in real terms, basic pay across local government has fallen by around 21% since 2010;
- Surrey CC workers have now had eight years of below-inflation pay increases;
- there are growing equal and fair pay risks resulting from this situation.

This council recognises that local government pay should not be allowed to fall further behind other parts of the public sector, so therefore supports the aim of restoring fair pay on behalf of council and school workers and calls for an immediate end to public sector pay restraint.

Additionally, this council notes the drastic ongoing cuts to local government funding and calls on central government to provide the additional funding needed to fund a decent pay rise for its employees.

Surrey County Council therefore calls on the Leader of the Council, as Chairman of the People, Performance and Development Committee to:

(vi)

- a. write to the Prime Minister and the Chancellor supporting the National Joint Council (NJC) and other locally determined local government pay claims and to seek additional finance to fund a decent pay rise.
- b. call immediately on the Local Government Association (LGA) to make urgent representations to central Government to fund the NJC and other locally determined local government pay claims and then to report back on their action in this regard.
- c. meet with local Surrey County Council union representatives to convey support for their claim for a fair pay increase.

### **Item 8 (v)**

#### **Mr Jonathan Essex (Redhill East) to move under Standing Order 11 as follows:**

Council notes:

That on the 16 November 2017 the Council Overview & Budget Scrutiny committee agreed that our property investments should be guided by a environmental and social governance (ESG) policy, agreed and confirmed in writing, as does our pension fund investments.

Council resolves:

That ESG policy be agreed with a commitment that this should be applied to all of the property-related investment decisions made by Surrey County Council, both through its local authority property company Halsey Garton and by itself, including for its developments on publically owned sites in Surrey, and that this policy includes specific commitments to:

- genuinely affordable housing;
- investments to reach BREEAM rating of Excellent or higher;
- reaffirm our existing commitment to protect the green belt; and
- for these commitments to be scrutinised in public.

## **9 REPORT OF THE CABINET**

(Pages  
25 - 74)

To receive the report of the meeting of the Cabinet held on 31 October and 28 November 2017 and to:

- Agree one recommendation in respect of approval of the changes to the Procurement Standing Orders
- Note the local government ombudsman report with a finding of maladministration

- 10 REPORT BACK FROM THE PEOPLE, PERFORMANCE AND DEVELOPMENT COMMITTEE ON REFERRED MOTION** (Pages 75 - 76)
- At its meeting on 27 October 2017 the People, Performance and Development Committee considered a Motion in the name of Jonathan Essex referred to it by Council on 10 October 2017.
- 11 PAY POLICY STATEMENT REPORT** (Pages 77 - 96)
- To approve a revised Pay Policy Statement for 2017/2018.
- 12 APPOINTMENT OF CHIEF EXECUTIVE** (Pages 97 - 98)
- To approve the appointment of Chief Executive.
- 13 APPOINTMENT OF INTERIM MONITORING OFFICER** (Pages 99 - 100)
- To approve the appointment of Interim Monitoring Officer.
- 14 MINUTES OF CABINET MEETINGS** (Pages 101 - 120)
- 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 Democratic Services by 12 noon on 4 December 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*



**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]

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**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 <b>Learning Disabilities</b> and Health Reform grant into main Settlement Funding Assessment	32	39	46
2	Awarding <b>Public Health</b> 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 <b>Unaccompanied Asylum Seeking Children</b> to authorities that is well below the true costs of care for these children	4	4	4
4	Allocating <b>improved Better Care Fund monies</b> 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 <b>negative Revenue Support Grant</b>	0	0	17
<b>Total revenue funding deficit £m</b>		<b>64</b>	<b>77</b>	<b>107</b>
<b>Surrey Council Tax increase that would be required to cover funding deficit</b>		<b>11%</b>	<b>13%</b>	<b>18%</b>

**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 <b>highways capital funding</b> without taking account of the impact of high traffic volumes	8	8	8
		<b>8</b>	<b>8</b>	<b>8</b>

**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 <b>Business Rates Retention pilot</b> area	25	30
2	Remove Surrey’s <b>negative RSG</b>	0	17
3	Restore the <b>Learning Disabilities and Health Reform grant</b> 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 <b>Public Health grant</b> 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 <b>UASC</b> at the new rates currently only applied for arrivals post July 2016	2	2
6	Write off the historic <b>Firefighter injury pension costs</b>	<i>See below*</i>	<i>See below*</i>
		<b>70</b>	<b>103</b>

*\* 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 <b>highways capital funding</b> allocations to be based on total volume of traffic	8	8
		<b>8</b>	<b>8</b>

**Recommendations of the Conservative Group to Full Council on 10<sup>th</sup> October 2018.**

<b>Type of Allowance</b>	<b>Existing Scheme</b>	<b>IRP Recommendation</b>	<b>Conservative Group Recommendation</b>
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
<b>Additional Allowances and Expenses</b>			
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**



County Council Meeting – 5 December 2017

## REPORT OF THE CABINET

The Cabinet met on 31 October and 28 November 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 31 October meeting is included within the agenda at item 13. The minutes of the 28 November 2017 meeting will be circulated separately. Any 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 4 December 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 PROCUREMENT STANDING ORDERS

1. The Cabinet Member for Property and Business Services introduced this report and explained that as part of the transformation programme for Orbis, the Procurement Service has been through significant change over the past year in order to deliver a broader commercial role for the Council. Revising the Procurement Standing Orders (PSOs), which set out how the Council governs spending by officers on goods, works and services, will help to support these changes.
2. **The Cabinet AGREED:**  
  
That the proposed changes to Procurement Standing Orders (PSOs) were noted and RECOMMENDED to full Council for final approval on 5 December 2017.

***The Cabinet RECOMMENDS that the County Council approves the proposed changes to Procurement Standing Orders (Annex A).***

### REPORTS FOR INFORMATION / DISCUSSION

#### B LOCAL GOVERNMENT OMBUDSMAN REPORT WITH A FINDING OF MALADMINISTRATION – REPORT OF THE MONITORING OFFICER

1. This report concerned the Local Government Ombudsman's findings in response to a complaint concerning the service provided to a Surrey family.
2. The production of the Monitoring Officer report is a statutory requirement under Section 5A of the Local Government and Housing Act 1989. The Council's Monitoring Officer has to report to the Council's executive body

(Cabinet) when the Local Government Ombudsman has conducted an investigation into a complaint against the Council and has found that maladministration causing injustice has occurred.

3. Children's Services have apologised unreservedly to the family, who experienced drift and delay in receiving the right help and support for their son. They have reported that, since the time they let the family down, they have reviewed and are improving the system and processes to ensure children with special educational needs are identified better and earlier and supported well for as long as is needed. This has been overseen by the Improvement Board with a focus to improve outcomes for children in Surrey.
4. **That the Cabinet:**
  1. Considered the Ombudsman's report and the response from Children's Services,
  2. Satisfied itself that steps have been taken to address the findings and consider whether any other action should be taken, and
  3. Noted that the Monitoring Officer will be bringing her report to the attention of all councillors.

***The Cabinet RECOMMENDS that the County Council notes the local government ombudsman report (Annex B) with a finding of maladministration.***

**Mr David Hodge, Leader of the Council  
24 November 2017**

# **Procurement Standing Orders**

Rules to be followed when buying on behalf of  
Surrey County Council

December 2017 Issue 7

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### **Version History**

Issue 2 April 2007

Issue 3 April 2009

Issue 4 December 2010

Issue 5 October 2013

Issue 6 September 2015

Issue 7 December 2017

# 1 Introduction

The Procurement Standing Orders (referred to as the 'Orders' from this point on) set out how the Council authorises and manages spending. This includes all types of goods, works and services, as well as non-permanent workforce such as temporary and agency staff and consultants. We have a responsibility to do this in a transparent way that offers best value to residents.

Anyone who buys on behalf of the Council, including staff, contractors and consultants is responsible for following these Orders.

This document relates to public sector tendering and purchasing procedures and the legislative framework that surrounds them. Functions delegated to particular officers may be carried out by other officers specifically authorised by them for that purpose.

These Orders must be considered along with the Council's Financial Regulations and Schemes of Delegation.

**Note:** In these Orders, 'You' means anyone who needs to buy from an external supplier.

## 1.1 Legal status of these Procurement Standing Orders

The Council is required by section 135 of the Local Government Act 1972 to maintain these Orders as part of our Constitution.

The Assistant Director Procurement is the custodian of these Orders and is responsible for keeping them under review. If the EU Directives or any other law is changed in a way that affects these Orders then the AD Procurement will issue a bulletin and the change must be observed until the Orders can be revised.

## 1.2 Key Principles

These Orders are based on these key principles:

- To ensure we meet the Council's statutory duty to Best Value and to create healthy competition and markets for the Goods, Services and Works we buy;
- To be **transparent** to our residents about how we spend their money;
- To make sure we spend public money **legally and fairly**, and to **protect** us from undue criticism or allegation of wrongdoing;
- To support **sustainability** and **social value** objectives, and our public sector **equality** duty, encouraging local small businesses.

## 1.3 Compliance

All Officers, and any external contractors empowered to form contracts on behalf of the Council, must comply with these Orders at all times. If you breach them, you are breaching the Council's Constitution and this may lead to disciplinary action and is a breach of the Code of Conduct.

You must not artificially separate contracts or spending to avoid these Orders applying at any level, except insofar as this is necessary to enable small or medium-sized enterprises to compete, whilst delivering best value for money and remaining compliant with the law.

Where there is a difference between current legislation governing procurement and these Orders, the legislation prevails and you must comply with it.

Where these Orders appear to conflict with other Council-determined rules AD Procurement determines which takes precedence.

AD Procurement will report breaches of these Orders to the Sourcing Governance Board (SGB).

### 1.4 Scope

Apart from the exceptions listed below, these Orders cover all spend with external suppliers regardless of how they are funded (for example, revenue, capital, grant funded projects, ring-fenced government money and/or any third party funding).

These Orders do not apply to the following items, which are managed by separate policies:

<b>Exclusion</b>	<b>Relevant Policy/Law</b>
Contracts for the acquisition or lease of land and/or real estate	Managed via Property Services
Contracts for permanent or fixed-term employment	HR/Recruitment Policies
Works or orders placed with utility companies (e.g. re-routing pipe-work)	This is carried out as part of larger construction contracts
Direct payments to customers following care assessment (for example, payments under Self-Directed Support or Individual Budgets)	Section 12 of The Care Act 2014
Non-trade mandatory payments to third parties, such as insurance claims, pension payments, payments to public bodies	These are not subject to competition due to their nature
A declared emergency authorised by the Emergency Planning Officer <sup>1</sup>	The Civil Contingencies Act 2004
Awarding of Grants	Managed according to locally agreed Grant process or Grant Procedure Rules.
Placement of a child with Special Educational Needs in a non-maintained school providing the value of the contract is below the light touch regime threshold.	

### 1.5 Roles and Responsibilities

The AD Procurement is responsible for the complete process from procurement through to ordering and paying suppliers (known as 'Procure-to-Pay') across all Services and local systems. Any developments in the design of the process require the approval of the AD Procurement.

The Procurement Service is responsible for:

---

<sup>1</sup> Not to be confused with Emergency Purchases as detailed at Section 5.2

- Providing expert market knowledge to help you find the best supplier to meet specified needs;
- Managing all tenders and contract awards over £100,000 in accordance with relevant legislation and regulation;
- Engaging colleagues from Finance, Legal Services and HR in all contract strategies and awards;
- Developing strategic action plans for each category of spend;
- Providing commercial support to Contract Managers;
- Ensuring that good practice contract and supplier management is written into agreements;
- Developing our supply chain to deliver performance improvements;
- Ensuring transparency over spend, contracts and contract opportunities;
- Embedding social value and sustainability across the supply chain;
- Ensuring efficient and effective purchasing practices are in place for all staff;
- Working with Business Operations to manage a master database of suppliers currently on SAP.

Anyone who buys from suppliers is responsible for:

- Complying with these Orders;
- Ensuring there is adequate budget available;
- Raising and ensuring a purchase order is approved before the requirements are delivered to the Council, regardless of which system is used;
- Ensuring technical specifications meet the defined need and requirements;
- Ensuring that where the requirement is for temporary workers or consultants outside of the corporate framework agreement, HR is consulted in the first instance and the appropriate approval obtained;
- Ensuring specifications take into account equality and diversity as well as social value implications, and carrying out Equality Impact Assessments where appropriate;
- Putting in place effective monitoring of the performance and management of contracts;
- Engaging with Procurement at the earliest opportunity where the requirement is likely to exceed £100,000 in value;
- Engaging with Buying Solutions / Sourcing Solutions Team where the requirement is likely to exceed £15,000 in value;
- Using existing corporate contracts or select lists of suppliers where in place;
- Following the corporate process at the earliest opportunity when you need a new supplier;



- Ensuring all procurement activity within the contract lifecycle is conducted in accordance with the Orbis Ethical Procurement Statement;
- Ensuring that all suppliers to the Council adhere to the Supplier Code of Conduct.

## 1.6 Transparency

This section sets out how we meet our obligations to be transparent in our procurement, and maintain proper accountability to the public and obligations from the Local Government Transparency Code 2015 and PCRs.

### 1.6.1 Publication of Contract Opportunities, Spend and Contracts

In accordance with current government requirements we publish details of all spend with suppliers over £500 on our website, as well as spend on purchasing cards. A list of current contracts and grants is also published.

All advertised opportunities for contracts over £25,000 are published via the national Contracts Finder website, as well as our own website. Contracts over the current EU threshold are advertised via the Official Journal of the European Union (OJEU) whilst it remains relevant.

All contracts awarded which are valued at greater than £25,000 must be published via the national Contracts Finder website, regardless of whether they were originally advertised there or not.

### 1.6.2 Freedom of Information

Under the Freedom of Information Act (FOIA) 2000, we have an obligation to publish specific information and to provide information to members of the public upon request. However, the FOIA enables certain confidential information and commercially sensitive material to be withheld. You must therefore ensure tender information is kept confidential at all stages, especially during tender evaluation and after the contract is awarded. Suppliers must also be given the opportunity to highlight in their tender any information that they would not wish disclosed under FOIA. Requests for information under the FOIA will be dealt with under the usual Council procedures for such requests.

### 1.6.3 Developing Local suppliers

The Council is committed to encouraging businesses in the county to compete for contract opportunities in order to support the development of the local economy. It provides information and support via dedicated websites and through supplier events. For all purchases we actively encourage the use of locally-based suppliers where they can offer best value for money. Local is defined as within the county boundaries of Surrey. If no supplier exists within these boundaries this can be extended to include Orbis partner county boundaries.

Officers are required to use their purchasing power to work with local businesses wherever possible where this provides equal or better Value for Money for the Council than alternatives. However it must also be noted that the EU public procurement legislation requires that any procurement activity should not discriminate, favour or show bias.

Officers should carefully review the required specifications of any Contract to ensure that small and medium sized enterprises are not being disadvantaged in their ability to tender for goods, works or services with the Council.

For contracts over the relevant EU threshold Officers must also consider whether the contract should be divided into Lots in order that small and medium sized enterprises can bid for local

work. The decision not to divide into Lots should be clearly documented on the Strategic Sourcing Plan.

Where a contract is to be divided into Lots the process followed should still be in line with the total value of all requirements. For example a contract for services which is divided into 4 Lots of approx. £50,000 each would still be subject to the PCRs as the total value of the contract exceeds EU thresholds.

An Officer must not enter into separate contracts nor select a method of calculating the total value in order to minimise the application of these Orders.

#### **1.6.4 Conflict of Interest**

Our market searches, procurement and purchasing must be carried out free from any conflict of interest to support our transparency objectives. An 'interest' means any consideration or anything of economic value, including future consideration.

Conflicts of interest can arise when someone who is involved in these processes has a close connection with another party who is also involved which may mean they could influence, or be influenced by, the outcome of a buying decision.

Conflicts of interest can arise in the procurement process in a number of ways, including:

- Where someone who is actually buying goods or services for the Council, or giving budgetary approval for the purchase, has an interest in the supplier's business;
- Where someone with an involvement in a tender or other sourcing process has an interest in the potential supplier's business;
- Where Suppliers bidding for a contract with the Council have an interest which could enable them to influence unfairly the outcome of a sourcing process;
- Where consultants are supporting the Council in conducting or developing market searches or project preparation including business case for solutions which could enable them to influence unfairly the outcome of any resultant sourcing process

If you are a Council employee you must follow the Code of Conduct and Conflict of Interest Policy, ensure all potential conflicts of interest are declared appropriately, and ensure you do not participate in any buying activity where these Conflicts of Interest could arise.

Temporary & agency staff, and other consultants or contractors must abide by the terms of their contract with the Council and follow the Council's Code of Conduct and Conflict of Interest Policy on Conflicts of Interest and on Equalities and Diversity.

Staff may supply goods, works and services as external suppliers to the Council as long as the policy has been followed, and any interests declared and managed at the time a contract is agreed. Staff members who become suppliers must not have access to systems to raise Purchase Orders. There must be demonstrable transparency and fairness in any transactions of this nature.

Suppliers bidding for contracts with the Council are required to declare any conflict of interest.

The Council may undertake projects involving income generation and the available powers to trade and charge, where potential conflicts of interest may have an impact. These will be referred to the

AD Procurement or authorised delegate to agree with the Monitoring Officer an approach that best manages the Council's interests.

Conflicts of interest arising from shared service or collaborative working will be also referred in the same way, unless already under the scope of an agreed governance body for that management of the shared service arrangement, who will then be responsible for agreeing an approach that manages the best interests of the parties.

### **1.6.5 Bribery, Corruption, Canvassing and Collusion**

#### **Bribery and Corruption**

Officers must comply with the Code of Conduct and the Council's anti-fraud and corruption strategy and must not invite or accept any gift or reward in respect of the award or performance of any contract. It will be for the Officer to prove that anything received was not received corruptly.

High standards of conduct are obligatory. Corrupt behaviour will lead to dismissal and is a crime under the statutes referred to below.

The Council may terminate a contract and recover all its loss if the Contractor, its employees or anyone acting on the Contractor's behalf does any of the following things:

- offers, gives or agrees to give to anyone any inducement or reward in respect of this or any other Council contract (even if the Contractor does not know what has been done); or
- commits an offence under the Bribery Act 2010 or Section 117(2) of the Local Government Act 1972; or
- commits any fraud in connection with any Council contract, whether alone or in conjunction with Council members, contractors or employees.

#### **Canvassing and Collusion:**

All Invitations to Tender shall include a requirement for tenderers to complete fully and sign a form of tender and certificates relating to canvassing and non-collusion.

Every contract shall contain a clause entitling the Council to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation if the contractor or his representative (whether with or without the knowledge of the contractor) shall have practised collusion in tendering for the contract or any other contract with the Council.

## **2 Finding and contracting with Suppliers**

Whenever it is necessary to enter into a contract, you must take into account the 'aggregate' or total spend forecast. That is, the total amount you expect to spend with a supplier for the duration of the contract. To clarify: Annual value x contract period in years (including options to extend) = Aggregate value. This value determines the approach to be used to find a supplier and put a suitable contract in place. These rules apply to all contracts including works and service concessions.

## **2.1 Grants**

In making a grant the Council is not contracting for a service that it might otherwise have delivered itself. Rather it is offering financial support in an area of work, designed and proposed by another organisation, which it wishes to sponsor. The work to be carried out by the other organisation would be deemed to add value to the council's overall aims or objectives. Grant-in-aid is the provision of funding to cover in whole or, more likely, in part, the running costs of an organisation whose work complements that of the Council. The recipient will have discretion over the spending of that funding within the general framework of controls agreed with the Council.

The making of grants or the disbursement of grant-in-aid is not subject to these Orders.

Officers must not engage any third party during the application or development of an application for grant funding, with which the Council wishes to deliver services or works, or purchase goods without consulting Procurement. No undertaking must be given which provides guarantees to any third party regarding further work, services or goods to be provided as a result of the Council being awarded grant funding.

Where the Council is using Grant monies itself or passing it on to a third party, the application of that money is subject to these Orders and may also be subject to the requirements of the relevant grant funding body.

Officers shall determine on a case by case basis whether funding is to be considered as a Grant or a Relevant Contract. In considering the award of a grant, Officers shall also have regard to State Aid and Best Value law.

If you are not clear, then contact the Procurement team.

### **2.1.1 State Aid**

Definition: State aid can be defined as any assistance offered by a public sector body in any form whatsoever that distorts or threatens to distort competition by favouring certain organisations and / or Suppliers or the production of certain goods. Such aid may take the form of a grant (capital injection), business tax relief, a reduction in rent or preferential finance (this is not an exhaustive list).

Where the Council wishes to administer aid in this manner careful consideration must be given prior to such a grant so as to ensure that it is compatible with EU law. Aid that is not compatible with EU law may be recovered from the beneficiary with interest.

For a grant to be considered as State Aid the following cumulative criteria must be met:

- The beneficiary receives a grant of a benefit or advantage; and
- The aid is given by a Member State or through state resources; and
- The beneficiary receives the aid on a selective basis; and
- The aid granted distorts or threatens to distort competition; and

- The aid is capable of affecting trade between Member States

Granted aid must fulfil all of these criteria in order to be deemed as a State Aid for the purposes of EU law.

Where a grant is defined as State Aid it must be notified in sufficient time to the European Commission. Aid will not be permitted to be bestowed upon the beneficiary until the Commission has reached a decision as to whether it can be deemed as compatible with EU law or not. Where Aid is incompatible the Council will not be permitted to grant it.

### **Exemptions for State Aid**

Besides seeking approval from the European Commission, State Aid can be said to be compatible with EU law and can therefore be granted legally if:

- For the most part the total de minimis Aid given to a single recipient is less than €200,000 over a 3-year fiscal period;
- Aid in favour of Small, Medium Enterprises, research, innovation, regional development, training, employment of disabled and disadvantaged workers, risk capital and environmental protection;
- Aid measures promoting female entrepreneurship, such as aid for young innovative businesses, aid for newly created small businesses in assisted regions, and measures tackling problems like difficulties in access to finance faced by female entrepreneurs.

Such Aid must still be notified to the European Commission and as a result Council Officers are advised to seek the advice and guidance of the Solicitor to the Council and / or Monitoring Officer where State Aid may be said to exist on a particular project or procurement.

## **2.2 Overview and summary table**

The table at 2.2.1 below sets out the approach that must be followed for each threshold aggregate value. As set out above, and in the Councils' Scheme of Delegations to Officers, functions delegated to particular officers may be carried out by other officers authorised by them.

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## 2.2.1 Summary table – Process for finding new suppliers at each threshold level

Aggregate value	Purchase Card permitted?	How many quotes are required?	How should you approach the market?	Who leads procurement?	Should the contract be formally advertised?	What type of contract is required?	Who must approve the contract award?+	Who signs the contract on our behalf? ++	Contract Award Notice needed?	How much time should be allowed to carry out process?
<b>£0 to £14,999</b>	Yes if within rules & guidance and card limits	One	Email / Call Supplier. Use a local supplier if they offer best value.	Service Officer	No	Standard Terms (see Council's website)	Budget Holder	Not Required – (Approval of Purchase Order)	No	2 weeks minimum
<b>£15,000 to £99,999</b>	Only in formal emergency cases (see section 5.2)	Minimum of three of which one must be a local supplier	Contact Sourcing Solutions / Buying Solutions who will lead sourcing activity	Business Operations or Service Officer	No but where advert is placed, this must be via Contracts Finder	Council's Standard Terms, or a specific contract approved by Legal Services	Head of Service or delegated manager	Head of Service or delegated manager	Yes – over £25,000 on Contracts Finder	6 weeks minimum
<b>£100,000 to £499,999</b>	No	(via tender process)	Issue Tender via Procurement	Procurement	Yes, via Contracts Finder and / or OJEU	Specific contract approved by Legal Services	Sourcing Governance Board (SGB)	Head of Procurement and Head of Service	Yes – over £25,000 on Contracts Finder or OJEU over EU threshold	Up to 6 months
<b>£500,000 and over</b>	No	(via tender process)	Issue Tender via Procurement	Procurement	Yes, via Contracts Finder and/or OJEU	Specific contract approved by Legal Services	SGB and either Lead Member (£500,000-£999,999) or Cabinet (£1million+)	Sealed as a deed via Legal Services	Yes – OJEU over EU threshold	Up to 12 months depending on complexity of requirement

Notes:

EU thresholds for Goods and Services is currently set at £164,176 and for Works £4,104,394 as at the 1<sup>st</sup> January 2016.

The current Light Touch threshold is £589,148. It is reviewed every two years and officers should check the current thresholds in place here: [www.ojec.com/thresholds](http://www.ojec.com/thresholds). Procurement can also advise on the latest values.

The Concession Contracts Regulations 2016 (CCR) apply to the award of works Concession Contracts or services Concession Contracts above £4,104,394.

### 3 Buying Principles

These Buying Principles apply to contracts of all values to ensure that they are made in a fair and open way that delivers best Value for Money.

When a new requirement for goods, services or works is established, it is important to ensure the correct procedure is followed in order to obtain them.

The basic steps for this are as follows:

- Establish what the requirement is (key business needs);
- Ensure whether a new procurement is the right option – do we need to buy?
- Establish that there is a budget for this procurement;
- Looking at the applicable section of the table at 2.2.1, plan what needs to be done;
- Ensure all other internal governance arrangements are followed;
- Check that there is no existing contract or framework that is suitable to use for the requirement;
- Engage with Buying Solutions where spend is over £15,000;
- Engage with Procurement where spend is over £100,000;
- Engage with Procurement where (regardless of value) risk or complexity is high; Complex procurement can be defined as where your requirement requires design or an innovative solution; cannot be met without adaptation of an available solution, requires market engagement or prior negotiation; or the legal and financial makeup and/or risks cannot be established with sufficient precision;
- Ensure that where the requirement is for temporary workers or consultants outside of the corporate contract, HR is consulted in the first instance and the appropriate approval is obtained.

#### 3.1 Contract Compliance

Where existing corporate contracts and agreements exist, these should be used and appropriate Service Contract Manager consulted as they provide best Value for Money for the Council. Ways to identify existing arrangements in place are given in more detail in section 4.1. In the unlikely event that an existing corporate contract cannot meet your needs, approval from the Strategic Contract Manager (for that contract) may be required. If for any reason you do not feel that the corporate contract or agreement is suitable for your requirement you must gain approval from the relevant Strategic Contract Manager before proceeding. If the total value of the individual requirement exceeds £100,000, advice should be sought from Procurement before using an existing corporate contract or framework.

#### 3.2 Purchase Orders

You must not raise the order retrospectively (that is, once the goods or services have been delivered by the supplier). This is to ensure that the purchase is properly approved in advance



and that the commitment against the budget is clearly visible to the budget-holder. Failure to raise an order in advance is a breach of these Orders.

Once you have found the right supplier in compliance with the correct procedure required by these order, you must not make verbal commitments but must raise a Purchase Order (via a SAP or equivalent service-specific system). This must be approved according to the Council's Financial Regulations before it is sent to the supplier.

### **3.3 Setting up a new Supplier**

To set up a new supplier in order to raise a purchase order, please refer to the guidance on Setting up a new Supplier.

### **3.4 Select Lists**

Select Lists are lists of approved suppliers who have been pre-assessed or qualified in order to provide defined goods, works or services to areas of the Council in line with requirements of the Orders. Select Lists may only be used where the total value of the contracts awarded under the select list do not exceed the relevant EU threshold for those goods, works or services and that at the point of establishing the select list the opportunity to apply to be a part of the Select List is openly advertised.

Sourcing Governance Board (SGB) must approve proposals to establish a Select List of approved suppliers developed with the relevant Procurement Manager in Procurement. This must happen at least 2 weeks before a list is compiled or reviewed. Suppliers on any existing list must be asked if they wish to join the new list, provided they can evidence meeting new assessment criteria or requirements.

A list must not normally operate for longer than 4 years and any appropriate continuing requirements for membership of the list, such as insurance obligations, should be included. The operation of the approved list in awarding contracts, and options to re-opening to new suppliers, any exemptions and/ or suspension of suppliers must be defined in writing as part of the approval of the list's establishment sought from by the relevant service area from SGB.

### **3.5 Collaboration**

The Council may enter into collaborative agreements for the procurement of goods and services with other public bodies or Central Purchasing Bodies where this offers best value for money for residents. Officers must ensure that:

- The Council is a named party to the agreement;
- The call off arrangements set out by the lead authority are followed;
- Appropriate sign offs as set out in these Orders are followed.

The appropriate sign-offs and procedures as set out in these Orders and Public Contract Regulations (PCRs) need to be followed when undertaking collaborative projects and spend, as well ensuring any risk is managed appropriately.

Where the Council acts as the lead contracting authority on behalf of a collaborative partnership two or more public bodies, Legal and Procurement must be consulted to determine the appropriate procedure and contractual arrangements.

A lead contracting authority may take on additional responsibilities in a collaborative framework or contract such as:

- Ensuring the total aggregate value of all contracts does not exceed the advertised contract value
- All parties abide by the contract / call off terms.
- That continued due diligence and performance management is undertaken of the supplier/s
- That appropriate cost sharing agreements are put in place where necessary.

### **3.6 Frameworks Agreements and Dynamic Purchasing Systems**

Procurement can provide advice on all aspects of the operation and use of collaborative and framework agreements or Dynamic Purchasing Systems (DPS). There are a number of established central purchasing bodies who establish framework agreements and DPS which the Council can utilise.

#### **3.6.1 Framework Agreements**

A framework agreement is a general term for an agreement with suppliers that sets out terms and conditions, under which specific purchases, or call-offs, can be made throughout the life of the agreement. The procurement activity to establish a framework agreement is subject to the PCRs. There are different mechanisms for placing call-off orders under a framework agreement and at all times the Council must ensure transparency and fairness.

The Council may establish a framework agreement and make this available to other contracting authorities, or make use of framework agreements awarded by other public sector bodies.

##### **3.6.1.1 Setting Up a Framework Agreement**

When putting a framework agreement in place, these Orders apply to the process. During the initial framework set up, the rules of the framework are developed and these apply to any subsequent arrangements that are let from the original framework.

##### **3.6.1.2 Using and Operating a Framework Agreement**

When using a Framework Agreement not established by the Council, Legal Services must be instructed to satisfy themselves that to the best of their knowledge the original agreement:

- was tendered for in accordance with the PCRs or Concessions Contracts Regulations 2016 for the potential use by the Council;
- is in the interests of the Council;
- contains conditions of contract acceptable to the Council, and
- Contract Award Notices are published in accordance with the PCRs or Concession legislation (see section 7.1).

Access Agreements to join Framework Agreements for frameworks set up by other public bodies, once confirmed to have met these criteria, can be signed by Head of Procurement.

Framework agreements can be used to source contracts for any value that falls within the scope of the framework and advice should be sought from Procurement. Frameworks have their own distinct rules which are defined as part of establishing the framework agreement. Specific rules governing an individual framework take precedence over these Orders when these differ, e.g. to

allow for the use of different number of suppliers and standards etc. Other obligations of these Orders still apply and must be followed when utilising a framework agreement.

A Contract Award Notice for **all** contracts awarded from framework agreements, with a value of greater than £25,000 must be published on the Contracts Finder website. See section 7.1 for more details.

### **3.6.2 Dynamic Purchasing System**

A Dynamic Purchasing System (DPS) is an entirely electronic system where suppliers are able to express an interest and be evaluated against a defined set of suitability criteria in order to gain access to the DPS. The DPS must be open to any suppliers to apply to join it at any time during the operation of the DPS.

All opportunities for contracts being awarded from the DPS must be issued to all relevant suppliers on the DPS on the appropriate section of this. The operation on the DPS and all call-off contracts must comply with the timescales and evaluation procedures in accordance with the PCRs.

If you wish to use a DPS that has been established by another public body or central buying group, and which is open and available for use by the Council, it shall be subject to the same principles and checks as set out above under 'Framework Agreements'.

You must ensure that the call-off and award procedures are compliant with the requirements of these Orders and PCRs when awarding contracts from a DPS.

A Contract Award Notice for **all** contracts awarded from a DPS must be published in the Official Journal of the European Union whilst these regulations apply. See section 7.1 for details.

## **3.7 Concession Contracts**

[The Concession Contracts Regulations 2016 \(CCR\) apply to the award of works Concession Contracts or services Concession Contracts above £4,104,394. Concession Contracts must meet the following requirements:](#)

- [The award of the contract involves the transfer to the concessionaire of an operating risk in exploiting the works or services encompassing demand or supply risk or both;](#)
- [The part of the risk transferred to the concessionaire involves real exposure to the vagaries of the market, such that any potential estimated loss incurred by the concessionaire is not merely nominal or negligible. The concessionaire shall be deemed to assume operating risk where, under normal operating conditions, it is not guaranteed to recoup the investments made or the costs incurred in operating the works or the services which are the subject-matter of the Concession Contract.](#)

[Concession Contract Regulations may apply to Contracts which are of no financial cost to the Council but which have a pecuniary interest for the Economic Operator.](#)

[The same general principles that apply to other procurement rules apply to the award of Concession Contracts. In particular, the Council must treat providers equally and without discrimination and must act in a transparent and proportionate manner.](#)

[Seek advice from Procurement and/or Legal Services if you are consider that you might want to award a Concession Contract.](#)

[Special rules apply to the procurement of design contests for the acquisition of plans or designs by the Council following adjudication by a jury, as part of a procedure leading to the award of a public services contract of a value in excess of the relevant EU threshold.](#)

[Such contracts must be awarded in accordance with the relevant rules set down in the EU Regulations.](#)

### **3.8 Using Purchase Cards**

You may only use a Purchase Card where there is no existing suitable supplier available and the spend value is below the level set out in the 'Purchase Card Rules and Guidance', unless otherwise agreed in writing by Procurement, or in life-critical circumstances (see also section 5.2).

Except in the case of a declared emergency, Purchase Cards **must only** be used for spend in line with the guidance on the use of Purchase Cards that is maintained on the intranet.

### **3.9 Commercial Confidentiality and Intellectual Property**

If you are discussing developments with suppliers you should take care to ensure that you do not inadvertently share key commercial or confidential information such as budgets, existing pricing from other suppliers, or suggestions for improvements unless you have a Non-Disclosure Agreement in place.

This protects the Council's interests and our intellectual property. Procurement are responsible for putting these agreements in place where appropriate with advice from the Monitoring Officer, and can provide commercial advice and support in dealing with suppliers. Where arrangements include the Intellectual property of the Council, appropriate or relevant contract clause/s must be included.

Intellectual property is a generic term that includes inventions and writings. If these are created by the Council as a general rule they belong to the Council not the supplier. Certain activities undertaken by the Council may give rise to items that may be patentable, for example software development. These items are collectively known as Intellectual Property.

### **3.10 Service-Specific Arrangements**

Several Council Services use local systems to send orders to suppliers, for example: Adults Social Care, Transport, Highways, Property and Libraries. All such systems must support financial approval of orders in accordance with the Financial Regulations and ensure compliance with the requirements of these Orders in delivering any applicable service-specific obligations.

Business Operations will maintain all supplier master data on these systems to ensure it is of high quality and consistent with the master database of suppliers kept in accordance with section 1.5 of these orders.

### **3.11 [Temporary Staff, Consultants and Professional Services](#)**

[Procurement works closely with HR to manage the Council's workforce needs. This applies to any appointment that is outside the Council's direct employment arrangements and includes the appointment of temporary workers, temporary staffing agencies, independent consultants, consultancy companies and professional or technical services independents or companies.](#)

A consultant is a person (not an employee), agency or firm engaged for a limited period of time on a project or requirement specific basis to carry out a specific task or tasks which meet a desired set of outputs or outcomes. A consultant provides subject matter expertise, support and/or experience to the Council either because it does not possess the skills or resources in-house or which requires an independent evaluation/assessment to be made. This definition excludes: (a) agency staff, interim or role specific duties which should be sourced through the Council's Corporate Contract. (b) routine services e.g. maintenance, cleaning and security. (c) professional services e.g. Architects, structural engineers, forensic archaeologists, specialist social care support, training etc.

- Consultants must be appointed under a contract for services;
- The contract should clearly detail the project objectives, deliverables, milestones, and performance measures and an accompanying payment schedule based on satisfactory completion of the project/milestones should be included;
- The contract must have a clear start and end date;
- The contract must contain provision for in the event of the consultant's work being unacceptable – it must be rectified at no additional cost to the Council;

Temporary workers (also sometimes referred to as 'temps' or 'locums') are usually defined as persons primarily engaged as a short term solution to provide cover for unplanned or emergency staffing shortages. Such shortages may include sickness absences, unexpected increases in workload, or covering a vacancy while you go through a formal recruitment process. Temporary workers are often associated with high costs and must be sourced using the Council's main temporary staffing contract.

In the first instance, any requirements for temporary workers or consultants should be approved by HR if the corporate framework is not being used. This is to ensure the requirement is in accordance with current HR staffing policies and legislation.

Refer to the HR Short Term Resourcing Needs policy for further guidance.

## 4 Sourcing your Contract

### 4.1 Existing supplier/contracts

In the first instance, where contracts are in place for goods, works or services, these should be used. You can check the products and suppliers available and maintained by Buying Solutions on the Intranet.

Regardless of value, framework agreements and Dynamic Purchasing Systems that meet the requirements of these Orders under section 3.6 can be used where they provide best Value for Money.

### 4.2 Contracts up to £14,999

For contracts for works, goods or services with an estimated value up to £14,999, the appropriate budget holder must obtain at least one written quotation. It is however, advisable to seek further quotations in order to evidence achieving best value for money.

Alternatively you may place an order with a contractor under a corporate contract, framework agreement or DPS, where such arrangements have been put in place by the Council.

Where a select list exists the quotation must be obtained from an approved supplier on the select list. If they offer best value, you should use a locally-based supplier.

### 4.3 Quotations for Contracts £15,000 to £99,999

In the case of contracts with an estimated value of greater than £15,000 but not exceeding £99,999, the request for quotation process should be followed. This is led by Buying Solutions, via the e-tendering system. You may invite competition from a framework agreement or DPS established where such arrangements have been put in place or approved for use by the Council. Written or emailed quotations are acceptable but in the first instance the e-tendering system will be used. Where a select list exists for a specific requirement, the quotations should be obtained from approved suppliers on the select list. Where appropriate, at least one locally-based supplier should be included in those invited to quote. Local is defined as within the county boundaries of Surrey. If no supplier exists within these boundaries this can be extended to include Orbis partner county boundaries.

Quotation procedures must be undertaken using a single stage (open) procedure, incorporating the standard suitability assessment criteria required under the PCRs relating to lower value contracts. In seeking quotations, due regard must be given to any guidance or standard quotations templates issued by the AD Procurement.

If 3 quotations cannot be obtained, even when the market has been tested, then this should be reported with full details to Buying Solutions who will maintain a full record for audit trail.

All purchases must be delivered under a form of contract approved by Legal Services (where spend exceeds £50,000) and Procurement. Where a standard contract cannot be used, the Buying Solutions team will inform Legal Services as early as possible in order for the appropriate legal resources to be made available. Documents such as specifications must also be sent to Legal Services to assist with the contract drafting.

#### 4.3.1 Advertising for Quotations

When a contract over £25,000 is advertised in **any way**, this **must** be done via Contracts Finder and involve a one stage process. This should include appropriate selection criteria to assess the

experience and capability of the supplier and the nature of the contract required. Insurance requirements in section 6.1 must be included. All such opportunities should also be advertised to local suppliers via the Supply to Surrey and or Supply to East Sussex website as appropriate. Before advertisement, you must confirm budget availability with the appropriate Finance Manager.

#### **4.3.2 Contract Award Notices for Quotations**

For contracts awarded over a value of £25,000, a Contract Award Notice also has to be published on Contracts Finder. See section 7.1 for details.

#### **4.3.3 Business Operations**

The Business Solutions Team within Business Operations can confirm whether or not existing suppliers and contracts can meet your requirement/s.

The Buying Solutions team can supply a Request for Quotation form, for you to complete. They will then carry out the quotation activity for you.

They will then decide the most appropriate approach to the market to achieve the best value. Where a framework agreement or DPS exists and offers best value, they will carry out a mini-competition exercise to select an included supplier. This is normally done via the agreement owner's website. The Buying Solutions team will check with Legal Services before starting a mini-competition, in order to ensure the Council can legally access the agreement.

### **4.4 Tenders for £100,000 or over**

#### **4.4.1 Procurement Strategic Sourcing Gateway Process**

If the aggregate value is £100,000 or over Procurement must lead the sourcing exercise. This exercise and the subsequent contract award follows the Procurement Strategic Sourcing Gateway Process. This ensures we:

- follow proper legal procedure/s;
- manage the progress of our projects;
- maintain a record of the sourcing decisions made on behalf of the Council.

The process has five gateways that must be completed for each project as it progresses from stage to stage:

**Gateway Zero:** Used internally in Procurement to identify pipeline projects agreed at a strategic level with senior Service managers as part of the business planning process.

**Gateway One: Initiate**, where the requirement is confirmed and work begins on the Strategic Sourcing Plan (SSP) (Project Brief section).

**Gateway Two: Route To Market**, where the SGB reviews the Route to Market within the SSP and approves those that are acceptable.

**Gateway Three: Award**, where the resulting contract is awarded.

**Gateway Four: Handover & close**, where the contract is mobilised and ongoing responsibilities are identified and implemented, including contract and supplier management. Lessons learnt are also captured.

Note that the acceptance, opening and evaluation of formal tenders must be carefully controlled to ensure fairness to all bidders. This process is managed within Procurement and is controlled by the electronic tendering system.

Because we must comply with EU and UK law on procurement, we must observe certain minimum timescales for delivery that are designed to ensure that fair competition is maintained at each stage. When planning for procurement projects, you need to allow several months for this, depending on the exact process that is to be used. Procurement can advise you about the detailed timescales relevant to your particular project.

#### **4.4.2 Award of Contracts – Above PCR Threshold**

All contracts shall be awarded in accordance with the criteria set out in the Procurement Documents.

For contracts with a value at or above the PCR Thresholds, the Officers shall adhere to the contract award procedures set out in the PCRs and observe a standstill period before entering into the contract. The standstill period will normally end at midnight at the end of the tenth day after the date the Council sends notice to the tenderers electronically, that it has made an award decision.

Where a tendering exercise is regulated by the provisions of the PCRs Bidders must be simultaneously notified (in writing) and as soon as possible after any decision has been made in connection with their exclusion from the process or the outcome of the award decision is known.

The award decision must contain: Details of the successful contractor, the award criteria as set out in the ITT, the characteristics and relative advantages of the winning bidders tender, the scores (as weighted) of both the winning bidder and that of the unsuccessful bidder.

#### **Debriefing of candidates – Regulated procurements**

The process is set out in Regulation 55 of the PCRs 2015 and must be strictly adhered to.

#### **Challenges to Award of Contract – Above PCR Threshold**

If a challenge, or threat of a challenge, to the Councils' decision to award is received the officer must contact Legal immediately.

Challenges to the Councils' decision, under the Remedies Directive 2010, initially require the immediate suspension of the contract award and if the challenge is successful, may result in financial compensation being awarded to the claimant (and potentially all unsuccessful bidders) and in some cases the termination of the contract and/or procurement procedure.

#### **4.4.3 Sourcing Governance Board (SGB)**

The Sourcing Governance Board (SGB) is mandated to control expenditure, ensure best value and monitor compliance for all procurement activity with an aggregate value of £100,000 or more. SGB approves the procurement strategy and contract awards as set out in a Strategic Sourcing Plan (SSP) document and in accordance with the Procurement Gateway process.

Procurement keeps a record of all procurement submissions for sourcing and contract award decisions, which will be cross-referenced to contract documents in the Contract Management System.

SGB also monitors compliance with these Orders and advises Human Resources and relevant manager of any areas of deliberate disregard. Procurement keeps a record of all submissions to SGB, which is cross-referenced to contract documents in the Contract Management System.



To be approved, you must obtain both written budget approval from the appropriate Finance Manager and the unanimous consent of all stakeholders listed in the SSP prior to attending SGB. The completed SSP will be submitted to SGB for approval, and depending on whether it is to follow the Lite or Full approvals process attendance will be as follows:

	Lite Process	Full Process
Gateway 2	Discretion for SGB Chair to approve if under £300k. Otherwise SGB Chair, Finance Manager (for service), Legal Services representative	SGB Chair, Senior Finance Manager (corporate), Legal Services representative
Gateway 3	Benefits Realised. SGB Chair, Budget Holder (service)	SGB Chair, Senior Finance Manager (corporate), Legal Services representative
	Benefits Not Realised. SGB Chair, Budget Holder (service), Finance Manager (for service) - Procurement discretion (with 5%/10% tolerance)	

For SSPs categorised as Lite (low complexity and low risk), the sourcing (Gateway 2) and award approval process (Gateway 3) will differ as follows:

- For procurements with a total estimated value less than £300k, the SGB Chair will have discretion to approve the route to market (Gateway 2) outside of the SGB (as noted above, prior approval of SSP stakeholders and Finance Manager will still be required).
- If, at Gateway 3, the benefits detailed in the SSP have been realised and signed off by the relevant Budget Holder then further Financial approval is not required. If these have not been realised then the relevant Finance Manager must also be involved in the approval process. Procurement have the discretion to consider benefits realised if they are within 10% of the original forecast in the SSP.

The SGB is chaired by Procurement and attended by the Section 151 Officer and Director of Legal Services or their delegated substitutes. Any delegated substitute is responsible and has the authority as if the officer themselves had attended. The SGB meets weekly; all submissions must be provided at least 3 working days prior to the meeting.

Whilst awaiting SGB approval you may take no further action regarding your purchase.

#### **4.4.4 Sustainability and Social Value**

The Public Services (Social Value) Act 2012 places an obligation on us to consider the economic, social and environmental well-being of our area when we award services contracts over the EU threshold. We apply this to all procurement over £100,000 as well using the Social Value Measurement Charter. This tool applies to all contracts over £100,000 and is available to bidders during the tender stage to select what social value is within their capacity and capability to deliver.

Our procurement approach covers these areas:

- Economic Sustainability – we aim to purchase goods, works and services which enhance the local economy. We recognise the importance of Small & Medium Enterprises to the local

community and ensure every effort is made to make our contract opportunities and tender processes accessible to them;

- Social Sustainability - we aim to purchase goods, works and services which promote community well-being, and that supply chain partners operate fair and ethical working practices including compliance with the Modern Slavery Act 2015;
- Environmental Sustainability – we aim to purchase goods, works and services which minimise our carbon footprint, encourage a positive impact on the local environment, and have the best value costs and benefits taking into account their whole life cycle from origination to disposal;
- Equalities & Diversity - we only purchase goods, works and services from suppliers who meet our standards of equality of employment and service delivery, and we ensure that the tender process is free from discrimination or perceived discrimination in accordance with the Council's Equality Scheme;
- Compact – where we are purchasing from the voluntary and community sector you must comply with the Compact Code of Practice on Funding and Procurement.

Procurement must consider Social Value when planning tenders for all contracts over £100,000. An assessment of relevant Social Value must be carried out and the results recorded in the Strategic Sourcing Plan. Procurement ensures that our practice is aligned with the Council's policies in this area, for example in driving apprenticeship and training opportunities and increasing local spend.

#### **4.4.4.1 Environmental and Sustainable Sourcing**

All suppliers to the Council are required to comply with all relevant UK and EU environmental legislation and regulation, and any such superseding legislation. The Council may also introduce from time to time particular local and UK policies which support environmental and sustainable procurement and Officers should include these in relevant procurement documentation and procedures.

#### **4.4.5 Evaluation**

Tenders over £100,000 are evaluated by Procurement based on the identification of the 'Most Economically Advantageous Tender (MEAT)'. This takes price into account, alongside quality and social value considerations, but does not require the tender to be awarded to the lowest priced bidder

### **4.5 Tenders over EU Procurement Thresholds**

#### **4.5.1 EU Thresholds (or equivalent regulation)**

Contracts with a value over the EU thresholds are subject to the requirements of the PCRs (or the Concessions Contract Regulations 2016). EU Thresholds are updated every two years. Procurement can advise on the latest values.

#### **4.5.2 Procurement Procedures**

Within the EU regulations there is a choice of six separate tendering procedures, these are:

- Open procedure – also known as a one stage process, this procedure involves the Council proceeding directly to Invitation to Tender through open advertisement;
- Restricted procedure – also known as two stage process, which includes selection stage where suppliers are shortlisted against specific relevant criteria followed by an invitation to tender being sent to the final shortlist;
- Competitive Procedure with Negotiation – is a method which is used where the requirement requires design or innovation solutions which cannot be readily identified through market engagement, or dialogue is required to determine with sufficient precision the final legal and financial make up, but that minimum requirements and objectives can be identified prior to procurement. The process normally involves shortlisting of bidders who respond most robustly to the minimum requirements and objectives and then final negotiations are held on certain elements;
- Competitive Dialogue procedure – this method is used usually where the requirement is very complex and where specifications or outcomes of a solution have not yet been clearly defined. This will usually involve an initial shortlisting followed by an Invitation to Participate in Dialogue whereby initial proposals are made proceeding to various stages of dialogue to determine the final solution;
- Innovation Partnership – This procedure is very specific in nature as it targets problem-solving projects -focused on R&D, and where the tools for achieving goals or outcomes may not yet exist. In essence the procedure involves a competitive exercise to identify a partner who can develop the solution and include the ability to award a contract to supply that solution without further need for competition.
- Negotiated Procedure without Prior Publication – in specific cases laid down by PCRs 2015 Section 32 Contracting Authorities may award public contracts by a negotiated procedure without a prior publication.
- The Light Touch Regime (LTR) covers Health, Education and Social Care contracts. As with all procurements, the process undertaken to award the contract must be fair, open and provide for equal treatment. Approval for LTR tenders must follow all approval processes as set out in table 2.2.1.

The procedure selected must be in line with the PCRs, detailed in the SSP and approved by the SGB.

#### 4.5.3 Use of Selection Questionnaires (SQs) (Previously known as Pre-Qualification Questionnaires (PQQs))

The Council shall apply minimum standards of experience, reputation and economic standing to suppliers to test their suitability to bid for a Council contract. For contracts above EU thresholds suitability is usually tested by means of a SQ.

All the methods and criteria used for assessing the suitability of suppliers shall be transparent, objective and non-discriminatory.

Officers must use the Council's standard Selection Questionnaire and adhere to its statutory guidance for all procurements of contracts above the relevant EU Threshold.

For procurements which are below the OJEU thresholds a pre-qualifying stage cannot be used as stated in Regulation 111 of the PCRs.

4.5.4 and as set out by the Public Contract Regulations.

### Contracts reserved for social enterprises and the employee-owned sector

The Council may reserve participation in procurement processes for limited types of services contracts to certain qualifying organisations from the employee ownership and voluntary sectors. The maximum duration of contracts awarded under this power is three years.

Officers must obtain approval from Legal Services before commencing a procurement in reliance on this Order.

The procedure selected must be in line with the PCRs, detailed in the SSP and approved by the SGB.

#### **4.5.5 Tender Records**

For all contracts over EU threshold values, a full record of all key decisions and process in relation to the procurement procedure will be kept in the Procurement Report and contain such details as required by Regulation 84 of the PCRs.

## **5 Waivers and Emergencies**

### **5.1 Waivers**

These Orders are mandatory and must be adhered to at all times, so **waivers** are only granted in exceptional circumstances and cannot be given if they would contravene the PCRs or any other applicable legislation. **No** waiver is granted retrospectively; this is viewed as non-compliance with these Orders and is reported to SGB.

A waiver is defined as any procurement or contractual action which is not compliant with these Orders. This includes:

- Any extension to a contract which does not contain any further options to extend;
- A direct award of a contract without following the relevant competitive process as set out in these Orders;
- Modification of a contract (such as increased volume or value, additional services or goods) which did not allow for the modification within the original scope advertised or which may breach allowable modifications as set out in Regulation 72 of the PCRs.

In any remaining exceptional circumstances you must obtain approval for a waiver in writing prior to progressing with your purchase. A waiver may only be granted where best value will be achieved and where this has been demonstrated in the waiver request. The approval required for a waiver is as follows:

**Where the aggregate purchase value is for less than £100,000** Head of Procurement or above may grant a waiver to these Orders.

**Where the aggregate value of the purchase is over £100,000** the SGB must ratify the waiver. In certain circumstances the SGB may refer the waiver request to the Cabinet for further approval.

It is important to note that a waiver can only be made with respect to these Orders. A waiver **cannot** be made with respect to the Council's obligations under the PCRs or any other legislation.

Procurement and Buying Solutions maintain a log of all waivers approved by SGB.

## **5.2 Emergency Purchases**

An emergency purchase is only allowed for purchasing outside the hours 9am to 5pm where there is an imminent risk to life or property. They also apply in situations outside these hours where there is a need to secure Council property or assets e.g. when there has been a break in or failure, such as flood. You can use a Purchase Card, within your allocated limits, to pay. If the supplier does not accept Purchase Cards then you may give a verbal order and raise a formal purchase order the following working day. You must also inform Business Operations of any emergency purchases on the following working day.

Issues arising with contracts leading to a requirement for urgent mitigation action are not necessarily considered Emergency Purchases. This will be dealt with as part of risk mitigation within the contract management process.

## **6 Liability and Security**

### **6.1 Insurance Liability**

To protect the Council, insurance is required where we use goods, works or services provided by a supplier (including consultancy).

The minimal levels of cover for Public Liability Insurance and Employers' Liability Insurance, and Professional Indemnity Insurance for advice and design services are set out below:

- Public Liability £10m
- Employers Liability £10m
- Professional Indemnity (undertake a risk assessment and take advice from the Insurance Team)

In some instances where the contract value, risk or scope may be particularly high, additional or higher levels of cover may be required. Equally, where some contracts may be suitable for micro business, lower levels of insurance may be considered to obtain advice on what level of insurance is appropriate, contact the relevant officer within the Insurance Team. The agreed level of insurance should be recorded in the contract management system.

### **6.2 Financial Security**

Procurement and/or Finance must confirm that suppliers are financially robust both prior to contract award and during the life of the contract as appropriate. Details of the requirements or

potential guarantees a supplier may need to provide must be set out in the procurement documents.

If either the total aggregate value of the contract exceeds £2m within twelve months, or there is doubt as to the financial credibility of a supplier but the Council has decided to accept the level of risk, then additional forms of security to a level determined between Legal Services and Finance are required, for example:

- a Parent Company, Ultimate Company or Holding Company guarantee where their finances prove acceptable;
- a Director's Guarantee or Personal Guarantee where finances prove acceptable;
- a Performance Bond, retained funds or cash deposit;
- any other security (such as escrow arrangements) as determined by Finance and/or Legal Services.

All documents inviting tenders and contracts issued must contain a statement that the supplier needs to provide security of performance and the level of security needed, financial checks to be applied at tender, plus how financial suitability will be assessed and checks that will be required during the life of the contract.

Additional documentation, where required, should be stored on the electronic tendering system.

### **6.3 Document Retention periods**

The retention of tenders and contractual documentation is prescribed in the Limitation Act 1980 and the Public Contracts Regulations 2015. In summary:

- All received Tenders & SQs must be retained for a minimum of eighteen months following the issue of the Contract Award Notice;
- All signed contracts under £499,999 (including all tender documentation) must be retained for a minimum of six years following contract expiry;
- All sealed contracts signed over £500,000 (including all tender documentation) must be retained for a minimum of twelve years following contract expiry.

Procurement must maintain an online record confirming location of contract/tender and scheduled date of destruction.

## **7 Managing Contracts**

All purchases must be delivered under a form of contract approved by Legal Services and Procurement. (Contracts can take various forms from Frameworks, Spot purchases, call off agreement and purchase orders). The Council manages the process of awarding contracts via its e-tendering and contract management systems, to ensure that contracts are properly filed and documented.

Where contract funding is received by the Council from a third party (for example, an incoming grant), the contract terms must include a provision for dealing with liabilities under the contract should that funding cease to be available.

### **7.1 Contract Award Notices**

[A Contract Award Notice must be published on both Contracts Finder and the Official Journal of the European Union, within the timescales set out in the PCRs for all contracts:](#)

- [Over PCR Threshold values;](#)
- [For all contracts called-off from a DPS within 30 days of the contract award. Contracting authorities also have the option to group together contract award notices and publish them on a quarterly basis within 30 days of the end of each quarter.](#)

[For contracts below EU threshold and where commercial sensitivity or personal information is associated with the publication of this information, please contact Procurement for advice.](#)

[For all other contracts under the PCR thresholds, a Contract Award notice must be published on the Contracts Finder website for all contracts over a value of £25,000 including all call-off contracts from Framework Agreements as soon as is practicable after the conclusion of the contract.](#)

[All staff undertaking procurement competitions from Framework Agreements are responsible for the providing the required appropriate information to enable publication of the Contract Award Notice.](#)

## **7.2 Contracts Register**

All contracts, including any variations or amendments, must be registered and maintained in the Electronic Contract Management System (ECMS) managed by Procurement. Data regarding contracts may be maintained in other systems i.e. PAMS, Wisdom etc. however the ECMS must be used to store both scanned copies and summary data relating to all contracts over £15,000.

All original signed contracts must have a completed summary contract certificate and be stored in a secure fireproof location.

All contracts over £100,000 must have a designated Contract Manager throughout the life of the contract as initially defined within the Procurement Engagement Plan (PEP), recorded on the contract certificate and on the ECMS. The role of the Contract Manager is as defined in the contract management framework segmentation model.

## **7.3 Contract Segmentation and Management**

[The procurement Service can help classify contracts using a segmentation model. The model will help identify the complexity of the contract and the risks and opportunities involved as well as the offer guidance on the indicative resources required to manage a contract of that nature. Segmentation is dynamic and may change during the lifetime of the Contract](#)

[The Contract and Supply Management team within Procurement will provide support, training and guidance in line with the Contract Management Framework. Contract Managers will be responsible for the delivery of all Contract Management activities.](#)

[All identified business critical contracts must have a written business continuity plan, to be held on the contract management system.](#)

## **7.4 Contract Modifications and Extensions**

A contract may only be amended (or varied) if the contract permits such a variation and is allowable under the PCRs. Further guidance is available from Procurement.

Officers must discuss requests to extend or modify contracts with Procurement and where appropriate Legal Services. Such modifications must be planned in a timely way and must not be used as a way to avoid these Orders or PCRs. Modifications must also take into account any requirement in the specification and consider if this needs updating to meet current needs.

You require the agreement of Legal Services and Procurement before any modifications are made to a Contract, to confirm that they are lawful and whether publication of a “Notice of modification of a contract during its term” is required. All modifications must then be recorded in writing, signed appropriately and retained with the original contract on the ECMS.

Contract extensions that are allowable under these Orders and PCRs must also be approved in line with the table below. **This is still required in addition to approvals granted at the time the contract was awarded.** These arrangements include amendments and extensions and the aggregate value of these modifications determines the approval. Contracts amendments or extensions need to be made with consultation and approval of the appropriate Service representative and signed (or sealed) according to the table in 2.2.1. and executed as per the original contract.

Where contract funding is received by the Council from a third party (for example, an incoming grant), the contract terms must include a provision for the termination of the contract should that funding cease to be available.



## 7.4.1 Approval of Contract Modifications and Extensions

Value of <a href="#">Extension/Modification/Extension</a>	Approval
Up to £99,999	Head of Service
£100,000 <a href="#">and over</a> – £499,999	<a href="#">Head of Procurement</a> <a href="#">AD Procurement</a>

For extensions above £499,999 further advice and guidance is available from the Contract and Supply Management team.

AD Procurement reserves the right to refer the approval decision for contract amendments or variations to s.151 Officer, Lead Cabinet Member or Cabinet as necessary, in accordance with the thresholds at table 2.2.1.

## 8 Paying our suppliers

### 8.1 Electronic Invoicing

The Council aims to move all invoicing to electronic format to make it easier for our suppliers to trade with us and to track the progress of orders and payments.

Where you are using a supplier registered for electronic invoicing you must follow the rules and guidance issued by Procurement. The Council's main supplier portal supports early payment to suppliers in return for a small discount. Such discounts are recovered centrally by Finance.

### 8.2 Invoice Payments

Suppliers must issue all invoices via the route provided by Business Operations. No invoice may be received or processed directly by your Service unless it is agreed as a payment exception by the AD Procurement, who may agree general exceptions where Service-specific systems are in use. Business Operations are responsible for maintaining a register of all agreed payment exceptions.

All invoices received in Business Operations must include a purchase order number. Invoices without a Purchase Order number will be returned to the supplier.

Suppliers cannot be paid until you have confirmed that the requirement has been satisfactorily delivered. A Purchase Order must be followed by a Goods Receipt Notice before an invoice can be paid. It is the 'shopper's' responsibility to ensure all purchases are receipted to the appropriate value and in a timely fashion.

### 8.3 Payment Terms

The standard payment terms are 30 days from the invoice date, with payments made via BACS (electronic bank transfer). The Council discourages paper invoices and suppliers are expected to provide electronic invoices.

You must obtain the agreement of Procurement and Finance Manager for any deviation from the standard payment terms. This must be in writing as a Payment Exception. Where payments are agreed in advance, appropriate review of a supplier's financial stability and standing and due

regard for risk in the event of supplier failure must be undertaken and agreed by the Head of Procurement and relevant Finance Manager.

The Late Payment of Commercial Debts Regulations 2013 requires us to pay interest and fixed charges if we pay suppliers late. The Council is a signatory of the Government/ICM Prompt Payment Code, and aims to pay all invoices within the agreed terms.

The PCRs require that all Council contracts will contain clauses confirming that all sub-contractors will have invoices paid no later than the end of a period of 30 days from the date on which the relevant invoice is regarded as valid and undisputed. The same payment terms will also apply to all sub-contractors involved in providing the contract (the supply chain).

## 8.4 Purchasing Cards

Purchasing Cards can only be used for spend in line with the 'Purchase Card Rules and Guidance' maintained on the intranet, except in the case of a declared emergency as defined in section 5.2.

## 9. Remedies Directive

Should a successful challenge be made after a contract has been awarded the Court could order the contract to be ineffective. This means that the contract would be cancelled and an alternative method of delivering the service would have to be found, as well as the risk of a financial penalty. This could result in significant costs to the Council. If the appropriate standstill periods are correctly applied, the Council will be able to minimise the risk of any challenge. The AD Procurement is responsible for ensuring the correct contract award processes are followed, including observing a standstill period and publishing a Contract Award Notice for all contracts as required.

### 9.1 Voluntary Ex-Ante Transparency Notice (VEAT)

Should a VEAT Notice be assessed by the AD Procurement and Legal Services as being required to manage potential risk to the Council, this will be approved by the AD Procurement and Monitoring Officer, and a log of all published VEAT notices maintained by Procurement.

## 10. Disposing of surplus goods

A competitive process must be used for the disposal of surplus goods, though separate procedures apply to the sale of land and / or property. In principle, for assets being sold with a value of:

£0 - £14,999	A minimum of 1 bid is required
£15,000 - £99,999	A minimum of three bids must be invited
£100,000 and over	A minimum of three sealed bids must be invited

You must seek advice from Procurement when making valuations and the book value of the asset will be primarily used to calculate value. In most cases, it is anticipated that the highest bid received will be accepted.

Care must be taken to ensure that environmental sustainability as well as security and other associated issues and obligations (including those from the Data Protection Act and WEEE Regs) must be considered and/or complied with when arranging for the disposals of goods.

## 11. Glossary of terms

Term	Description
Aggregate value	The total spend with a supplier over the period of a contract, or the proposed period for new contracts. Individual or annual costs are irrelevant where goods, services or works are of the same type or have similar characteristics. The total cost of the contract (including any extensions available) must be used when deciding the application of these orders.
Collaborative agreement	An agreement entered into by a group of authorities acting together in partnership in relation to a particular procurement or series of procurements governing the manner in which the procurement will be dealt with, and a governance regime around how decisions will be made, liability and payments will be dealt with.
Compact	The Compact is an agreement between statutory and voluntary organisations in Surrey which aims to improve joint working, communication and collaboration. It provides a framework for how the two sectors should work together.
Concession Contracts	A concession contract for works or services as defined by the Concession Contracts Regulations 2016. Contracts are defined where all or part of the payment for the contract is derived from the right to exploit the works or services for a proportionate income stream, as well as transferring the operating risk to the supplier.  e.g. toll bridges, canteen services, leisure centres
Contract Award Notice	All contract opportunities advertised on Contracts Finder, as well as for <b>all</b> contracts called-off from a Framework Agreement, a Contract Award Notice detailing the successful supplier and contract details must be published on the Contracts Finder website.  Contracts over EU thresholds or <b>all</b> call-off from Dynamic Purchasing Systems must have a CAN published in the Official Journal of the European Union within 30 days of conclusion of the contract (these can be grouped and published quarterly for DPS call-off contracts)
Contracts Finder	Government website where all contract opportunities over £25,000, where advertised, <b>must</b> be published. Contract Award Notices for relevant contracts must also be published on the site in a timely manner: <a href="http://www.contractsfinder.gov.uk">www.contractsfinder.gov.uk</a> . Contracts awarded via the Council's electronic tendering system are automatically notified to Contracts Finder.

Consortium	A grouping of two or more organisations who agree to work together in order to deliver goods, works or services to the Council.
Consultant	Definition in section 3.11
Contract	An agreement having a lawful objective entered into voluntarily by two or more parties, each of whom intends to create one or more legal obligations between them. The elements of a contract are "offer" and "acceptance" by "competent persons" having legal capacity, who exchange "consideration" to create "mutuality of obligation."
Contract Management	The process which ensures that both parties to a contract fully meet their obligations as efficiently and effectively as possible in order to meet the business and operational objectives of the contract and in particular to provide value for money.
Dynamic Purchasing System	An entirely electronic system established that admits all suppliers able to meet the defined selection criteria. New applicants meeting the requirements must be evaluated and admitted to set timescales at any point during the duration of the DPS. Call-off contracts from a DPS invite all suppliers on the DPS or relevant category of it to submit a tender and must have a Contract Award Notice published in the OJEU.
Framework Agreement	An agreement or other arrangement between one (or more) contracting authorities and one or more suppliers which establishes the terms) under which the supplier will enter into one or more contracts with a contracting authority in the period during which the framework agreement applies. Generally framework agreements do not have any guaranteed minimum volumes of spend. Call-off contracts awarded via a framework can be via a direct award to a supplier on the framework or by holding a secondary (mini-competition) process that details the specifics of the actual requirement. The framework will determine how the call-off should be administered and managed.
Gateway (in project)	A milestone in a project where formal approval is given to move to the next stage.
Grant	A grant is where the Council is not contracting for a service that it might otherwise have delivered itself. Rather it is offering financial support in an area of work, designed and proposed by another organisation, which it wishes to sponsor. The work to be carried out by the other organisation would be deemed to add value to the council's overall aims or objectives.
Public Contract Regulations (PCRs)	UK Government's codified regulations of the EU Procurement Directive. Reference to the PCRs means any version of the PCRs past, present and future.

Purchase Card	A credit card which can be used by authorised people to buy low-value goods or services for the Council. The bill for the card is settled centrally in Orbis Business Operations, once the card-holder has assigned all transactions to the appropriate cost codes
Purchase Order	A formal order to a supplier for goods or services. This can refer to an order generated by a service-specific system such as PAMS or Swift, as well as from SAP.
Request for Quotation (RFQ)	A formal request to a supplier to provide a price for specified goods, works or services. The RFQ will also indicate how the quote will be evaluated in comparison with others to decide best value. RFQs are undertaken for requirements under £100,000 in value.
Select List	Definition in section 3.4
Social Value	Those aspects of a contract which support a) community well-being, fair and ethical working practices by the supply chain, b) the local economy and local businesses, and c) improvements to the environment.
Supplier Management	The process of driving improvements from contracts by developing robust performance plans with the supplier.
Supply chain	The chain of suppliers and customers of all the component goods, works and services that go into delivering a given finished supplies or service.
Tender	The procurement process of inviting and evaluating sealed bids from people and organisations to provide goods, works or services.
OJEU	Official Journal of the European Union where all notices relating to contracts over European threshold values are placed.

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## **Report by the Local Government and Social Care Ombudsman**

**Investigation into a complaint against  
Surrey County Council  
(reference number: 15 012 105)**

**6 July 2017**

## The Ombudsman's role

For 40 years the Ombudsman has independently and impartially investigated complaints. We effectively resolve disputes about councils and other bodies in our jurisdiction by recommending redress which is proportionate, appropriate and reasonable based on all the facts of the complaint. Our service is free of charge.

Each case which comes to the Ombudsman is different and we take the individual needs and circumstances of the person complaining to us into account when we make recommendations to remedy injustice caused by fault.

We have no legal power to force councils to follow our recommendations, but they almost always do. Some of the things we might ask a council to do are:

- > apologise
- > pay a financial remedy
- > improve its procedures so similar problems don't happen again.



# Investigation into complaint number 15 012 105 against Surrey County Council

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Section 30 of the 1974 Local Government Act says that a report should not normally name or identify any person. The people involved in this complaint are referred to by a letter or job role.

## Key to names used

Mr and Mrs P – the complainants

S – Mr and Mrs P's son

## Report summary

### Children's Services

When Mr and Mrs P asked for help in October 2009 the Council failed to properly assess the family's need for support. As a result, the family was without support until July 2011. The support the Council offered in July 2011 was too little and too late: Mr and Mrs P asked the Council to take their son, S, into care in January 2012. S lived in a children's home longer than necessary because the Council failed to progress Mr and Mrs P's request for a 52-week residential special school until they threatened litigation. The Council then delayed unreasonably in responding to their complaint.

### Finding

Fault found causing injustice.

### Recommendations

We recommend the Council:

- apologise to Mr and Mrs P, and their children, for the faults we have identified;
- refund Mr and Mrs P's legal costs (£2,200), including the Legal Aid Statutory Charge (£5,400);
- pay the family £12,000 to recognise the significant distress suffered by the family as a result of the Council's faults set out in this report; and
- pay Mr and Mrs P an additional £1,000 for their time and trouble pursuing their complaint and the additional distress this caused.

The Council has accepted our findings and recommendations and extends its formal apologies to the family.

## Introduction

1. Mr and Mrs P complain about the Council's Children's Services department. In particular, they complain:
  - the Council did not provide adequate support between 2009 and 2012; and
  - the Council placed their son, S, in unsuitable accommodation between January 2012 and August 2013.
2. Mr and Mrs P are not happy with the Council's response to their complaint.
3. When a council has investigated a complaint under the Children Act complaints process, we would not normally re-investigate it. We may consider whether a council has properly considered the findings and recommendations of the independent investigator, and any remedy the Council offers.
4. Mr and Mrs P explained in detail why they are dissatisfied with the Council's response to their complaint. We have carefully considered everything they said, but we have not addressed every complaint they made. Instead, we focused our investigation on those actions which have caused them significant injustice so that we can consider the remedy the Council offered.

## Legal and administrative background

5. We investigate complaints about 'maladministration' and 'service failure'. In this report, we have used the word fault to refer to these. We must also consider whether any fault has had an adverse impact on the person making the complaint. We refer to this as 'injustice'. If there has been fault which has caused an injustice, we may suggest a remedy. (***Local Government Act 1974, sections 26(1) and 26A(1), as amended***)
6. We cannot investigate late complaints unless we decide there are good reasons. Late complaints are when someone takes more than 12 months to complain to us about something a council has done. (***Local Government Act 1974, sections 26B and 34D, as amended***) We decided to investigate Mr and Mrs P's complaint because they complained to the Council on time and the Council took a long time to respond to their complaint. It is not Mr and Mrs P's fault their complaint to us was more than 12 months after the events they complain about.

## How we considered this complaint

7. We examined relevant files and documents provided by Mr and Mrs P and the Council. We compared what happened with what should have happened as set out in legislation, Government guidance and the Council's policies.
8. We gave Mr and Mrs P and the Council a confidential draft of this report and invited them to comment. We took account of their comments before we finalised our report.

## Investigation

### Background

9. Mr and Mrs P have four children. Their eldest child, S, has severe autism.
10. Mr and Mrs P asked the Council to help in October 2009. They were struggling to cope with S's violent behaviour and were concerned about the risk he posed to their other children.
11. In January 2012, Mr and Mrs P could no longer cope and asked the Council to accommodate S. The Council placed S in a specialist children's home for young people with autism.
12. S moved to a 52-week placement at a residential special school in August 2013.

### Support between 2009 and 2012

13. In October 2009, when S was six, Mr and Mrs P asked the Council for help. Mrs P said she was struggling to cope and was concerned about the impact of S's violent behaviour on her other children. She said she was at breaking point and desperate for help. The Council completed a screening assessment and informed Mr and Mrs P that S was not eligible for services.
14. The Council's records show that Mr and Mrs P asked for help again less than three weeks later. S's behaviour had deteriorated and Mrs P was finding it hard to look after all the children when Mr P was at work. S's taxi had refused to transport him to school. S frequently wet and soiled himself. S's Consultant Paediatrician wrote to the Council in support. She explained that S's difficult behaviour took the form of sudden, uncontrolled aggression, usually towards his mother or female carers, who he would bite and kick. The Council wrote to the Consultant Paediatrician to explain that S did not meet the Council's criteria for support.
15. There are other records which show the family's need for support. The June 2010 review of S's Statement of Special Educational Needs noted that he had stopped using the toilet altogether; he would bite, kick and scratch; and he attempted to run away from school when he was angry. The June 2011 review noted the family's desperate need for respite. The Headteacher wrote to the Council to express her concern. A Community Nurse said the family needed respite. Mrs P also contacted the Council again. She said the family was at breaking point.
16. The Council carried out an initial assessment in July 2011. The Council agreed a care package of Direct Payments to enable Mr and Mrs P to purchase support: eight hours a month during term-time and eight hours a week during holidays, although the Council was not able to arrange for the care to start before the end of the school summer holidays. Instead, the Council made a referral to a charity citing the family's 'desperate need for support'. The charity provided support during the final week of the school holidays. At the beginning of November 2011, Mr and Mrs P asked for help because S's refusal to use the

toilet meant they were short of nappies and having to deal with significant amounts of laundry. The Council said it could not help because the NHS was responsible for the supply of nappies. From the end of November 2011, the Council arranged domiciliary support for 1.5 hours each weekday morning.

### **Consideration**

17. The Council accepts that it failed to properly assess the family's needs when Mr and Mrs P asked for help in 2009. It should have carried out a core assessment. A core assessment is a detailed assessment of a child's needs and the parents' capacity to respond. It is carried out by an experienced social worker. The Council should also have assessed Mr and Mrs P's needs as carers. The Council did not carry out the correct assessments. The Council says that its staff misapplied the eligibility criteria.
18. The Council says that as a result of its mistakes, the family was without appropriate support between October 2009 and July 2011. This is an injustice. The Council offered a payment of £7,500 to recognise the support the family should have received.
19. There were problems with the support the Council proposed in July 2011:
  - the Council did not set up Direct Payments until after the school holidays. Mrs P said it was in the school holidays that she most needed help; and
  - the Council could not provide domiciliary care until the end of November because of staff shortages.
20. Although the records show the Council attempted to make up for its inability to provide appropriate support at the right time by asking a charity to help, the Council's response falls short and does not amount to an adequate response to the urgent need described in the Council's own assessments.
21. Further, the Council was wrong to say it could not help when Mrs P complained about the problems caused by S's refusal to use the toilet and the shortage of nappies. The Council failed to consider its power to provide assistance with laundry, and there is nothing to stop the Council providing nappies. The Council should have based its decisions on need. Instead it refused to accept responsibility and did nothing about an unmet need.
22. When Mr and Mrs P asked for overnight respite care for S, the Council refused. The Council explained this was the result of a misunderstanding among officers who incorrectly believed the Council would not provide respite for children under 10. Mr and Mrs P believe that if the Council had provided overnight respite, they would not have had to put S in to care as soon.
23. The Council also failed to properly consider the impact of S's violent behaviour on his siblings. Mrs P reported S had injured his siblings on a number of occasions, yet the Council never visited to see their injuries or to assess whether they were at risk of harm and in need of protection. Mrs P and S's carers also suffered injuries, yet there is no evidence the Council re-assessed risk or took action in response.

24. The Council's assessment of the family's need for support was inadequate. S regularly needed one to one support at school and two to one support when out-and-about. There is no evidence the Council adequately considered how Mrs P could meet the needs of S and his three young siblings when Mr P was at work.
25. On 16 January 2012, Mr and Mrs P asked the Council to take S in to care because they could no longer cope. They sent S to school as normal and asked the Council not to bring him home at the end of the day. Mr and Mrs P described the trauma they experienced putting S into care in such an unplanned way. The fact they felt this was their only option, and S remained in care, further calls into question the Council's assessment of the family's needs and the support it provided.

### **S's accommodation between January 2012 and August 2013**

26. The Council accommodated S in a specialist children's home for young people with autism. He lived there for almost 18 months until he moved to a 52-week residential school placement in August 2013.
27. Mr and Mrs P complain about S's safety at the home. They say they were notified of more than 60 incidents in the first 6 months, including injuries, escapes, prolonged 'rages', and members of the public contacting the Police with concerns about S's care. In May 2012, S was found hanging out of an upstairs window. Mr and Mrs P are not happy that S was left unsupervised in his room. The Council's investigation concluded there was little evidence to show the Council reviewed and monitored risk in response to the incidents reported by the home. This is fault. Mr and Mrs P believe that taken as a whole, these incidents show the home did not meet S's needs. The incidents, and the lack of response, call into question the suitability of the home for S.
28. Mr and Mrs P believed the children's home was a temporary placement. They do not consider the home could meet S's needs. They complain about delay in moving S to an alternative placement. They say they had requested a 52-week residential school placement long before the Council accommodated him in January 2012.
29. In June 2012, S's social worker calculated the cost of Mr and Mrs P's preferred 52-week residential school placement was less than 1% more than the cost of his accommodation at the children's home, his special school place and school transport. The social worker supported Mr and Mrs P's preference for a 52-week residential school placement. However, it was not until Mr and Mrs P threatened to take legal action against the Council in March 2013 that it made the necessary arrangements and quickly agreed to fund a 52-week residential school placement.

### **Consideration**

30. The Council took too long in considering Mr and Mrs P's request for a 52-week residential school placement once the Council accommodated S in January 2012. Further, it deprived them of an opportunity to pursue a 52-week residential school placement through an appeal against S's Statement of Special Educational Needs since the Council sent paperwork from the May 2012 annual review, completed in October 2012, to the wrong address.

31. The Council says it has reviewed its decision making processes so that education and children's social care work together to consider cases like S's that need a coordinated response. This could have happened much sooner in S's case.

### **Mr and Mrs P's complaint to the Council**

32. On 1 March 2013, Mr and Mrs P complained with the help of a solicitor about the care S received at the children's home. They asked for a 52-week placement at a residential school. They also complained about the lack of support they had received before the Council accommodated S.
33. The Council responded to Mr and Mrs P's complaint by letter dated 9 April 2013. The Council said it had done nothing wrong. Mr and Mrs S were not happy with the Council's response and asked the Council to consider their complaint at Stage 2 of the Children Act complaints process. The Council declined. Instead, the Council acknowledged that it could have assessed the family's need for support earlier and offered a payment of £7,500. Mr and Mrs P remained dissatisfied and complained to us. We decided the Council should consider Mr and Mrs P's complaint at Stage 2 of the Children Act complaints process. This is a formal procedure, set out in law, which councils must follow to investigate certain types of complaint. It involves:
- a written response from the Council (Stage 1);
  - the appointment of an independent investigator to prepare a report (Stage 2); and, if the person making the complaint requests
  - an independent panel to consider their representations (Stage 3).
34. Regulations set out the timescales for the process. The Council should provide a response at Stage 1 within 10 working days, at Stage 2 within 25 working days (or exceptionally within 65 working days) and convene a review panel at Stage 3 within 30 working days.
35. The Council appointed an independent investigator and began an investigation. The investigator completed her report on 20 October 2014. She upheld 23 complaints, partially upheld a further 12 complaints, did not uphold 15 complaints and was not able to make a finding on 5 complaints. The Council apologised for the complaints she upheld. Mr and Mrs P remained dissatisfied. The Council attempted to arrange a Stage 3 Panel to consider their complaint, but Mr and Mrs P had lost faith in the Council's complaints process. We accepted their complaint in October 2015.

### **Consideration**

36. The Council has not handled Mr and Mrs P's complaint well. Its Stage 1 response did not find any fault by the Council in the services it provided Mr and Mrs P and their family. When Mr and Mrs P asked for an independent investigation at Stage 2, the Council refused. Instead, it accepted the Council had made mistakes and offered a substantial remedy. Mr and Mrs P had to complain to us twice before the Council agreed to comply

with the statutory Children Act complaints process. The Council has significantly exceeded the timescales set out in the regulations.

## Conclusions

37. The Council's mistakes have had a significant impact on Mr and Mrs P and their children.
38. **Lack of support:** the Council accepts that its failure to properly assess the family's needs in October 2009 meant they were without support until July 2011. However, once the Council agreed to provide support in July 2011, there were significant delays which meant the family was without support for the school summer holidays. The Council also failed to consider support to cope with S's refusal to use the toilet, and overnight respite care.
39. **Impact on S:** Mr and Mrs P say that S's behaviour in his 52-week residential school placement has improved significantly. The records of the Council's statutory visits support their view. This suggests that S is happier and that his needs are being met. The delay in providing this level of support is an injustice to S.
40. **Impact on S's siblings:** S's siblings have suffered injustice from the lack of support by the Council. They have been the target of S's violent behaviour. The Council failed to consider how Mrs P could meet their needs while caring for S on her own.
41. **Distress:** Mr and Mrs P described the distress they suffered as a result of having to ask the Council to accommodate S. Their distress was compounded by the circumstances in which S went into care. Mr and Mrs P felt they could no longer cope and had no options because their attempts to secure support from the Council had not improved their situation.
42. **Time and trouble:** Mr and Mrs P have been to considerable time and trouble in pursuing their complaint, including four complaints to us, to obtain the response they were entitled to from the Council.
43. **Legal costs:** Mr and Mrs P spent £2,200 on legal fees to engage a solicitor to challenge S's placement in 2012. S then secured Legal Aid. As a result, Mr and Mrs P are now subject to a Legal Aid Statutory Charge (£5,400).

## Decision

44. We have completed our investigation into this complaint. There was fault by the Council which caused injustice to Mr and Mrs P and their family. The Council should take the action identified in paragraph 47 to remedy that injustice.

## Recommendations

45. We have published [guidance](#) to explain how we calculate remedies for people who have suffered injustice as a result of fault by a council. Our primary aim is to put people back in the position they would have been in if the fault by the Council had not occurred. When this is not possible, as in the case of Mr and Mrs P, we may recommend the Council



makes a token payment to acknowledge what could have been avoidable distress, harm or risk that is the result of fault by the Council.

46. We also consider the impact on other members of the complainant's household, and may recommend a separate payment for them in line with our guidance on distress if we consider they too have suffered injustice as a result of fault by the Council.
47. Fault by the Council has caused Mr and Mrs P and their family injustice as described above. To remedy this injustice, we recommend the Council:
  - apologise to Mr and Mrs P for the Council's failure to respond appropriately to their requests for help from October 2009, the Council's failure to provide any assistance until July 2011, the delays in providing Direct Payments and arranging domiciliary care following the July 2011 assessment, the failure to consider support for S's refusal to use the toilet and nappy shortage, the failure to assess risk and respond appropriately following the 60 incidents in the children's home, the delay in considering their request for a 52-week residential school placement, and the delay in responding to their complaint;
  - apologise to Mr and Mrs P's children in a manner appropriate to their age and understanding for the Council's failure to respond to Mr and Mrs P's reports of the injuries they sustained, and the impact on them of the lack of support to Mr and Mrs P to care for S;
  - pay Mr and Mrs P's legal costs for their challenge to S's residential placement (£2,200), including the Legal Aid Statutory Charge (£5,400);
  - pay the family £12,000 to recognise the significant distress suffered by the family as a result of the Council's faults set out in this report (if the Council has already paid the £7,500 it offered in 2013, it should now pay the balance); and
  - pay Mr and Mrs P an additional £1,000 for their time and trouble pursuing their complaint and the additional distress this caused.
48. The Council has accepted our findings and recommendations and extends its formal apologies to the family.

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*County Council Meeting – 5 December 2017*

1. At its meeting on 27 October 2017 the People, Performance and Development Committee considered a Motion in the name of Jonathan Essex referred to it by Council on 10 October 2017.

The Motion was as follows:

‘Council notes the widening gap in pay between the lowest and highest paid council employees in Surrey.

Council believes that a pay ratio policy in Surrey would be transparent, open and would increase employee participation and morale.

Surrey County Council therefore agrees that a pay ratio policy should be considered by the People, Performance and Development Committee at the earliest opportunity.’

2. Mr Essex addressed the Committee on the Motion referred from the meeting of the Council on 10 October 2017.
3. The Motion was considered at the 27 October 2017 People, Performance and Development Committee in conjunction with the Pay Policy Statement which was being reviewed by Committee Members for referral to Full Council.
4. It was agreed that having considered the subject matter, the Motion referred from the Council meeting on 27 October 2017 was lost and this would be reported back to the next Council meeting.

**Decision by the People, Performance and Development Committee:**

5. The Motion was lost.

**David Hodge CBE**  
**Chairman of the People, Performance and Development Committee**  
**December 2017**

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## OFFICER REPORT TO COUNCIL

### SURREY PAY POLICY STATEMENT 2017/2018

#### KEY ISSUE / DECISION:

The approval of a revised Pay Policy Statement for 2017/2018

#### BACKGROUND:

1. To comply with Section 38(1) of the Localism Act 2011 and related guidance under Section 40 provided by the Secretary of State, all local authorities are required to publish a Pay Policy Statement, approved through decision by Full Council with effective from 1 April each year. The Statement is then published on the Council's website. Pay policy statements may be amended during the course of the financial year to reflect changes or developments in an authority's pay policy.
2. A copy of the proposed Statement is attached as Annex 1 for reference. Please note that this statement has been written as though it has already been agreed by Full Council, but is subject to discussions at the meeting on 5 December 2017.

#### 3. Governance

The People, Performance and Development Committee (PPDC) acts as the County Council's Remuneration Committee under delegated powers, in accordance with the constitution of the County Council. All Surrey Pay terms and conditions are determined by the PPDC, including the remuneration of Chief Officers.

#### RECENT DEVELOPMENTS

4. Ordinarily the Pay Policy Statement would be published and updated in April each year. However, due to the protracted nature of this year's annual Surrey Pay review, this pay policy statement has been developed following September's PPDC decision to implement the pay settlement for non-school based Surrey Pay staff in October 2017. This decision was taken as it has not been possible to reach a collective agreement for

the 2017/2018 Surrey Pay non-school's settlement with GMB and Unison.

5. Please note that the Surrey Pay salary ratio's detailed in the Pay Policy Statement, show the ratio between the highest and lowest paid. The ratio of 15:1 is within the guideline set out in the Hutton Report on Fair Pay, which states that no public sector executive should earn more than 20 times the salary of the lowest paid employee.
6. The Surrey Pay review for school's based Surrey Pay staff, Surrey Arts Tutors and Adult Community Learning Tutors is currently ongoing. The Pay Policy Statement will be updated early in the New Year once a decision on their pay settlement for 2017/2018 has been reached.
7. It is proposed that the Statement will include "clickable" hyperlinks to:-
  - (i) Documents already published on the website:-
    - Councillors and committees (which sets out the role of the PPDC as the Council's remuneration committee); and
    - Statement of Accounts.
  - (ii) Additional documents are available via the external website including:-
    - Equal Pay Statement;
    - Early Retirement and Severance Policy; and
    - Reward Policy (to be updated).
5. Once approved by Full Council, this Pay Policy Statement would then be published on Surrey County Council's external website.

<b>RECOMMENDATION:</b>
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8. That Council agree the Pay Policy Statement for 2017 - 2018.

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**Lead / Contact Officer:**

Ken Akers, Head of HR & Organisational Development.  
Tel: 020 8541 8614

**Sources / Background papers:**

Surrey County Council Pay Policy Statement 2017/2018

## SURREY COUNTY COUNCIL

### PAY POLICY STATEMENT

1 April 2017 – 30 June 2018

#### Introduction

This Pay Policy Statement was approved by a meeting of the full County Council on 5 December 2017 and is effective from 1 April 2017. It is published to comply with the requirements of Section 38(1) of the Localism Act, 2011 and related guidance under Section 40 provided by the Secretary of State.

This statement includes information relating to the terms and conditions that are determined locally by the council and are referred to as 'Surrey Pay'. The Council's reward strategy is based on the local negotiation of Surrey Pay terms and conditions of service. Pay, including terms and conditions, are reviewed annually with any changes agreed by People, Performance and Development Committee, (PPDC). The Council recognises two trade unions, the GMB and UNISON, for the purposes of negotiating Surrey Pay and collective bargaining.

This statement does not include details of the terms and conditions of council employees that have:

(i) Retained terms and conditions following a transfer under Transfer of Undertakings and Protection of Employment Regulations; or

(ii) Terms and conditions determined on a national basis by independent organisations or arrangements; these include:

- Fire fighters; whose pay and conditions are set are determined by National Joint Committee for Local Authorities Fire and Rescue Service
- Teachers; whose terms and conditions are determined by the Department for Education
- Educational psychologists; whose terms and conditions are determined by the Soulbury Committee
- Youth and community workers whose terms and conditions are determined by the Joint Negotiating Committee (JNC).

#### Surrey Pay Reward Strategy

In July 2016 the council implemented a new Reward Strategy for non-schools based Surrey Pay staff.

The pay year for non-school's based Surrey Pay staff runs from the 1 July each year. The reward strategy;

- aligns pay bands with '*Public and Not for Profit Sector Organisations in the South East of England*';
- replaces the annual pay award with a market adjustment;
- introduces performance related pay progression based on an annual appraisal;
- aims to remove overlaps between pay grades;

- works towards delivering even pay ranges for all pay bands;
- provides flexibility in pay through the introduction of job families linked to market pay; and
- has defined pay models;
  - a) Career Pay Model
  - b) Job Family Pay Model
  - c) Leadership Pay Model

There are interim pay arrangements in place for the following staff groups:

- School's based Surrey Pay support staff, effective from 1 April each year, and;
- Tutors within Surrey Arts and Community Learning and Skills, effective from 1 September each year.

In addition, a number of 'other' locally agreed pay arrangements continued.

This policy statement will set out the pay arrangements for non-schools based Surrey Pay staff and 'other' pay groups separately.

This Pay Policy Statement will be updated annually.

### **Further Details**

Specific details may be accessed via the links indicated below, or by clicking on the buttons that are included on the landing page.

### **Governance**

The People, Performance and Development Committee (PPDC) acts as the County Council's Remuneration Committee under delegated powers in accordance with the Constitution of the County Council. All Surrey Pay and terms and conditions are determined by PPDC including the remuneration of chief officers.

Any exceptional application of Surrey Pay, terms and conditions of employment (referred to as 'pay exceptions') are decided by PPDC on consideration of a business case prepared by officers. PPDC considers business cases for pay exceptions for senior staff (grade PS13 and above) at its regular meetings.

In order to facilitate effective management, PPDC delegates approval for decisions on pay exceptions for lower grades (grade PS12 and below) to the Head of HR & Organisational Development and the relevant Head of Service. All pay exceptions are recorded and reported to PPDC on an annual basis for monitoring purposes.

Where, in order to secure new staff, it is necessary to expedite decisions on exceptional starting salaries for senior grades (PS13 and above), then a business case is prepared for the Head of HR & Organisational Development for challenge, review and decision in consultation with the Leader of the Council on behalf of PPDC and this decision is reported to the next PPDC for information.



## **Salary Transparency**

Surrey County Council is committed to openness and transparency in order to demonstrate to its residents and local taxpayers that it delivers value for money. As part of the national and local government transparency agenda it already publishes information on its external website detailing Surrey Pay ranges, expenditure over £500 and contracts with a value of £50,000 or more.

To continue that progress, and in line with the Local Government Transparency Code 2014, the Council has published details of salaries paid to senior staff on its website since 31 March 2016. This information is updated on an annual basis and covers senior positions with annual salaries of £50,000 and above.

## **Chief Officers' Remuneration**

Chief Officers are appointed at a spot salary which provides a competitive market salary for the individual role within the appropriate pay band range.

Annual salary reviews for chief officers will take into account any generally agreed market adjustments to senior management pay rates (if any) as determined by PPDC. A decision to award a market adjustment to individual base pay will be subject to achieving a minimum performance rating of 'Successful'.

If an Chief Officer receives an 'Exceptional' performance rating then they will receive an additional monthly non-consolidated payment which recognises that their performance has exceeded standards.

For 2017/18 there will be no market adjustment and no increase to pay band minima and maxima for all leadership grades PS16-CEX. A non-consolidated performance payment of 1% will be awarded to exceptional staff.

Like other chief officers, the Chief Executive is on a Surrey pay contract. There is a specific additional allowance for duties carried out in support of the Lord Lieutenant of the County. For details of the remuneration paid to all members of the Council Leadership Team in a particular financial year please refer to the Council's Annual Statement of Accounts.

## **Employee Benefits**

The Council has not provided any grade related benefits in kind, such as Annual Leave, Private Medical Insurance or Lease Cars since 2007. Chief Officers receive the same allowances as other members of staff and access to the same voluntary benefits scheme, any expenditure on business travel is also reimbursed at the same rates for all grades.

### Surrey Pay Salary Ratios

The minimum Surrey Pay rate paid on grade PS1/2 is currently set at £8.46 per hour as at 1 July 2017, this compares with the statutory National Living Wage of £7.50 per hour for those aged 25 years and over (October 2016) and the “UK Living Wage”, of £8.45 per hour for those living outside London, which is advocated by the Living Wage Foundation (October 2016).

Based on salaries paid with effect from 1 July 2017 it is estimated that the Council will have the following ratios, between the lowest and highest paid staff on Surrey Pay for the 2017/2018 financial year.

Surrey Pay Salary Ratios July 2017 – June 2018		
Salary	Amount per annum £'s	Ratio to the highest salary
Highest Basic Salary	232,683	n/a
Median Basic Salary	22,872	10:1
Lowest Basic Salary	15,874	15:1

#### Notes:

- (i) The ratios have been calculated in accordance with guidance published in The Code of Recommended Practice for Local Authorities on Data Transparency 2011 and in light of recommendations contained in the Hutton Review of Fair Pay in the Public Sector 2011.
- (ii) The median is defined as the mid-point of the total number of staff employed.

## 1 Schools Based Surrey Pay Staff

### Pay Progression Arrangements

Before April 2010 the majority of staff were on “incremental” Surrey Pay grades, S1/2 – S7, or their equivalent. Personal pay progression within grade is normally dependent upon “added value” in terms of duties, responsibilities and job performance following an annual appraisal.

Middle pay grades and senior pay zones (S8 – 14B) contracts currently provide for an annual review of contribution. These reviews normally determine any subsequent personal progression through these pay zones subject to personal headroom being available.

The pay year for school’s based Surrey Pay staff commences on 1 April each year, see table 1.

With effect from 1 April 2016 a one per cent pay award was applied to school’s Surrey Pay points, with the following exceptions;

- the minimum pay point for grade S9 was lowered to £32,839
- the minimum pay point for grade S10 was increased to £38,313
- There was no increase to the minimum pay point for grade S13
- There was no increase to the pay band maxima for grades S9, S10, S13, 14A, and 14B.
- The one per cent pay award was applied automatically to all pensionable salaries, except for staff on the maximum pay points of grades S9, S10, S13, 14A and 14B.

With effect from 1 April 2016 all staff with ‘personal headroom’ within grades received a one per cent personal pay progression increase in their pensionable salaries.

The pay arrangements effective from 1 April 2017 are subject to an ongoing review.

### Recognition Awards

There are **no** provisions under standard Surrey Pay schools contracts for Council employees to be awarded performance related bonuses. However, the Recognition Award Scheme provides a mechanism through which managers can recognise exceptional achievement by an individual or team subject to approval by the appropriate Head of Service.

## 2 Non-School's Based Surrey Pay Staff

### Pay Progression Arrangements

For the majority of non-schools based Surrey Pay staff the Council operates performance related pay progression; market based pay, a grading structure framework based on job families, underpinned by Hay job evaluation with three pay models to support different skills supply and development.

The pay year for this group will commence from 1 July each year, this pay arrangement will enable the Council to:

- support career development, map career paths;
- achieve greater flexibility in pay;
- identify groups of employees that can be linked to market pay rates, and
- provide rewards based on personal contribution and behaviours.

Surrey Pay non-schools comprises of 12 pay bands PS1/2-PS13 and seven pay bands for senior managers PS14 Chief Executive (CEX).

Pay progression has been linked to the Council's performance management process which assesses 'what' has been achieved and 'how' it was achieved, giving an overall annual rating linked to pay.

The Performance Related Surrey Pay scheme provides the opportunity for an additional non-consolidated lump sum payment on achieving a performance rating of 'Exceptional'.

### Job Family Pay Model

The job family pay model comprises 14 pay bands, PS1/2 to PS15. The job family pay band structure comprises 14 'baseline' salary ranges with no defined incremental points and employees are appointed at a spot salary. Any salaries for new starters above the bottom pay point are subject to approval.

Where the job family pay model applies pay progression is normally accelerated at the lower end of the pay band. This means staff whose pay falls in pay zone one would normally receive a higher value progression increase than those in pay zone two. This reflects the higher potential for increased contribution and skills gain within pay zone one and to enable people to move quickly to higher market rates.

From 1 July 2017, the following percentage changes in pay have been applied to eligible staff in the job family pay model, see table 2.

- pay zone 1 and 2, pay progression: 1%;
- non-consolidated payments: 1%;
- no market adjustment
- no increase to pay band maxima for PS7 and above except PS12 and PS12SC.

Appointments and promotions that commence between 1 April and 30 June each year will be made on the Surrey Pay rates applicable at that point in time and will fall outside the appraisal year being assessed. Individual salaries will then move in-line with changes to the pay bands (if any) due on 1 July.

### **Career Pay Model**

The Career Pay Model may be applied to any roles where there is a suitable business case for adopting this Pay Model, this should include evidence of recruitment and retention difficulties as well as stating the necessity to grow talent. This is then approved by elected members. It is expected that the Career Pay Model will be used mostly where there is a need for a professional qualification.

The Career Pay Model shows staff how their pay will increase as they grow their experience and skills. Each grade level will have defined pay points which employees can earn as their skills and experience grow.

The existing Career Pay Model applies to occupational therapists and social workers in both Adult Social Care and Children's Services and social care practitioners in Adult Social Care. This Career Pay Model consists of four fixed salary points at each grade level.

From 1 July 2017, the following percentage changes in pay apply to eligible staff in the Career Pay Model, see table 3:

- Progression based on defined pay points;
- non-consolidated performance payment: 1%; and
- no increase to pay band maximum for PS9SC, PS10SC and PS11SC

Pay for employees appointed after the end of the appraisal year, but before the start of the new pay year (i.e. 1 April – 30 June), who are on track with their probation will have their pay moved in line with the market adjustment applied to their pay point, if any, to ensure that their salary does not fall behind the market rate.

### **Leadership Pay Model**

The leadership pay model applies to managers on grades PS16 and above. Appointments are made at a spot salary which provides a competitive market salary for the individual role within the appropriate pay band range.

From 1 July 2017 the following applies to eligible staff in the leadership pay model:

- no market adjustment
- non-consolidated performance payment: 1%; and
- no increase to pay band minima or maxima

### 3 Other Locally Determined Pay Groups

In addition to the main schools and non-schools Surrey Pay staff groups there are a small number of staff outside the Surrey Pay main pay arrangements and whose annual pay settlement is determined locally, these groups include;

- former Buckinghamshire County Council Trading Standards staff on contribution based pay;
- apprentices and interns;
- Surrey County Council staff on Regional Surrey Pay.

#### **Former Buckinghamshire County Council Trading Standards staff on Contribution Based Pay**

The Council is required to review the Contribution Based Pay (CBP) scheme annually and determine what increase, if any, should take effect from 1 July each year. The review consists of two elements:

- i pay range uplift; and
- ii Contribution Based Pay percentage (the additional award for an exceeding or outstanding contribution).

From 1 July 2017 the following pay arrangements apply, see tables 4 and 5;

- for an “exceeding” performance rating the CBP increase was based on 35% of the difference between the top two pay points, and
- for an “outstanding” performance rating the CBP increase was based on 70% of the difference between the top two pay points.

#### **Apprentices and Interns**

The council has a standalone apprenticeship grade that is separate from Surrey Pay main grades. This enables apprenticeship pay grades to be applied across all services including those that have a different pay structure.

From 1 April 2017 there is no change to the main rates of pay for apprentices and interns, however, the second year apprentice rate has been increased to £14,078.34 per annum for apprentices aged 25 years and above, see table 6.

#### **Regional Surrey Pay**

In February 2013 PPDC agreed that a Regional Surrey Pay Band should be established for Surrey County Council staff based in East Sussex. The pay arrangements reflect the local wage market and provide for a performance related progression (PRP) arrangement.

From 1 April 2017 the value of the PRP payment was based on the Council’s job family pay model:

- one percent for both, the entry pay level (lower pay band);
- one percent for the established pay level (upper pay band) see table below.
- no adjustment to the minima and maxima of the pay bands
- see table 7.

Last updated: November 2017

**2017-18 Regional Surrey Pay Arrangements**

Pay Zone	Appraisal Rating		
	Developing	Successful	Exceptional
Entry	0	1%	1% plus an honorarium
Established	0	1%	1% plus an honorarium

Full migration to the SCC pay model and new regional pay bands including any changes to terms and conditions of employment will be considered as part of the next phase of the Pay and Reward review.

**Tutors Surrey Arts and Tutors Community Learning and Skills**

Tutors within Surrey Arts and Community Learning and Skills are paid a spot salary. Rates of pay are reviewed on an annual basis and are effective from September each year.

For September 2016 a one per cent pay award was applied to the annual pay rate, see tables 8 and 9.

The pay arrangements effective from 1 September 2017 are subject to an ongoing review.

**Political Assistants**

SCC employs political assistants on Surrey Pay contracts to support political groups. These assistants work directly for the political groups rather than as mainstream officers within the officer structure of the Council. These are unique posts and have a set maximum salary determined by The Local Government (Assistants for Political Groups) (Remuneration) (England) Order 2006. The maximum salary applicable from 1 April 2017 has not changed since 2006 and is £34,986.

**4 Orbis Pay Strategy**

Surrey County Council (SCC) East Sussex County Council (ESCC) and Brighton and Hove City Council (BHCC) have created a new business services partnership arrangement, known as Orbis. The agreed governance structure is a joint committee, however, it should be noted that the Joint Committee is not a legal entity separate from its constituent authorities. It cannot enter into a contract, own land or employ staff in its own right.

PPDC agreed a pay strategy to be applied for staff working as part of Orbis comprising a 'blended' approach to pay, based on the following three principles:

- i **Identification of 'true partnership' roles** – these are roles that are contractually required to operate in and across more than one council. They need to have a physical presence in more than one headquarter location in order to create the necessary professional networks and to gain business intelligence and insight.

As Orbis becomes increasingly integrated, it will be necessary for many roles to undertake work for more than one council. Unless individual positions require a physical presence in more than one, however, they will not be deemed as meeting the criteria for being a 'true partnership' role.

- ii **Identification of salary** – once identified as a 'true partnership' role across the Orbis partnership, the time spent at each council will be determined. The presumption is for a 50/25/25 split as to do otherwise will move the role away from being a 'true partnership' one.

To preserve the integrity of the separate pay and grading structures, the salary package is created as 50% of the respective SCC grade plus 25% of the respective ESCC and BHCC grades. So that partnership roles have just one employer, a secondment arrangement is then applied to the position. For example, an ESCC employee seconded to SCC for half their time on the appropriate SCC grade/salary, with ESCC remaining as the substantive employer.

There will be no salary detriment for an SCC employee where undertaking a 'true partnership' role. Likewise, in support of the Council's recruitment and retention strategies, the principle of no detriment applies where an individual is applying for or being considered for a post on a promotional basis.

- iii **Identification of market position** – once the blended salary has been determined, consideration can then be given to the market position and, where appropriate, subject to the necessary approvals, a market supplement can be paid. All councils have in place policies and procedures for the paying of market supplements.

## Equal Pay

The Council is committed to ensuring that its employment policies and practices comply with the requirements of the Equal Pay Act 1970. This includes the application of a robust job evaluation process to ensure that all staff receive equal pay for work of equal value.

- i **Grading Structure**

The allocation of Surrey Pay grades to jobs is determined by (HAY) job evaluation or in accordance with a job family underpinned by (HAY) job evaluation. The Surrey Pay grading structure covers all jobs from cleaners and catering assistants on the lowest grade to chief officers, including the Chief Executive, on the highest grades.

The differentials between these grades and jobs have been established objectively by application of a HAY based job evaluation scheme. For example the job of a cleaner is evaluated at the bottom because the level of skill, knowledge, problem solving and accountability are low compared with jobs at the top level. Conversely, chief officers are at the top of the pay scales because the level of skills, knowledge, problem solving and accountability are considerably greater than those at the bottom of the pay band.



Newly appointed or promoted staff are normally appointed to the minimum salary on a grade unless a robust business case has been approved to start them at a higher salary within the grade range.

ii **Market Supplements**

Managers may make a business case for a market supplement to be paid above the maximum for the particular grade if it proves exceptionally difficult to recruit at the rate advertised. Such supplements must be approved and reviewed on a regular basis by either PPDC, in the case of chief officers, or by the Head of HR & Organisational Development under delegated powers.

**Early Retirement and Severance Terms**

The Council's terms for granting redundancy or severance, including access to benefits under the Local Government and Teachers' Pension Schemes, are the same for all staff on Surrey Pay contracts including chief officers as well as for teachers working in maintained schools across Surrey. The approval process to be followed when payments are to be funded by the Council is explained in the Policy, see link above.

In cases of redundancy, an employee will not be entitled to a redundancy payment or a severance payment if, before leaving the Council, they accept an offer of employment with another local authority or associated employer contained in the Redundancy Payments (Modification) Order 1999 and commence the new employment within four weeks of their last day of service as the employment would be deemed to be continuous.

Table 1: Schools – Surrey Pay Bands from 1 April 2016

Surrey Pay Grade	2016 Min Pay Point	2016 Max Pay Point
S1/2	£ 15,189	£ 15,856
S3	£ 15,308	£ 17,316
S4	£ 16,571	£ 19,386
S5	£ 18,410	£ 21,474
S6	£ 20,628	£ 23,669
S7	£ 23,573	£ 27,814
S8	£ 27,066	£ 32,175
S9	£ 32,839	£ 38,312
S10	£ 38,313	£ 42,992
S11	£ 42,928	£ 48,091
S12	£ 47,746	£ 55,851
S13	£ 55,485	£ 66,644
14A	£ 62,208	£ 77,297
14B	£ 77,147	£ 90,469
<b>Key</b>		Frozen Maximum

## Pay Bands non-school's based Surrey Pay staff

Table 2: Job Family Surrey Pay Bands – 1 July 2017

Job Family Pay Bands - 1 July 2017					
Job Family	Pay Model	Grade Name	Minimum Pay Point	Pay Break Point	Maximum Pay Point
			Pay Zone 1	Pay Zone 2	
(1) Business Functions (2) Public Engagement (3) Regulation & Technical (4) Operational Services (5) Personal Care & Support	Job Family Pay Model	PS1/2	£15,874	£16,149	£16,333
		PS3	£16,334	£17,253	£17,866
		PS4	£17,896	£18,965	£19,677
		PS5	£19,678	£20,949	£21,796
		PS6	£21,797	£23,907	£25,313
		PS7	£25,314	£27,280	£28,590
		PS8	£29,020	£31,311	£32,838
		PS9	£33,332	£36,320	£38,312
		PS10	£38,888	£41,350	£42,992
		PS11	£43,638	£46,492	£48,395
		PS12	£50,903	£54,118	£56,261
		PS13	£57,494	£62,984	£66,644
		PS14	£65,025	£72,388	£77,297
		PS15	£79,389	£86,037	£90,469
Leadership Job family	Leadership Pay Model	PS16	£90,470	Not Applicable	£112,161
		PS17	£112,162		£134,594
		PS18	£134,595		£161,514
		PS19	£161,515		£178,861
		CEX	£209,984		£232,683

Table 3: Career Surrey Pay Bands – 1 July 2017

## Social Workers &amp; Occupational Therapists in Adult Social Care and Children's Services

Career Pay Bands - 1 July 2017				
Job Family	Pay Model	Grade Name	Pay Point	Salary
Social	Career	PS8SC		£30,929

Wellbeing	Pay Model	<b>PS9SC</b>	Point 1	£33,332
			Point 2	£34,332
			Point 3	£35,832
			Point 4	£38,312
		<b>PS10SC</b>	Point 1	£39,270
			Point 2	£40,270
			Point 3	£41,770
			Point 4	£43,150
		<b>PS11SC</b>	Point 1	£44,229
			Point 2	£45,729
			Point 3	£47,229
			Point 4	£48,395
		<b>PS12SC</b>	Point 1	£50,903
			Point 2	£52,903
			Point 3	£54,903
			Point 4	£56,261

Table 4: Former Bucks Trading Standards Pay Grades 1 July 2017

Grade	Entry Point		Competent Point		Advanced Point	
R1A CBP	£	13,207	£	13,934	£	14,660
R1B CBP	£	16,276	£	17,171	£	18,066
R2 CBP	£	19,053	£	20,102	£	21,149
R3 CBP	£	20,957	£	22,110	£	23,262
R4 CBP	£	22,853	£	24,110	£	25,367
R5 CBP	£	25,275	£	26,665	£	28,055
R6 CBP	£	28,468	£	30,034	£	31,599
R7 CBP	£	32,501	£	34,289	£	36,076
R8 CBP	£	37,151	£	39,194	£	41,237
R9 CBP	£	42,552	£	44,892	£	47,232
R10 CBP	£	48,977	£	51,671	£	54,364
R11 CBP	£	55,414	£	58,462	£	61,509
R12 CBP	£	61,391	£	64,767	£	68,143

Table 5: Former Bucks Former Trading Standards Staff CBP Award 1 July 2017

Pay Band Points		Difference	Award for Exceeding	Award for Outstanding
Competent	Advanced			
£ 26,665	£ 28,055	£ 1,390	£ 486	£ 972
£ 30,034	£ 31,599	£ 1,565	£ 548	£ 1,096
£ 58,462	£ 61,509	£ 3,047	£ 1,066	£ 2,132

**Table 6: Apprenticeship and Internship Pay Bands – 1 April 2017**

Apprenticeship	Level	Annual Salary
Intermediate and Advanced	Level 2 and Level 3 (Year 1)	£11,117.60
	Level 2 and Level 3 (Year 2)	£12,670.65
Higher	Level 4	£14,443.00
	Level 5	£15,522.69
	Level 6	£16,311.50
Internship		£16,311.50

**Note:** There is a new second year rate linked to the National Living Wage of £14,078.34 per annum for apprentices aged 25 years and above with effect from 1 April 2017, payable from the date of their 25<sup>th</sup> birthday.

**Table 7: Regional Surrey Pay Bands – 1 April 2017**

Grade	Title	Minimum	Midpoint	Maximum
5/6	Administrator	£15,250	£18,250	£21,250
7	Senior Administrator	£19,250	£22,250	£25,250
8	Hub Leader	£23,250	£26,250	£29,250
9/10	Team Leader or Manager	£27,250	£30,250	£33,250
11	Manager	£31,250	£34,250	£37,250
12/13	Senior Manager	£36,250	£39,250	£42,250

**Table 8: Surrey Arts Music Tutors Pay Rates – 1 September 2016**

<b>Annualised Hours Contracts Salary (Sep 16 - Aug 17) including 1% cost of living increase</b>	<b>Annual Salary</b>	<b>Hourly Pay Rates (for ad hoc claims)</b>
Trainee	£17,804.28	£18.26
Pt. 1	£22,875.49	£23.46
Pt. 2	£24,069.31	£24.69
Pt. 3	£25,164.15	£25.81
Pt. 4	£26,654.91	£27.34
Pt. 5	£28,445.64	£29.18
Pt. 6	£31,429.18	£32.24

**Note:** The pay arrangements effective from 1 September 2017 are subject to an ongoing review.

**Table 8: Surrey Adult Learning Tutors Pay Rates - 1 September 2016**

<b>Role and Period of Service</b>	<b>Annual Rate</b>	<b>Hourly Rate</b>
Tutors Non-accredited programme Under 5 years' Service	£22,493	£23.07
Tutors Non-accredited programme Over 5 years' Service	£22,893	£23.48
Tutor Observers / Accredited Tutors Under 5 years' Service	£26,988	£27.68
Tutor Observers / Accredited Tutors Over 5 years' Service	£27,465	£28.17

**Note:** The pay arrangements effective from 1 September 2017 are subject to an ongoing review.



*County Council Meeting – 5 December 2017*

**REPORT OF THE PEOPLE, PERFORMANCE AND DEVELOPMENT COMMITTEE**

- \* Mr David Hodge CBE (Chairman)
- \* Mr John Furey (Vice-Chairman)
- \* Mr Ken Gulati
- \* Mr Mel Few
- \* Mr Nick Harrison
- \* Mrs Hazel Watson

\* = Present

**A. APPOINTMENT OF CHIEF EXECUTIVE**

1. The People, Performance and Development Committee met on 13 November 2017 to conduct final interviews for the role of Chief Executive at Surrey County Council. At the culmination of a comprehensive assessment and selection process the Committee interviewed three shortlisted candidates for the post and, following an in depth discussion of each candidates merits, has selected Joanna Killian as the person it is recommending that the County Council appoints to the role of Chief Executive.
2. Joanna Killian is currently a Partner in the Infrastructure, Government and Healthcare Practice Team at KPMG and was previously Chief Executive of Essex County Council
3. The Officers Employment Procedure Rules requires every Cabinet Member to be notified of the proposed appointment and of their right of objection within the period specified in the notification, no objections were received from Cabinet Members.
4. The People, Performance and Development Committee **RECOMMENDS** that the Council appoints Joanna Killian as Chief Executive and Head of the Council's paid service of Surrey County Council. .

**David Hodge**  
**Chairman of the People, Performance and Development Committee**  
**December 2017**

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*County Council Meeting – 5 December 2017***REPORT OF THE PEOPLE, PERFORMANCE AND DEVELOPMENT COMMITTEE**

- \* Mr David Hodge CBE (Chairman)
- \* Mr John Furey (Vice-Chairman)
- \* Mr Ken Gulati
- \* Mr Mel Few
- \* Mr Nick Harrison
- \* Mrs Hazel Watson

\* = Present

**A. APPOINTMENT OF INTERIM MONITORING OFFICER**

1. Section 5 of the Local Government and Housing Act 1989 requires the Council to designate one of its officers as the Monitoring Officer. The Monitoring Officer may not also be the Council's Chief Finance Officer or the Chief Executive/Head of Paid Service.
2. Following Ann Charlton's appointment as Head of Legal Services in 2002, the Council appointed her as its Monitoring Officer. Ann is now retiring from the Council and her last day of employment is 8 December 2017.
3. At its meeting on 25 September, the People, Performance and Development Committee agreed interim senior management arrangements pending the appointment of a new Chief Executive, and taking account of Ann Charlton's retirement. Accordingly, the Committee agreed to make a recommendation to Council to appoint Sarah Baker as the Council's Interim Monitoring Officer. Sarah will be the temporary Head of Legal Services and has been a Deputy Monitoring Officer for many years.
4. The functions of the Monitoring Officer include:-
  - Oversight and reporting of the operation of the Council's Constitutional arrangements and the decision making processes
  - Reporting on unlawfulness and maladministration
  - Investigating allegations of breach of the Code of Conduct.
  - Seeking rulings from the Council's Independent Person and arranging meetings of the Member Conduct Panel.
5. The People, Performance and Development Committee **RECOMMENDS** that the County Council appoints Sarah Baker as Interim Monitoring Officer of Surrey County Council with effect from 11 December 2017.

**David Hodge**  
**Chairman of the People, Performance and Development Committee**  
**December 2017**

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MINUTES OF THE MEETINGS OF  
CABINET HELD ON 31 OCTOBER AND  
28 NOVEMBER 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 Lead Manager by 12 noon on Monday 4 December 2017.

Please note that the minutes of the 28 November 2017 Cabinet meeting will be issued as a supplementary agenda.

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**MINUTES OF THE MEETING OF THE CABINET  
HELD ON 31 OCTOBER 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 Mike Goodman
*Mr John Furey (Vice-Chairman)	*Mrs Mary Lewis
*Mrs Helyn Clack	*Mr Colin Kemp
*Mrs Clare Curran	*Mr Tim Oliver
*Mr Mel Few	*Ms Denise Turner-Stewart

\* = Present

Members in attendance:

Mr Will Forster, Member for Woking South  
Mrs Hazel Watson, Member for Dorking Hills  
Mr Jonathan Essex, Member for Redhill East

**PART ONE  
IN PUBLIC**

**163/17 APOLOGIES FOR ABSENCE [Item 1]**

There were none.

**164/17 MINUTES OF PREVIOUS MEETING: [Item 2]**

The Minutes of the meeting held on 26 September 2017 were agreed and signed by the Chairman subject to the following amendment:

That Minute 148/17 (last two sentences of 6<sup>th</sup> paragraph) should read:

*It was highlighted that following the responses to the detailed consultation, it had been decided to retain 30% of grants for older adults and disabled people. For socially excluded groups 80% of the grant would be retained and the service would be reconfigured accordingly.*

**165/17 DECLARATIONS OF INTEREST [Item 3]**

Colin Kemp declared a non-pecuniary interest in Item 14 and question 4 of Members' Questions as he was an Executive Member at Woking Borough Council.

## **166/17 PROCEDURAL MATTERS [Item 4]**

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

Six questions in total were received from Mrs Hazel Watson, Mr Will Forster and Mr Jonathan Essex. Responses to these can be found at Appendix 1.

#### Supplementary questions

Q1: Mrs Watson asked what the council's strategy was in order to provide housing that residents could actually afford. The Cabinet Member for Property and Business Services responded that the council were looking at all forms of housing and that provision was dependent on a number of factors including local planning, transport links and others. However, the council wished to see a significant number of homes built.

Q3: Mr Forster requested further information breakdown to his question. The Leader stated that what Mr Forster wanted was operational information which was not the Cabinet's jurisdiction but an issue for the Chief Fire Officer who was responsible for ensuring that operations ran correctly.

Q4: Mr Forster sought clarification that the response given was a 'no'. The Cabinet Member for Communities explained that there was no duty on the fire service to ensure that buildings were built according to building regulations.

Q5: Mr Essex asked if the information on the Joint Venture would be made available when a decision had been made. The Cabinet Member for Property and Business Services explained that first a business case had to go to the Investment Board which would then consider on a site by site basis.

Q6: Mr Essex asked if the high level report on housing unit figures could be provided and when. The Cabinet Member for Property and Business Services stated that it was dependent on Cabinet agreeing a partner but that a considerable amount of work was being undertaken to move development along and that more would be known in a few weeks' time.

*Mr Colin Kemp declared a non pecuniary interest in question 4 as he was an Executive Member of Woking Borough Council.*

### **167/17 PUBLIC QUESTIONS [Item 4b]**

There were none.

### **168/17 PETITIONS [Item 4c]**

There were none.

### **169/17 REPRESENTATIONS RECEIVED ON REPORTS TO BE CONSIDERED IN PRIVATE [Item 4d]**

There were none.



## **170/17 REPORTS FROM SCRUTINY BOARDS, TASK GROUPS, LOCAL COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL [Item 5]**

There were none.

## **171/17 SUSTAINABILITY AND TRANSFORMATION PARTNERSHIPS [Item 6]**

Mrs Helyn Clack, Cabinet Member for Health introduced the report that explained how Surrey County Council was playing an important role in the three Sustainability and Transformation Partnerships across Surrey.

On 28 March 2017 the Cabinet considered a report regarding the Surrey Heartlands Partnership and the emerging health and care devolution proposals. The Cabinet endorsed a set of associated 'devolution governance principles' and asked the Chief Executive to take the necessary steps to finalise and implement the new devolution arrangements – this report focussed on the implementation of this work and provided a brief update on the progress in the Frimley Health and Care, and Sussex and East Surrey Partnerships. Since March a Memorandum of Understanding had been signed and Surrey Heartlands had been chosen as one of ten areas nominated to be involved with the Accountable Care Systems development programme. A joint committee had been set up and would be the primary decision making committee for Surrey Heartlands. The Cabinet Member explained further the governance and funding arrangements.

The Cabinet Member for Adults spoke about the number of Clinical Commissioning Groups working across services of health and social care and spoke of the problems with delayed transfer of care, the penalties of bed blocking and finding appropriate accommodation.

The Cabinet Member for Property and Business Services stated that now was a good opportunity to look at closer integration of services and co-location of services.

The Leader of the Council thanked NHS staff involved for their work on this. He stated that the Government should be bolder in their ambition for devolution and explained that the council's new Chief Executive, when in place, would drive forward ambitions of devolution.

### **RESOLVED:**

1. That the progress made in implementing the Surrey Heartlands health and care devolution agreement, and progress in both Frimley Health and Care, and Sussex and East Surrey Partnership areas was noted.
2. That the approach being taken with Surrey Heartlands partners towards establishing a devolved health and care system was approved.

### **Reason for Decisions**

Sustainability and Transformation Partnerships will play a pivotal role in shaping the future health and care priorities and landscape. In the seven months since the last Surrey Heartlands update to the Cabinet, significant

progress has been made in the development of the devolution arrangements for Surrey Heartlands. Devolution is a key mechanism for enabling the Surrey Heartlands Partnership to achieve its aims and ambitions, and the integration of health and social care.

### **172/17 INDEPENDENT TRAVEL TRAINING FOR CHILDREN AND YOUNG PEOPLE WITH SEND [Item 7]**

Mrs Mary Lewis, Cabinet Member for Education explained how Surrey County Council (SCC) was introducing a new travel assistance offer for children and young people with Special Educational Needs and Disabilities (SEND), designed to better meet the diverse needs of the county's pupils through a broader, more flexible range of assistance options. The first in a wide-ranging package of improvements, independent travel training would equip children and young people with the skills and confidence to travel independently to school, college or placement, where appropriate, building their resilience and preparing them for adulthood. This was a positive move that had been welcomed by parents and young people.

The Council's existing travel assistance offer is limited to mainly taxi and minibus transport, resulting in an annual cost of nearly £27m that is no longer sustainable. There is a need for the Council to work together with families, young people, schools, colleges and transport providers to develop a change in culture and approach to home to school travel assistance. Independent travel training is the first step in this direction, and provides an invaluable opportunity to provide more lasting support to children and young people with SEND, whilst delivering savings to the public purse in the longer term. Therefore, this is the first in a series of reports due to come to Cabinet concerning SEND transport.

#### **RESOLVED:**

That following consideration of the results of the procurement process, in Part 2 of the meeting, a five year contract supported by a Social Impact Bond be awarded to CT Plus Community to deliver independent travel training.

#### **Reason for decision**

A full tender process, in compliance with the requirement of Public Contract Regulations and Procurement Standing Orders has been completed, and the recommendation provides best value for money for the Council, and aims to deliver better outcomes for children and young people with SEND.

### **173/17 CHILDREN SCHOOLS AND FAMILIES COMMISSIONING PLAN 2017-22 [Item 8]**

This report was introduced by Mrs Clare Curran, Cabinet Member for Children and it was reported that the Child First Commissioning Intentions had been developed at a time when unprecedented financial pressures were being faced by Surrey County Council, stemming from decreasing funding from central government and increasing demand for Council services. The Council had already saved over £450m with a further saving required of £103m for 2017/18 and £75m for the next two years. This was being felt especially in children, schools and families.

The statement set out 10 commissioning intentions that provided an overall strategic framework for Children, Schools and Families for 2017-2022, with an emphasis on the importance of Early Help. The commissioning intentions will drive the Council's commissioning to achieve value for money and, as part of the overall service, to ensure children get the right help, care and protection at the right time so they are safe and can thrive. She also explained that this was the first time a plan like this had been formulated and thanked staff for their work in producing it.

Additionally, further work was underway alongside planning for 2018-23; this focused on more rigorous modelling of future demand on services and developing a robust approach to local decision making and market development. This will mean more needs met locally and delivery managed sustainably within planned budgets.

The Cabinet Member for Education explained how the Select Committee had scrutinised the plan and were happy with the data-informed approach. They also wanted to ensure that this plan merged with others and made suggestions that had been incorporated into the plan.

The Cabinet Member for Health stated that it was a good plan and emphasised the tagline that children should be seen, be heard and kept safe.

**RESOLVED:**

1. The Commissioning Intentions set out in Child First 2017-2022 was agreed.
2. To delegate authority to Cabinet Member for Children, Cabinet Member for Education, and Director for Children's Services, to make changes to the commissioning intentions, including those necessary to meet requirements of the Medium Term Financial Plan (MTFP) 2018-22.

**Reason for decision**

The commissioning intentions are the response to the Surrey Children & Young People's Partnership Strategy 2017-22 and provide a clear framework of strategic action for children, schools and families in Surrey, which addresses MTFP challenges for 2017-21 and provides a basis for the approach for 2018-22.

**174/17 FUNDING OPTIONS FOR FUTURE FLOOD ALLEVIATION WORK IN SURREY [Item 9]**

The Cabinet Member for Highways introduced this report that explained how in April 2017 when Cabinet approved Surrey's Local Flood Risk Management Strategy it recommended that officers identify additional sources of funding to increase the current level of flood alleviation work across the county. This was because limited council budgets were struggling to resource the amount of schemes required to protect the 30,000 properties that were at risk of flooding in Surrey. The Met Office was predicting more frequent severe rainfall in coming years and if this was the case, it was likely that more areas beyond those already identified would become at risk of flooding in the future. Therefore if a funding solution to this issue was not found then future flood

events were likely to cause significant social and economic harm to residents in Surrey.

A further contributing factor to this situation is that the Government's funding formula for capital flood alleviation schemes was such that "local contributions" were required to pay a significant proportion of the costs. This was sometimes possible in the case of smaller scale schemes and the council had a programme with some capital support for such schemes across Surrey. It was not practical however to raise sufficient local contributions with very large scale projects such as the River Thames Scheme (RTS), a project of national significance, which, under the current formula, presents a funding gap of at least £257 million.

The RTS is a "main river" scheme which means that the Environment Agency (EA) is responsible for the project's management. However the Agency has asked whether the county council and the other local authorities affected can together make up the funding gap that remains after all other possible and likely local contributions have been accounted for. Although yet to be confirmed, it is estimated that the county council's share of this would be in the order £100m. This is not a reasonable request to make, particularly in the context of the council's financial position.

If there is no prospect of the funding gap for the RTS and the demand for flood alleviation schemes elsewhere in the county being met, unless Government provides additional funding, alternative options must be considered. These could include raising finance locally through a levy or a council tax precept. These options have inherent risks and impacts as set out in the report.

The council could not ignore the increasing risk of flooding to its residents. Given the lack of funding available from Government at the current time for both the nationally significant RTS and smaller local schemes, Cabinet was asked to consider how best to respond.

He emphasised that flooding was a risk to all residents whether they lived near a river or not explaining that flash floods could happen anywhere and drew attention to the maps provided with the submitted report.

The Deputy Leader explained how this was a national issue and the funding gap had been broken down proportionately between the five councils involved but even so, was an impossible amount for local government to find in today's financial climate. There would also be future maintenance costs to consider.

The Leader referred to recent flooding experience in Germany and said that Surrey could not contain a similar 10 feet flood. The RTS was needed and he felt that Government should take responsibility. He stated that he had a meeting arranged with the Treasury and he would fight for Government to take responsibility for this.

**RESOLVED:**

That the Leader of the council writes to the Chancellor of the Exchequer, Secretary of State for Department of Communities & Local Government and Secretary of State for Department of Environment, Food & Rural Affairs, stating that:

- a) Because of the scale of the River Thames Scheme and the potential economic impacts at risk if it does not proceed, this is a nationally significant scheme and it is not appropriate to apply Defra's FDGiA Partnership Funding model to it.
- b) Surrey County Council has no capital reserves to meet Surrey's local contribution for the River Thames Scheme as requested by the Environment Agency, and requests that Central Government provide the capital required for the scheme.
- c) Should Central Government not provide the capital required for the scheme up-front, then Surrey County Council would be willing to take out a loan to pay Surrey's local contribution for the River Thames Scheme (at a cost of approximately £4.5m per year for 40 years) subject to Central Government funding the annual costs of borrowing.

**Reason for decision:**

Surrey County Council's current budget for flood alleviation work is very limited. There is not enough funding to develop schemes for all of the areas at significant risk of flooding in the county. The 2013/14 floods highlighted a number of risks across Surrey and if a flood event of a similar magnitude were to take place again in the coming years, the council's inability to carry out work in the relevant areas owing to resource and budget constraints means that many locations would continue to suffer the same or worse economic and social damage to their communities.

It is also essential that greater protection from River Thames flooding in particular is provided for the many Surrey residents and businesses currently affected. The funding arrangements of the proposed RTS scheme present a high risk that it is unaffordable and will not be delivered.

**175/17 FARNHAM ROAD RAIL BRIDGE - FUNDING FOR BRIDGE STRENGTHENING [Item 10]**

The Cabinet Member for Highways introduced this report that explained how the Farnham Road Bridge owned by Network Rail has B4 liability, which meant that Network Rail were responsible for providing a load capacity of 24T.

As the bridge is on a principal road network, Surrey CC requires the bridge to have a load bearing capacity of 40/44T in line with EU Directive EU/2015/71. As agreed in works agreements with the railway undertaker where the County is required to provide for load-bearing capacity higher than the railway undertaker is required by law to provide, the County will meet the cost.

The structure has been identified as critically deficient for unrestricted traffic loading meaning that if work is not carried out to strengthen the bridge the weight limit will have to be reduced to 7.5T. This would result in a scenario where heavy goods vehicles and buses will not be able to use the bridge which would have a devastating impact on residents and businesses.

Surrey Highways officers and Network Rail had identified a preferred scheme option which would restore the bridge to 40/44T capacity and therefore enable the bridge to remain open to traffic into the future. The preferred scheme would provide a 60 year design life for the bridge. The cost of the preferred scheme option has been estimated at £4,461,000.

Past experience of these type of schemes both within Surrey and in other local authority areas has identified that the cost of increasing the load bearing capacity to 24T (Network Rail's responsibility) generally equates to approximately 20% of the total scheme cost and the additional work to increase capacity to 40/44T (Surrey CC's responsibility) generally equates to approximately 80% of the scheme costs.

Surrey CC and Network Rail officers were reviewing the costings and funding allocations with a view to ensure equitable apportionment of funding which accounts for the fact that a lower cost scheme could increase the capacity to 40/44T, but that the chosen scheme has additional benefits for Network Rail.

Funding for this scheme was not accounted for within the Medium Term Financial Plan (MTFP). Surrey's CC's contribution could be up to £3.5m. Approximately £650,000 had been identified within existing Highways budgets and therefore up to £2.9m still needed to be identified.

The Deputy Leader explained how important this bridge was for Guildford and if it was reduced to 7.5T this would mean a 4km diversion for buses, cars and lorries. Boroughs and districts, and partners, had been asked if they could help with costs but financial cuts were affecting everyone.

**RESOLVED:**

1. That support for the delivery of the Farnham Road Bridge Project was confirmed.
2. That an agreement with Network Rail for payment towards improvements to Farnham Road Bridge would be entered into.
3. That officers will work with Network Rail to confirm the Surrey CC contribution to the scheme.
4. That the Cabinet Member for Highways and Deputy Director will engage with stakeholders to identify alternate funding sources in order to limit or remove the need to reduce the existing capital programme or borrow to fund this scheme.

**Reason for decision:**

To enable the Farnham Road Bridge scheme to take place to ensure the ongoing safety of the travelling public and economic prosperity of Guildford Town Centre.

## 176/17 MONTHLY BUDGET MONITORING REPORT [Item 11]

The Leader of the Council presented the budget monitoring report for the sixth month of the 2017/18 financial year, covering the period up to 30 September 2017.

He explained that in February this council set its budget for 2017/18 in the face of: significant rising demand pressures (particularly in social care); falling Government funding and continuing restraint on our ability to raise funds locally. To balance 2017/18's budget the council had to make plans to deliver an unprecedented £104m of savings. This significant challenge for the council comes on top of already making over £450m savings since 2010.

He explained that within the £104m savings target, the council has agreed plans for £95m savings, with £9m savings to be identified. After six months of the financial year, services had already achieved £47m of savings with another £26m on track for delivery, and £6m facing potential barriers. £16m savings were now thought to be unachievable in this year.

He also explained that the council's 2017/18 budget included significant demand and cost pressures, mostly in social care. In the first six months of the year, demand had increased above that forecast even a short time ago. For example, in Children's Services, demand continued to increase and was expected to add a £9m pressure by the end of the financial year. Partially offsetting these pressures, there were forecast underspends elsewhere, including in Children Schools & Families and Adult Social Care, Orbis, Highways & Transport and Waste.

He went on to explain that services had already taken action as part of the recovery plan to reduce costs by £4m. There was a need to continue to take all reasonable action to manage our spending within available resources by keeping costs down, managing vacancies and maximising income wherever possible. The combined impact of delivering lower savings than planned and demand rising faster than anticipated was a forecast overspend of £17m for 2017/18. Whilst this was a £4m improvement on last month's forecast position, considerable risks remain in some key budgets that were outside the council's control and the forecast year end position could potentially worsen.

He explained that, this month, he and the leaders of the eleven district and borough councils in Surrey gave full agreement to a bid to form a Surrey business rates pilot in 2018/19. He was pleased to report that the bid was submitted to the Department for Communities and Local Government and that it had the support of both of Surrey's Local Enterprise Partnerships.'

The Cabinet Member for Adults spoke of the overspend in Adult Social Care and shortfall in budget due to increased demand and increasing costs. He paid compliments to the Finance and Benefits Team that had done an outstanding job looking at all service user costs. He also stated that staff were aware costs needing to be reduced.

The Cabinet Member for Children spoke of the overspend for Children's Services which had deteriorated since the last report which was due to staffing budget and the extra social workers needed. There was also a

significant increase in the cost of placements for Looked After Children and asylum seekers, especially those with multiple complex needs. She explained the gap in funding in the Government grant received versus the costs for asylum seekers.

The Cabinet Member for Education spoke of an estimated underspend due one-off underspends, some of which were temporary such as unfilled vacancies that needed to be filled. She also reiterated the challenge to find £13m savings this year but to find a further £12m to £14m savings next year may also affect council budgets as well as Dedicated Schools Grant.

The Cabinet Member for Environment & Transport spoke about the shortfall due to savings not being realised in waste however a balanced budget was expected by end of year. He also stressed caution in that some of the costs of completing the Community Recycling Centres would now go to 2018 which would put pressure on the budget next year. He also explained that in relation to recommendation 7 of the report, this was not a cost to the council.

The Cabinet Member for Highways stated that highways budget was target for this year and further savings had been made. He also spoke of the risks of winter and flooding. Savings made and challenges going forward will be noticed by residents as cuts were made to front line services.

The Cabinet Member for Communities spoke of the various savings to be made and the projected overspend.

The Cabinet Member for Health reported on the overspend due to sexual health services but that mitigation was in place to reduce the overspend by the end of the year.

The Cabinet Member for Property and Business Services reassured Cabinet that Orbis continue to drive forward cost savings.

The Deputy Leader explained that for every £1 the council gets 70p is spend on demand services. Cuts were being forced on councils by Government and the economic viability was at risk in Surrey.

The Leader stated that in 14 weeks' time he would have to propose a budget to the council. He had deep reservations that cuts to services were now having an effect on residents. The business rate retention project was not the answer to the council's problems just a small piece of a large picture and would only be run for a year. Reality needed to be faced and there would be more cuts to services going forward. It was an extremely difficult time for councils.



## **RESOLVED:**

That the following be noted.

1. Forecast revenue budget outturn for 2017/18, is £17m overspend (paragraphs 1 and 8 to 39 of the submitted report). This includes:  
£9m savings to be identified,  
£16m savings considered unachievable in 2017/18,  
£11m service demand pressures  
less  
£19m underspends and additional income.
2. Significant risks to the revenue budget (paragraphs 40 to 44 of the submitted report) could add £13m to the forecast overspend, including: £8m in Children, Schools & Families and £3m in Adult Social Care.
3. Forecast planned savings for 2017/18 total £79m against £95m agreed savings and £104m target (paragraph 46).
4. All services continue to take all reasonable action to keep costs down and maximise income (e.g. minimising spending, managing vacancies wherever possible etc).
5. The Section 151 Officer's commentary and the Monitoring Officer's Legal Implications commentary in paragraphs 15 to 18 of the main budget monitoring report to Cabinet state that the council has a duty to ensure its expenditure does not exceed resources available and move towards a sustainable budget for future years.
6. The council and all eleven district and borough councils in Surrey have submitted an application to form a business rates retention pilot in 2018/19 (paragraph 45 of the submitted report).

That the followed be approved.

7. Transfer £8m from the Budget Equalisation Reserve to Central Income & Expenditure to negate the deferral of the increase in Waste PFI credits (paragraph 36 of the submitted report).

### **Reason for decision:**

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.

## **177/17 LEADERSHIP RISK REGISTER [Item 12]**

The Cabinet Member for Property and Business Services introduced the Leadership risk register stating that both L2 and L3 of the register had been reviewed and updated. The Surrey County Council Leadership risk register is presented to Cabinet each quarter and this report presents the Leadership risk register as at 19 October 2017.

**RESOLVED:**

That the content of the Surrey County Council Leadership risk register (Annex 1) was noted and the control actions put in place by the Statutory Responsibilities Network endorsed.

**Reason 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.

**178/17 APPROVAL TO AWARD A FRAMEWORK AGREEMENT FOR PROFESSIONAL HIGHWAY SERVICES [Item 13]**

The Cabinet Member for Highways presented this report which described how Surrey County Council had a statutory duty under the Highways Act 1980 to ensure that highways for which it was responsible remain safe for public use.

The Highway Service was responsible for the delivery of an ambitious multimillion Works Programme over the next 3 years. In order to deliver the Programme within required time scales, the Service needed access to specialist services and expertise to supplement the in-house capacity as and when required. The current Professional Highways Services Framework has recently expired, therefore, the decision was made that a new arrangement needed to be put in place to ensure continuous successful delivery of the Programme.

Following an open tender exercise, Procurement and Highways Services Cabinet approval was sought to appoint Atkins Ltd to a Professional Highway Services Framework Agreement.

The report provided details of the procurement process, including the results of the tender evaluation of the only bid received. In conjunction with the confidential Part 2 report, it demonstrated why the recommended contract award delivered best value for money.

**RESOLVED:**

1. That the background information set out in this report be noted; and
2. following consideration of the results of the procurement process in Part 2 of the meeting, the award of the Framework Agreement to Atkins Ltd, be approved.

**Reason for decision:**

The award of this Framework will enable Surrey County Council to ensure that highways for which it is responsible remain safe for public use.

## **179/17 PILOT FOR CAMERA ENFORCEMENT OF BUS LANE, HIGH STREET WOKING [Item 14]**

The Cabinet Member for Highways explained that powers designated to Surrey County Council (SCC) in the Road Traffic Order 2005 that would enable it to enforce against moving traffic offences in bus lanes were proposed to be enacted. This report proposed that these powers be enacted for a pilot of bus lane enforcement by means of an Automatic Number Plate Recognition (ANPR) system at the High Street in Woking, and that these powers be delegated to Woking Borough Council to carry out camera enforcement.

An Experimental Traffic Regulation Order (ETRO) had been made that prohibits the use of the Woking High Street between 7am and 9pm, 7 days a week for all vehicular traffic apart from local buses and specified classes of vehicles, which were registered with Woking Borough Council (WBC), and takes the form of a bus lane. The intent was to remove much of the traffic passing along High Street to provide a safer, more pleasant environment for pedestrians between the busy railway station and the town centre.

The High Street would become a bus priority route allowing bus journey times through the town centre to be as reliable as possible. A Bus Lane Enforcement Agency Agreement is being prepared between SCC and WBC which would delegate these powers.

Officers would prepare and consult on a county-wide policy for the enforcement of moving traffic offences which would be presented to Cabinet in 2018. Findings from this pilot site and experience elsewhere would be considered as part of policy formation.

### **RESOLVED:**

1. That Surrey County Council exercise existing moving traffic enforcement powers for the first time, in relation to a bus lane in the High Street, Woking;
2. That Surrey County Council delegates that enforcement function to Woking Borough Council through an agency agreement;
3. That officers prepare a comprehensive county-wide policy for moving traffic offences.

### **Reason for decision:**

The main reason for this is to provide enforcement for High Street, Woking town centre, which has been subject to vehicle restrictions which have been difficult to enforce. The aspiration is to remove much of the traffic passing along High Street to provide a safer, more pleasant environment for pedestrians between the busy railway station and the town centre, assisting in delivery of the Woking town centre extensive public realm works. The High Street will then become a bus priority route allowing bus journey times through the town centre to be as reliable as possible.

To date there has been no camera enforcement of bus lanes within Surrey. By developing a comprehensive policy, enforcement can be introduced where there is a recognised need.

*Mr Colin Kemp declared a non pecuniary interest as he was an Executive Member of Woking Borough Council.*

*Mr Colin Kemp left the meeting at 3.40pm at the end of this item.*

#### **180/17 REVISION OF PROCUREMENT STANDING ORDERS [Item 15]**

The Cabinet Member for Property and Business Services introduced this report and explained that as part of the transformation programme for Orbis, the Procurement Service has been through significant change over the past year in order to deliver a broader commercial role for the Council.

Revising the Procurement Standing Orders (PSOs), which set out how the Council governs spending by Officers on goods, works and services, will help to support these changes.

#### **RESOLVED:**

That the proposed changes to Procurement Standing Orders (PSOs) were noted and RECOMMENDED to full Council for final approval on 5 December 2017.

#### **Reason for decision:**

To provide support for the adoption of the revised Procurement Standing Orders (PSOs) by full Council.

The updated PSOs will help drive the following developments within procurement:

- Delivery of broader value through procurement, particularly regarding social value and local suppliers
- An increased focus on supporting contract management activities

Improving the effectiveness and efficiency of the procurement process

#### **181/17 LOCAL GOVERNMENT OMBUDSMAN REPORT OF AN INVESTIGATION INTO A COMPLAINT [Item 16]**

This report was introduced by the Legal Services Manager and concerned the Local Government Ombudsman's findings in response to a complaint concerning the service provided to a Surrey family.

The production of this Monitoring Officer report was a statutory requirement under Section 5A of the Local Government and Housing Act 1989. The Council's Monitoring Officer has to report to the Council's executive body (Cabinet) when the Local Government Ombudsman has conducted an investigation into a complaint against the Council and has found that maladministration causing injustice has occurred.

Children's Services have apologised unreservedly to the family, who experienced drift and delay in receiving the right help and support for their son. Systems and processes were reviewed and improved to ensure children with special educational needs are identified better and earlier and supported well for as long as is needed. This has been overseen by the Improvement Board with a focus to improve outcomes for children in Surrey.

Mrs Watson stated that there were multiple failures in this case and sought assurance that processes had been improved and that this would not happen again.

The Leader made a statement that as Leader of the Council he accepted responsibility on behalf of the Council and wholeheartedly apologised to the child and the family. He hoped that it would never happen again but Members were not personally responsible for operational matters but would drive improvements needed.

Acknowledgement was also given to the work of the Improvement Board for their concerted effort in driving through the improvements necessary for Children's and SEND services.

**RESOLVED:**

1. Following consideration of the Ombudsman's report and the response from Children's Services, Cabinet:
  - Was satisfied that that steps have been taken to address the findings and consider whether any other action should be taken, and
  - noted that the Monitoring Officer will be bringing her report to the attention of all councillors.

**Reason for decision:**

There is a statutory requirement for the Monitoring Office to bring to Members' attention any Ombudsman report on the Council that identifies it is at fault and has caused injustice as a result.

**182/17 LEADER / DEPUTY LEADER / CABINET MEMBER DECISIONS/  
INVESTMENT BOARD TAKEN SINCE THE LAST CABINET MEETING  
[Item 17]**

**RESOLVED:**

That the decisions taken by Cabinet Members / Investment Board since the last meeting as set out in Annex 1 to the submitted report, was noted.

**Reason for decision:**

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

### **183/17 EXCLUSION OF THE PUBLIC [Item 18]**

**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.

### **184/17 INDEPENDENT TRAVEL TRAINING FOR CHILDREN AND YOUNG PEOPLE WITH SEND [Item 19]**

The Cabinet Member for Education explained that this report contained the commercial and financial details relating to item 7.

**RESOLVED:**

1. That following consideration of the results of the procurement process, a contract be awarded to deliver independent travel training for children and young people with SEND, supported through a Social Impact Bond;
2. That the contract would start on 1 December 2017 for a duration of five years with an estimated contract value as set out in the report, based on the successful training of 70 children was noted.

**Reason for decision:**

A full tender process, in compliance with the requirement of Public Contract Regulations and Procurement Standing Orders has been completed, and the recommendations provide best value for money for the Council following a thorough evaluation process, and support the successful delivery of outcomes for children and young people with SEND.

### **185/17 APPROVAL TO AWARD A FRAMEWORK AGREEMENT FOR PROFESSIONAL HIGHWAY SERVICES [Item 20]**

The Cabinet Member for Highways explained that this report contained details of the evaluation process and tender results pertaining to item 13.

**RESOLVED:**

That following consideration of the results of the procurement process the award of the framework agreement as set out in the report, be approved.

**Reason for decisions:**

The recommendations provide the best value for money for the Council.

### **186/17 TOWN CENTRE REGENERATION – OCTOBER 2017 UPDATE [Item 21]**

The Leader explained that unless the right financial information arrangements were forthcoming this acquisition would not go ahead.

**RESOLVED:**

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 is 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.

**187/17 PUBLICITY FOR PART 2 ITEMS [Item 22]**

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

Meeting closed at 4.00 pm

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**Chairman**

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