

CABINET

The following decisions were taken by the Cabinet on Tuesday, 28 February 2017 and will take effect on 09/03/2017 unless the call-in procedure has been triggered. **CALL-IN DEADLINE: 08/03/17.**

The following represents a summary of the decisions taken by the Cabinet. It is not intended to represent the formal record of the meeting but to facilitate the call-in process. The formal minutes will be published in due course to replace this decision sheet.

County Members wishing to request a call-in on any of these matters, should contact the Senior Manager for Scrutiny or relevant Democratic Services Officer.

The Cabinet at its meeting on Tuesday, 28 February 2017 considered the following matters and resolved:

Members' Questions (Item 4a)

Five questions were received. The questions and the responses were attached as Appendix 1.

- **ST. BEDE'S SECONDARY SCHOOL, REDHILL (Item 6)**

RESOLVED:

That, subject to the agreement of the detailed financial information for the expansion set out in Part 2 of this agenda, the business case for the provision of an additional 300 secondary places be approved.

Reasons for Decisions:

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

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

- **EWELL GROVE INFANT AND NURSERY SCHOOL, WEST EWELL INFANT AND NURSERY SCHOOL AND DANETREE JUNIOR SCHOOL (Item 7)**

RESOLVED:

That, subject to the agreement of the detailed financial information for the expansion as set out in Part 2 of this agenda, the business case for the provision of an additional two forms (240 places) of junior places in Ewell planning area be approved.

Reasons for Decisions:

The proposal supports the Authority's statutory obligation to provide sufficient school places to meet the needs of the population in the Epsom and Ewell Borough.

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

- **CHART WOOD SCHOOL DORKING, PROPOSED RATIONALISATION ONTO ONE SITE - FORMER STARHURST SCHOOL, DORKING AND FORMER ST NICHOLAS SCHOOL, REDHILL (Item 8)**

RESOLVED:

That, subject to the agreement of the detailed financial information for the expansion set out in Part 2 of this agenda, the business case for rebuilding of this school be approved.

Reasons for Decisions:

This proposal will streamline Social, Emotional and Mental Health (SEMH) provision in the south east of Surrey. It will allow for the more effective use of the available Special Educational Needs and Disabilities (SEND) resources. The aim is to develop outstanding provision with a larger and more sustainable single special school for SEMH in the east quadrant of Surrey.

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

- **RE-COMMISSIONING OF THE ADULT SOCIAL CARE HOME BASED CARE SERVICE (Item 9)**

RESOLVED:

1. That approval be given to change the practice of commissioning HBC services to “Awarded Provider Status”.
2. That a report be taken to Cabinet for approval of any additional non-budgeted expenditure resulting from the planned implementation of the new framework, including proposals for any harmonisation of legacy rates.

Reasons for Decisions:

The existing HBC provision agreements expire on 30 September 2017 and given the above factors set out in the summary ASC in conjunction with Procurement made the decision to plan to re-commission the service. By taking this opportunity ASC can update the service specification and agreements to offer residents an improved service and be able to respond more flexibly and quickly to a fluid HBC market.

[The decision on this item may be called in by either the Council Overview Board or the Social Care Services Scrutiny Board]

- **SOUTH CENTRAL INDEPENDENT FOSTERING AGENCY FRAMEWORK (Item 10)**

RESOLVED:

1. Following consideration of the available options, the results of the procurement process, and commercially sensitive information provided in

the Part 2 report later in the agenda, approval be given for the Council to enter into a Partnership Agreement for the South Central Independent Fostering Agency (IFA) Framework for the provision of Foster Care placements for the period 1 April 2017 – 31 March 2021.

2. Approval be given to award subsequent call off contracts to providers named on the Framework.
3. That delegated approval be given to the Deputy Chief Executive, in consultation with the Leader of the Council and the Cabinet Member for Children and Families Wellbeing, to award new framework agreements and subsequent call off contracts during the life of the framework.

Reasons for Decisions:

The existing Framework will expire on 31 March 2017. In 2016 a total of 14 local authorities came together with Southampton City Council as the lead authority and a full tender process, compliant with the European Public Procurement Regulations and Procurement Standing Order has been carried out.

A decision is needed regarding whether or not Surrey County Council continues to be named as a purchaser on the new Framework.

If the Council does not participate in a Framework, it will only be able to spot purchase IFA provision or enter into Block Contracts from 1 April 2017 which potentially places the Council in breach of current procurement law (Public Contract Regulations 2015).

The forecasted spend for foster care placements with IFAs for 2016/17 is approximately £11.5m. A decision to spot purchase could see an increase in the weekly placement cost conservatively estimated at 5% (significantly more for emergency placements) and additional Council staff may need to be recruited to undertake the increase in workload associated with negotiating individual contracts and monitoring the performance of a large number of providers.

There is the potential for further reducing or avoiding costs under the new arrangements, through the use of Lot 4 (Alternative to Residential) placements and block contracts, as outlined in the Part 2 report.

[The decision on this item may be called in by either the Council Overview Board or the Social Care Services Scrutiny Board]

- **PROPOSED CONSULTATION ON EXTERNALLY COMMISSIONED YOUNG PEOPLE'S EARLY HELP SERVICES** (Item 11)

RESOLVED:

That an immediate eight-week public consultation, involving young people who use services, families, providers and partners, about proposals to change Surrey's externally commissioned young people's early help services be approved.

Reasons for Decisions:

This is recommended so that:

- i. The Council fulfils its duty to consult about proposed changes to services,

through a proportionate eight-week consultation period now, given the urgent need to realise savings during 2017/18 and allowing three-months of notice to current providers about any changes to services;

- ii. Young people, families, providers and partners who are affected by proposed changes have an opportunity to share their views about the proposed options and possible alternatives;
- iii. Appropriate action can be taken, as far as is reasonably possible, to mitigate the impact of any changes on providers, young people, families and communities; and
- iv. Cabinet is supported to make a fully informed decision about proposed changes to current grants and contracts.

[The decision on this item may be called in by either the Council Overview Board or the Social Care Services Scrutiny Board]

- **FINANCE AND BUDGET MONITORING REPORT TO 31 JANUARY 2017** (Item 12)

RESOLVED:

That the report be noted, including the following:

1. That the forecast revenue budget outturn for 2016/17 was a £3.5m underspend, an improvement from £1.1m overspend last month, as set out in paragraph 1 of the Annex to the submitted report.
2. That forecast efficiencies and service reductions for 2016/17 were £66.3m, up from £65.1m last month as set out in paragraph 51 of the Annex to the submitted report.
3. The Section 151 Officer's commentary and the Monitoring Officer's legal implications commentary, as detailed in paragraphs 16 to 23 of the covering report.
4. That the 2016/17 capital budget be reduced by £0.3m in relation to superfast broadband, as set out in paragraph 62 of the Annex to the submitted report.

Reasons for Decisions:

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

[The decision on this item may be called in by the Council Overview Board]

- **PROVISION OF THE SELECTION AND SUPPLY OF LIBRARY STOCK** (Item 13)

RESOLVED:

That a call off contract for the provision and supply of library resources be awarded to Askews and Holts Library Services Ltd. This call off contract would be under the CBC Framework for the provision of Library Books and Audio Visual

Materials.

Reasons for Decisions:

The existing contract will expire on 31 March 2017. Access to an existing framework, 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.

[The decision on this item may be called in by either the Council Overview Board or the Resident Experience Scrutiny Board]

- **LEADER / DEPUTY LEADER / CABINET MEMBER DECISIONS TAKEN SINCE THE LAST CABINET MEETING** (Item 14)

RESOLVED:

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

Reasons for Decisions:

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

- **EXCLUSION OF THE PUBLIC** (Item 15)

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.

- **ST BEDE'S SECONDARY SCHOOL - REDHILL** (Item 16)

RESOLVED:

1. That the business case for the expansion of St. Bede's School at a total cost, as set out in the part 2 report, be approved.
2. That the arrangements by which a variation of up to 10% of the total value may be agreed by the Deputy Chief Executive and Strategic Director for Children, Schools and Families, in consultation with the Cabinet Member for Schools, Skills and Educational Achievement, the Cabinet Member for Business Services and Resident Experience and the Leader of the Council, be approved.

Reason for Decisions:

The proposal supports the Authority's statutory obligation to provide sufficient school places to meet the needs of the population in the Reigate and Redhill area by providing Year 7 places when and where they are needed.

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

- **EWELL GROVE INFANT AND NURSERY SCHOOL, WEST EWELL INFANT AND NURSERY SCHOOL AND DANETREE JUNIOR SCHOOL (Item 17)**

RESOLVED:

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

Reasons for Decisions:

The proposal supports the Authority's statutory obligation to provide sufficient school places to meet the needs of the population in the Epsom and Ewell area by providing 240 junior places when and where they are needed.

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

- **CHART WOOD SCHOOL DORKING, PROPOSED RATIONALISATION ONTO ONE SITE - FORMER STARHURST SCHOOL, DORKING AND FORMER ST NICHOLAS SCHOOL, REDHILL (Item 18)**

RESOLVED:

1. That the business case to rebuild Chart Wood School on its Dorking site (ex Starhurst) at a total cost, as set out in the Part 2 report, be approved.
2. That the arrangements by which a variation of up to 10% of the total value may be agreed by the Deputy Chief Executive and Strategic Director for Children, Schools and Families, in consultation with the Cabinet Member for Schools, Skills and Educational Achievement, the Cabinet Member for Business Services and Resident Experience and the Leader of the Council be approved.

Reasons for Decisions:

This proposal will streamline SEMH provision in the south east of Surrey. It will allow for the more effective use of the available Special Educational Needs and Disabilities (SEND) resources. The aim is to develop outstanding provision with a larger and more sustainable single special school for SEMH in the east quadrant of Surrey.

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

- **SOUTH CENTRAL INDEPENDENT FOSTERING AGENCY FRAMEWORK** (Item 19)

RESOLVED:

That the commercially sensitive information set out in this report be noted alongside the background information and recommendations made in the Part 1 report.

Reasons for Decisions:

As set out in the Part 1 report.

[The decision on this item may be called in by either the Council Overview Board or the Social Care Services Scrutiny Board]

- **PROVISION OF THE SELECTION AND SUPPLY OF LIBRARY STOCK** (Item 20)

RESOLVED:

That a call off contract for the provision of the selection and supply of library resources be awarded to Askews and Holts Library Services Ltd to commence on 1 April 2017, for a maximum four years, for the total value as set out in the part 2 report. This call off contract would be under the CBC Framework for which West Sussex County Council is Lead Authority.

Reasons for Decisions:

The existing contract will expire on 31 March 2017. Access to an existing framework, in compliance with the requirement of EU Procurement Legislation and Procurement Standing Orders has been completed, and the recommendations provide best value for money for the Council following a thorough evaluation process.

[The decision on this item may be called in by either the Council Overview Board or the Resident Experience Scrutiny Board]

- **PROPERTY TRANSACTIONS - ACQUISITION 1** (Item 21)

RESOLVED:

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

Reasons for Decisions:

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

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

[The decision on this item may be called in by the Council Overview Board]

● **PROPERTY TRANSACTION - ACQUISITION 2 (Item 22)**

RESOLVED:

1. That Surrey County Council provides equity investment and a long-term loan, both as detailed in the submitted report, to its wholly owned property company, Halsey Garton Property Ltd, as outlined in paragraphs 15 to 18 of the submitted report.
2. That Legal Services be authorised to agree appropriate contractual arrangements for the provision of financing on behalf of the Council with funds to be released in accordance with the agreed payment structure and upon the completion of appropriate due-diligence in relation to the forward funding agreement and property acquisition.
3. That Halsey Garton Property Group be authorised to acquire the long leasehold interest in the property detailed in the submitted report and to enter into a forward funding agreement with the developer.

Reasons for Decisions:

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

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

[The decision on this item may be called in by the Council Overview Board]

Member Questions

Question (1) from Mrs Hazel Watson (Dorking Hills):

It has been reported that representatives of the County Council have recently met with representatives of the Mayor of London and Transport for London to discuss cross border train services between Surrey and London, and took the opportunity to raise the issue of cross border bus services and, in particular, the 465 bus service at the meeting.

Can the Leader please set out the background to the discussions with regard to the 465 bus service and, in particular, confirm whether the County Council or Transport for London has raised the issue of a possible reduction in the subsidy provided to the 465 service or whether one or other authority has requested to reduce their share of the subsidy following a retendering process with the result that the service could terminate at Leatherhead (i.e. be withdrawn between Leatherhead and Dorking). Please also provide figures for the amount of subsidy that SCC has paid to TfL each year since 2010 for the 465 bus route.

Furthermore, can the Leader confirm whether he will maintain the 465 service at its current level and also maintain the subsidy both in monetary amount and the percentage share of the total subsidy if an increase in subsidy is required following the retendering of the service, and will he seek to ensure that the Mayor of London and Transport for London will do the same?

Reply:

Discussions with the Mayor of London's Office and Transport for London (TfL) have taken place which considered a range of issues of common interest, including cross border bus services.

These discussion are on-going.

We are committed within our budget to protecting the important bus services in Surrey. The 465 is an important and valued route used by our many residents. Officers have been asked to find a solution, and this review continues.

The financial agreement with TfL encompasses nine cross boundary routes, with a contribution of £250k made by this council to TfL in 2016/17.

**Mr David Hodge CBE
Leader of the Council
28 February 2017**

Question (2) from Mr Will Forster (Woking South):

Will the Council confirm the value of the Highways Contract Management (Lot 5) Contract? I understand that my local Highways team, North West Surrey, has taken the lead on managing and reviewing the Lot 5 Contract. Could the Council confirm how much in time and resources from this local team has been spent on the Lot 5 Contract and highway flooding issues since they have taken the lead on this matter?

Reply:

The Lot 5 contract for drainage maintenance has been running since 2010 and has recently undergone a contract extension and re-tendering process.

In June 2015 responsibility for management of this contract was transferred to the Local Highways Services Group within Surrey Highways, along with responsibility for a number of other county-wide contracts including grass cutting.

There are a number of elements to the Lot 5 contract, and so the overall value of the contract is dependent on what aspects of cyclic maintenance and reactive maintenance are included in the calculation of this. The overall drainage maintenance budget linked to Lot 5 is £3.149m.

It is difficult to estimate the amount of time spent on managing this contract by the NW area team and other staff within Local Highways Services. At the time of taking on management of these county-wide functions, additional Principle Engineer posts were created in the organisational structure to cope with the administrative workload, and these posts have been fully employed to that end. The principle engineer in the NW team is fully dedicated to managing the Lot 5 contract, the Area Highways Manager spends approximately a third of his time on the management of this contract and others are involved on an ad hoc basis assisting with auditing of the contract. Highway flooding issues are dealt with as part of the overall budget. Business as usual activities of the area teams are dealt with as they arise.

Mr John Furey
Cabinet Member for Highways, Transport and Flooding
28 February 2017

Question (3) from Mrs Hazel Watson (Dorking Hills):
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Paragraph 14 (page 24) of the Budget report to Council on 7 February 2017 referred to a financial resilience review by the Chartered Institute of Public Finance & Accountancy, which was carried out in November 2016 at the request of the Director of Finance, supported by the Chief Executive and Leader in recognition of the seriousness of the financial challenges facing the Council. Please could you publish a full copy of the review and the amount which Surrey County Council was charged by CIPFA for carrying out this review?

Reply:

All of local government is facing acute challenges with funding as demand for services, especially social care grow, while funding from central government falls. However, a number of factors have led to Surrey County Council being hit particularly badly with a drastic cut and elimination of Revenue Support Grant from 2016 to 2019, as well as the impact of supporting the largest number of people with leading difficulties in the country.

This administration is determined to continue to provide services to our residents with best value. Therefore, in conjunction with the Director of Finance, I asked the Chartered Institute of Public Finance and Accountancy (CIPFA) to come to Surrey County Council and review our finances. CIPFA are the country's leading experts on local authority finance and this work cost £24,500

During November and December, CIPFA researched the Council's finances;

examined its books; conducted interviews with Cabinet Members and senior managers, and provided a detailed oral report to the Cabinet. As I said in the council report on the budget, they found that our figures were correct and that the challenges we faced were real.

CIPFA will be providing a written report in due course and this will be made available to all Members as is usual.

**Mr David Hodge CBE
Leader of the Council
28 February 2017**

Question (4) from Mr Jonathan Essex (Redhill East):

In relation to the "Developing A Single Waste Approach" plan agreed by the Cabinet in December 2016, we understand that Surrey County Council have technically notified all Surrey boroughs and districts that they are intending to direct all of these 'recycling collection authorities' from around 6 January 2018.

Could you please explain what this means and how it will affect what our districts and boroughs do, and how much money they receive (and/or charges imposed on them by Surrey County Council) for the recycling achieved (including in the form of recycling credits) and any incentives proposed for waste not to be landfilled or burnt. Please can you share the correspondence that relates to this?

Reply:

In January 2017, I wrote to all District and Borough Council Leaders regarding the financial arrangements in 2017/18 for waste management (see Annex 1 for letter template). This letter included notice of the County Council's intention to manage kerbside collected recyclables from 8 January 2018 or as current contracts come to an end, whichever was sooner. I invited Leaders to contact me if they had any concerns about the length of the notice period. Several have done so to date and we are discussing their concerns with them to try and find a solution.

The County Council is the Waste Disposal Authority in Surrey and as such has a statutory duty to arrange for the disposal of all material collected by District and Borough Councils in their role as Surrey's Waste Collection Authorities. These statutory duties remain unchanged. Managing kerbside collected materials centrally will enable Surrey authorities to collectively engage with the market more effectively whilst developing a longer term materials management strategy. This is an important part of creating a single waste approach, which will create efficiencies and other significant cost benefits for the Surrey tax payer that can be shared across all authorities.

In 2016/17, the County Council made a range of payments to District and Borough Councils associated with recycling, totalling around £10m. This system no longer incentivises improvements and has led to a net transfer of cost from the Districts and Boroughs to the county.

The need to make changes to the current financial transfer arrangements has been discussed within the Surrey Waste Partnership and by Surrey Chief Executives since the beginning of 2015. The arrangements for 2017/18 are being changed and further changes will be necessary for 2018/19. We will be meeting with Leaders and Chief Executives of all District and Borough Councils over the coming weeks to start discussions about what these new financial arrangements will look like, with the intention of agreeing a new mechanism by the autumn of this year, which will more effectively incentivise increases in recycling.

**Mike Goodman, Cabinet Member for Environment and Planning
28 February 2017**

Question (5) from Mr Jonathan Essex (Redhill East):

In light of the Sustainability Review Board established at the Budget meeting of 7 Feb 2017, please can you confirm the £93m, for which we understand savings have already been defined, be shared at this Cabinet meeting to enable councillors and residents to understand the implications of the budget as agreed, such that we may take up the Leader's offer of engaging with officers to consider what alternatives there may be to an additional £30m of "cuts" well in advance of the next Cabinet meeting on 28 March 2017 at which we understand the full budget proposals will be brought forward.

Reply:

The Council faces significant financial challenges in 2017/18 and beyond, particularly due to the rising demand and cost of social care. This administration is doing its utmost to raise these issues nationally and keep them in the public and government's focus. However, the council, unlike other parts of the public sector, have to set a balanced and sustained budget, and that is why faced with a fall in the Council's core Revenue Support Grant funding for 2017/18 of nearly £40m, and demand and cost pressures of £120m, the Council approved a budget including savings of £93m at its meeting in February. The proposals for how these savings could be delivered have been shared with the relevant Scrutiny Boards.

As you know, there are still further savings required in 2017/18 to deliver a balanced budget. The Cabinet therefore agreed to set up the Sustainability Review Board to consider this and report back to Cabinet on 28 March with a progress report on the process to identify these further savings. The Board includes both Members and officers and is not a decision-making board but is focussed on reviewing the current financial position and consulting with colleagues across the organisation to put forward options for the Cabinet to consider in setting the budget at the end of March. This includes private sessions with each Scrutiny Board over the next two weeks and I would encourage all Members to actively engage in this process to ensure the views of the Scrutiny Boards are reflected in the work of the Sustainability Review Board.

**Mr David Hodge CBE
Leader of the Council
28 February 2017**

Template letter to district and borough council Leaders

January 2017

Dear [*Council Leader*]

Financial arrangements for waste management in 2017/18

Following extensive discussions at the Surrey Waste Partnership, Surrey Leaders and at SCC's Cabinet, the county council has made a number of amendments to its proposal regarding waste financial arrangements in 2017/18. I am writing to you to confirm our position on this and set out a proposed way forward.

Firstly, and most importantly, SCC reaffirms its strong commitment to delivering a single waste approach in order to reduce the cost base of managing waste, whilst improving services. Whilst we recognise that the starting point of each organisation will mean that levels of savings will vary, the £2.5m per year saving for four district and borough councils from jointly procuring a collection service provides early evidence of the potential of a joint approach.

The cost of waste disposal has increased significantly over the past five years due to the increase in energy from waste prices, the plateauing of recycling rates and demographic changes. To offset this, SCC is making savings from its waste budget in the short term from our disposal contract, changes at Community Recycling Centres and changes to the financial transfers between the county council and district and borough councils in 2017/18.

The need to make changes to the current financial transfer arrangements has been discussed within the Surrey Waste Partnership and by Surrey Chief Executives since the beginning of 2015 as the current system is no longer working to improve recycling and has led to a net cost transfer to the county council. In order to move this work forward, SCC will be writing to each of you to give formal notice of our intention to take on the management of kerbside collected recyclables via an arrangement we have made with our contractor Suez. This removes the statutory requirement to pay recycling credits for material collected for recycling, and will enable us to collectively develop new financial arrangements from 2018/19 onwards that consider the full cost of waste management, share these costs more equitably across all authorities and effectively incentivise performance improvement.

In order to provide a reasonable period of notice, SCC's intention is to take over the management of kerbside collected recyclables from 8 January 2018 or as current contracts come to an end, whichever is sooner. We recognise that there are existing contractual commitments and are happy to discuss any concerns you may have about the length of this notice period.

In light of these upcoming changes, the proposed financial transfers for 2017/18 represent a bridging arrangement prior to more fundamental change in subsequent years.

The proposal considered by Surrey Leaders included changes to four financial mechanisms; food waste, green waste, recycling credits and performance reward. SCC acknowledges the concern about making changes to the statutory recycling credit arrangement prior to agreeing a longer term replacement, therefore the recycling credit value will remain at its current level. The changes to the other discretionary and non-statutory financial mechanisms will be as set out in the proposal and the net financial effect is unchanged.

Payments in 2017/18 from SCC to [*borough name*] will therefore be as follows:

- £16 per tonne of food waste delivered to SCC nominated sites
- £[*price dependent on destination*] per tonne of green waste delivered to an agreed SCC Transfer Station
- £59.46 per tonne of recyclables in the form of a statutory recycling credit. At the point that SCC takes control of reprocessing this material, the payment will equate to the difference between the reprocessing cost and

the recycling credit value.

- A reduction in the total monies transferred in the amount of [*£dependent on current payment for recycling*], which equates to a 10% reduction in the value of a recycling credit.

In addition, SCC will pay £200,000 to reward high recycling performance, which will be shared by authorities who recycle over 54% of their material in 2017/18. We believe delivering a single waste approach will yield significant savings from our collective waste management cost base and SCC is committed to working with district and borough councils on new longer term financial arrangements to underpin this system. We would welcome the opportunity to meet with you in early 2017 alongside colleagues from the Surrey Waste Partnership to discuss how we move towards this new approach and how we develop new financial mechanisms from 2018/19 onwards. I have arranged for my office to contact you in the coming weeks accordingly.

Yours sincerely

Mike Goodman
Cabinet Member for Environment and Planning

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