

Cabinet



Date & time	Place	Contact	Acting Chief Executive
Tuesday, 31 October 2017 at 2.00 pm	Ashcombe Suite, County Hall, Kingston upon Thames, Surrey KT1 2DN	Vicky Hibbert or Angela Guest Room 122, County Hall Tel 020 8541 9229 or 020 8541 9075 vicky.hibbert@surreycc.gov.uk c angela.guest@surreycc.gov.uk	Julie Fisher

We're on Twitter: @SCCdemocracy

Cabinet Members: Mr David Hodge CBE, Mr John Furey, Mrs Helyn Clack, Mr Mel Few, Mr Mike Goodman, Mr Colin Kemp, Mrs Mary Lewis, Mr Tim Oliver, Ms Denise Turner-Stewart and Mrs Clare Curran

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This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Vicky Hibbert or Angela Guest on 020 8541 9229 or 020 8541 9075.

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AGENDA

1 APOLOGIES FOR ABSENCE

2 MINUTES OF PREVIOUS MEETING:

The minutes will be available in the meeting room 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 PROCEDURAL MATTERS

a Members' Questions

- (i) The deadline for Member's questions is 12pm four working days before the meeting (*25 October 2012*).

b Public Questions

The deadline for public questions is seven days before the meeting (**24 October 2017**).

c Petitions

The deadline for petitions was 14 days before the meeting, and no petitions have been received.

d Representations received on reports to be considered in private

To consider any representations received in relation why part of the meeting relating to a report circulated in Part 2 of the agenda should be open to the public.

5 REPORTS FROM SCRUTINY BOARDS, TASK GROUPS, LOCAL COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL

CORPORATE PRIORITIES: 1. WELLBEING

6 SUSTAINABILITY AND TRANSFORMATION PARTNERSHIPS

(Pages 1
- 20)

Surrey County Council is 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 focusses on the implementation of this work and provides a brief update on the progress in the Frimley Health and Care, and Sussex and East Surrey Partnerships.

[The decisions on this item can be called in by the Adults & Health Select Committee]

7 INDEPENDENT TRAVEL TRAINING FOR CHILDREN AND YOUNG PEOPLE WITH SEND

(Pages
21 - 54)

Surrey County Council (SCC) is introducing a new approach to home to school travel assistance for children and young people with special educational needs and disabilities (SEND) designed to better meet the needs of the county's pupils through a broader range of assistance options. In the first of a series of planned service improvements, the Council plans to commission an independent travel training provider to equip children and young people with the skills and confidence to travel independently to school, college or placement, where appropriate.

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 develop a more strategic approach to home to school transport, and independent travel training provides an exciting opportunity to offer invaluable support to children and young people with SEND in preparation for adulthood, whilst delivering savings to the public purse in the longer term.

NB There is a Part 2 annex to this report as item 19.

[The decisions on this item are subject to call in by the Children and Education Select Committee]

8 CHILDREN SCHOOLS AND FAMILIES COMMISSIONING PLAN 2017-22

(Pages
55 - 92)

The Child First Commissioning Intentions have been developed at a time when unprecedented financial pressures are being faced by Surrey County Council, stemming from decreasing funding from central government and increasing demand for Council services. This statement

of commissioning intentions provides 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 our commissioning to achieve value for money and, as part of our overall service, to ensure children get the right help, care and protection at the right time so they are safe and can thrive.

[The decisions on this item can be called in by the Children and Education Select Committee]

CORPORATE PRIORITIES: 2. ECONOMIC PROSPERITY

9 FUNDING OPTIONS FOR FUTURE FLOOD ALLEVIATION WORK IN SURREY (Pages 93 - 118)

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 are struggling to resource the amount of schemes required to protect the 30,000 properties that are at risk of flooding in Surrey. The Met Office is predicting more frequent severe rainfall in coming years and if this is the case, it is likely that more areas beyond those already identified will become at risk of flooding in the future, with potential financial impacts in excess of the £27.1m of damage caused by the floods in 2013/14. Therefore if a funding solution to this issue is not found then future flood events are likely to cause significant social and economic harm to residents in Surrey. This report explores funding options.

[The decisions on this item are subject to call in by the Environment and Infrastructure Select Committee]

10 FARNHAM ROAD RAIL BRIDGE - FUNDING FOR BRIDGE STRENGTHENING (Pages 119 - 124)

Farnham Road Bridge is located in central Guildford carrying the A31 over the main rail line between London Waterloo and Portsmouth. The bridge is owned by Network Rail who have stated that the bridge has B4 liability, which means that they require it to have a load capacity of 24T, however since the bridge is on a principal road network, Surrey CC requires the bridge to have a load bearing capacity of 40T in line with EU regulations.

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.

Increasing the load bearing capacity to 24T equates to approximately 22% of the overall cost of the refurbishment scheme, which means that Surrey CC as the Highway Authority are liable for the additional 78% of the scheme costs to achieve a load bearing capacity of 40T.

Surrey Highways officers and Network Rail have identified a preferred

scheme option which will enable the bridge to remain open to traffic into the future.

[The decisions on this item can be called in by the Environment & Infrastructure Select Committee]

- 11 MONTHLY BUDGET MONITORING REPORT** (Pages 125 - 136)
- Surrey County Council takes a multiyear approach to its budget planning and monitoring, recognising the two are inextricably linked. This report presents the Council's financial position as at 30 September 2017 (month six).

Please note that the Annex to this report will be circulated separately prior to the Cabinet meeting.

[The decision on this item can be called in by the Overview and Budget Scrutiny Committee]

- 12 LEADERSHIP RISK REGISTER** (Pages 137 - 148)
- The Surrey County Council Leadership risk register is presented to Cabinet each quarter and this report presents the Leadership risk register as at 30 September 2017.

[The decisions on this item can be called in by the Overview and Budget Scrutiny Committee]

- 13 APPROVAL TO AWARD A FRAMEWORK AGREEMENT FOR PROFESSIONAL HIGHWAY SERVICES** (Pages 149 - 154)
- Following an open tender exercise, Procurement and Highways Services seek Cabinet approval to appoint Atkins Ltd to a Professional Highway Services Framework Agreement.

The report provides details of the procurement process, including the results of the tender evaluation of the bid received in Lot 1. In conjunction with the confidential Part 2 report, it demonstrates why the recommended contract award delivers best value for money.

The Evaluating Panel is in the process of finalising the assessment of tenders received in Lot 2. Once the evaluation of tenders in Lot 2 is complete the Evaluating Panel will report to the Cabinet with its recommendation at a later date as appropriate.

Due to the commercial sensitivity involved in the contract award process, the breakdown of the commercial offer received has been circulated as a Part 2 report.

N.B. An Annex contained exempt information is contained in Part 2 of the agenda – item 20.

[The decisions on this item may be called in by the Environment & Infrastructure Select Committee]

- 14 PILOT FOR CAMERA ENFORCEMENT OF BUS LANE, HIGH STREET WOKING** (Pages 155 - 162)

The county council is enacting existing powers that would enable it to enforce against moving traffic offences in bus lanes. These powers were designated to Surrey County Council in the Road Traffic Order 2005, however to date these powers have not been enforced. This report proposes that these powers are 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 are delegated to Woking Borough Council to carry out camera enforcement.

An Experimental Traffic Regulation Order (ETRO) has 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 are registered with Woking Borough Council, and takes the form of a bus lane. The intent 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.

The High Street will 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 will prepare and consult on a county-wide policy for the enforcement of moving traffic offences which will be brought back to Cabinet in 2018. Findings from this pilot site and experience elsewhere will be considered as part of policy formation.

[The decisions on this item may be called in by the Environment & Infrastructure Select Committee]

- 15 REVISION OF PROCUREMENT STANDING ORDERS** (Pages 163 - 202)

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.

CORPORATE PRIORITIES: 3. RESIDENT EXPERIENCE

- 16 LOCAL GOVERNMENT OMBUDSMAN REPORT OF AN INVESTIGATION INTO A COMPLAINT** (Pages 203 - 220)

This report concerns 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 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.

- 17 LEADER / DEPUTY LEADER / CABINET MEMBER DECISIONS/ INVESTMENT BOARD TAKEN SINCE THE LAST CABINET MEETING** (Pages 221 - 224)
- To note any delegated decisions taken by the Leader, Deputy Leader, Cabinet Members and Investment Board since the last meeting of the Cabinet.

- 18 EXCLUSION OF THE PUBLIC**
- 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.

PART TWO - IN PRIVATE

- 19 INDEPENDENT TRAVEL TRAINING FOR CHILDREN AND YOUNG PEOPLE WITH SEND** (Pages 225 - 230)

This is the Part 2 annex relating to item 7.

Exempt: Not for publication under Paragraph 3

Information relating to the financial or business affairs of any particular person (including the authority holding that information).

[The decisions on this item may be called in by the Children & Education Select Committee]

- 20 APPROVAL TO AWARD A FRAMEWORK AGREEMENT FOR PROFESSIONAL HIGHWAY SERVICES** (Pages 231 - 234)

This is the Part 2 annex relating to item 13.

Exempt: Not for publication under Paragraph 3

Information relating to the financial or business affairs of any particular person (including the authority holding that information)

[The decisions on this item may be called in by the Environment & Infrastructure Select Committee]

- 21 TOWN CENTRE REGENERATION – OCTOBER 2017 UPDATE** (Pages 235 - 242)
- Exempt: Not for publication under Paragraph 3**

Information relating to the financial or business affairs of any particular person (including the authority holding that information)

[The decisions on this item may be called in by the Overview & Budget Scrutiny Committee]

22 PUBLICITY FOR PART 2 ITEMS

To consider whether the item considered under Part 2 of the agenda should be made available to the Press and public.

Julie Fisher
Interim Chief Executive
Monday, 23 October 2017

QUESTIONS, PETITIONS AND PROCEDURAL MATTERS

The Cabinet will consider questions submitted by Members of the Council, members of the public who are electors of the Surrey County Council area and petitions containing 100 or more signatures relating to a matter within its terms of reference, in line with the procedures set out in Surrey County Council's Constitution.

Please note:

1. Members of the public can submit one written question to the meeting. Questions should relate to general policy and not to detail. Questions are asked and answered in public and so cannot relate to "confidential" or "exempt" matters (for example, personal or financial details of an individual – for further advice please contact the committee manager listed on the front page of this agenda).
2. The number of public questions which can be asked at a meeting may not exceed six. Questions which are received after the first six will be held over to the following meeting or dealt with in writing at the Chairman's discretion.
3. Questions will be taken in the order in which they are received.
4. Questions will be asked and answered without discussion. The Chairman or Cabinet Members may decline to answer a question, provide a written reply or nominate another Member to answer the question.
5. Following the initial reply, one supplementary question may be asked by the questioner. The Chairman or Cabinet Members may decline to answer a supplementary question.

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It is requested that if you are not using your mobile device for any of the activities outlined above, it be switched off or placed in silent mode during the meeting to prevent interruptions and interference with PA and Induction Loop systems.

Thank you for your co-operation

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SURREY COUNTY COUNCIL**CABINET****DATE: 31 OCTOBER 2017****REPORT OF: MRS HELYN CLACK, CABINET MEMBER FOR HEALTH
MR MEL FEW, CABINET MEMBER FOR ADULTS
MRS CLARE CURRAN, CABINET MEMBER FOR CHILDREN****LEAD OFFICER: JUSTIN NEWMAN, DEVOLUTION PROGRAMME DIRECTOR****SUBJECT: SUSTAINABILITY AND TRANSFORMATION PARTNERSHIPS****SUMMARY OF ISSUE:**

Surrey County Council is 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 focusses on the implementation of this work and provides a brief update on the progress in the Frimley Health and Care, and Sussex and East Surrey Partnerships.

RECOMMENDATIONS:

It is recommended that the Cabinet:

1. Notes the progress that has been 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; and
2. Endorses the approach being taken with Surrey Heartlands partners towards establishing a devolved health and care system.

REASON FOR RECOMMENDATIONS:

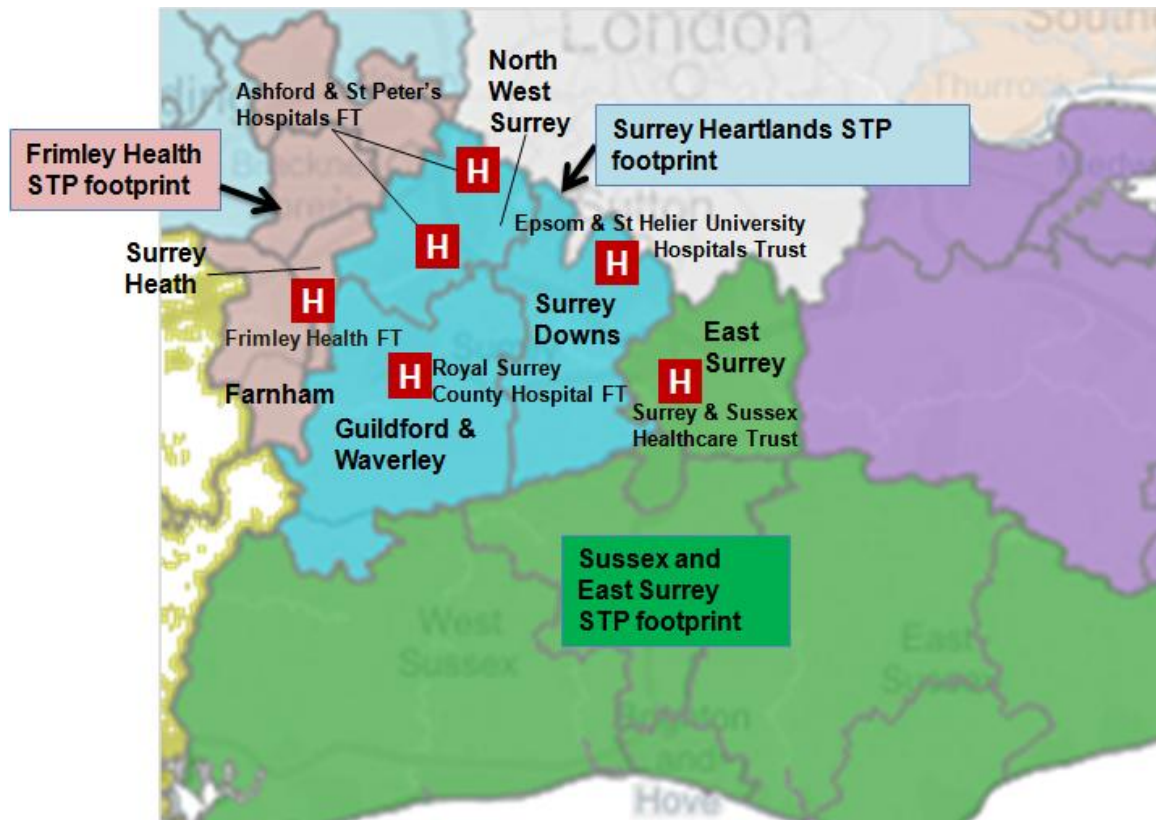
Sustainability and Transformation Partnerships will play a pivotal role in shaping the future health and care priorities and landscape.

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.

DETAILS:**Background**

1. NHS Sustainability and Transformation Plans are place-based, five-year strategic plans for local health and care systems covering the period October 2016 to March 2021 and represent a significant shift in NHS planning towards a place-based approach (as opposed to solely asking individual NHS organisations to produce their own plans).
2. The geographic 'footprint' for these Plans were determined based upon natural communities, existing working relationships and patient flows – there are three STPs covering Surrey: Surrey Heartlands; Frimley Health & Care; and Sussex and East Surrey.



3. The development of the Surrey Heartlands Health and Care Devolution agreement (the 'Trilateral Agreement') emerged from discussions with national partners (primarily NHS England and NHS Improvement) in relation to the Surrey Heartlands Sustainability and Transformation Plan.
4. The devolution and delegation of additional responsibilities and freedoms to the local area is seen as crucial to enabling the delivery of the aims of the Surrey Heartlands STP and wider plans to transform and integrate the health and care system to secure the best outcomes for local residents.

Securing and implementing a health and care devolution agreement for Surrey Heartlands

5. The report presented to the Cabinet on 28 March 2017 set out:
 - a. the key areas where a devolution agreement would add value:
 - introducing local democratic accountability and ownership;
 - enabling the (re)introduction of a population based approach to commissioning across the board to meet local needs;

- developing a system with aligned incentives to achieving public value and the best possible outcomes for the people of Surrey Heartlands;
 - providing freedoms and flexibilities to unlock and maximise the potential of the Surrey Heartlands system;
 - harnessing the collective strengths and expertise of partners across Surrey Heartlands; and
 - acting as a catalyst for accelerating the integration of health and social care services, with greater alignment of commissioning of health, social care and public health.
- b. the principles upon which the integrated commissioning governance arrangement would be developed:
- creating a single point of leadership across health, social care and public health through the creation of a joint committee with representatives from the County Council and three Clinical Commissioning Groups (CCG);
 - establishing a new executive leadership group responsible for the commissioning of health, social care and public health, chaired by the County Council's Chief executive;
 - placing clinical and professional leadership at the heart of the new governance arrangements;
 - establishing a principle of subsidiarity to ensure that responsibility for decision making sits at the lowest appropriate level; and
 - setting the ambition for Surrey Heartlands to be assured, regulated and performance managed as a place (rather than a set of individual organisations).

Progress since March 2017

6. Since March, significant progress has been made. The Memorandum of Understanding (the 'Trilateral Agreement' – <http://www.surreyheartlands.uk/devolution/>) between local partners, NHS England and NHS Improvement was finalised and signed on 15 June 2017. Simon Stevens, the Chief Executive of NHS England announced the agreement as part of his speech to the NHS Confederation.
7. This Agreement confirmed the commitment of partners to work towards the 'progressive implementation' of a devolved health and care system for Surrey Heartlands. It also set out a shared vision and objectives for the work, the proposed governance arrangements, the scope of functions being explored as part of the devolution / delegation of responsibilities to Surrey Heartlands.
8. In addition, Surrey Heartlands has also been invited to become one of 10 areas involved in the Accountable Care Systems development programme – this programme will enable the Surrey Heartlands to work with and learn from other leading areas, and help shape national policy around the integration of health and social care.
9. Implementation of the Trilateral Agreement has begun under three main areas: governance; scope of devolution/delegation; and transformation funding. An update on each area is provided below.

Governance

10. The Trilateral Agreement described two new governance groups that needed to be established to provide joined-up local leadership of integrated commissioning across health and social care – a Joint Committee and an Executive Leadership Group.

11. The Joint Committee will be the primary decision-making forum for integrated health and social care commissioning for Surrey Heartlands – the Terms of Reference for the Committee (annex one) sets out the role of the Committee and the membership which is made up of representatives of the County Council and the three Surrey Heartlands CCGs. NHS England are also represented on the Committee through the Surrey Heartlands CCGs Joint Accountable Officer who holds a dual role with NHS England. The Joint Committee met informally for the first time on 4 October 2017.
12. The Executive Leadership Group works under the direction of the Joint Committee and is chaired by the County Council's Chief Executive. The Terms of Reference (annex two) sets out the membership of the group which includes the County Council's Strategic Directors of Adult Social Care and Public Health, and Children, Schools and Families. The Executive Leadership Group met for the first time on 6 September 2017.
13. The Executive Leadership Group membership also includes a number of key 'health' roles – these include:
 - The Senior Responsible Officer for the Surrey Heartlands Partnership
 - The Surrey Heartlands CCGs Joint Accountable Officer
 - A new Surrey Heartlands Executive Clinical Director role
 - A new joint Surrey Heartlands NHS England / NHS improvement Director of Delivery, Assurance and Oversight role
14. During 2017/18 (the devolution 'shadow year') decisions made at the Joint Committee (and / or Executive Leadership Group) will be made by individuals under the delegated authority given to them by their organisations. During the shadow year partners will develop a legal agreement (under section 75 of the NHS Act 2006) which will enable the Committee to pool funds and make collective decisions in relation to the commissioning of health and social care services.

Scope of devolution / delegation

15. The Trilateral Agreement sets a principle that 'no decision should be made about Surrey Heartlands without Surrey Heartlands' – this underpins the ambition to establish a population based health and care budget devolved to Surrey Heartlands.
16. The main focus of work done so far to identify the scope of services to be devolved / delegated to Surrey Heartlands has been in relation to NHS England functions currently commissioned on a regional or national basis. Workshops have been held and discussions are ongoing between local and national leads to determine how Surrey Heartlands can have a stronger role in making commissioning decisions for its population.
17. The areas being discussed are:
 - Primary medical services (GP services)
 - Ophthalmic services
 - Dental services
 - Pharmaceutical services
 - Specialised services
 - Public health services

- Health and justice
 - Armed forces health services
18. For each of these areas partners will need to agree the role that Surrey Heartlands can take in commissioning decisions, what the associated population based budget will be for Surrey Heartlands and the resources required to enable local decision-making – depending on the function the role of Surrey Heartlands may take several different forms during 2018/19:
- initially having a stronger role in existing NHS England decision-making architecture to ensure involvement of Surrey Heartlands in decisions that impact on its population;
 - internal delegation of responsibility and budgets to the Surrey Heartlands CCGs Joint Accountable Officer to enable a local decision to be made; or
 - inclusion within the section 75 legal agreement for collective local decision making.
19. A report will be presented to the NHS England Commissioning Committee (currently planned for December 2017) setting out the case for change and seeking approval for any changes.
20. Discussions are also taking place with other national and regional partners to identify other areas for inclusion in the Surrey Heartlands 'devolved' health and care system to give a stronger role locally in decision-making.

NHS Transformation funding

21. An important benefit as a direct result of the devolution agreement for Surrey Heartlands is securing a 'fair share' of NHS England transformation funding – this provides greater certainty in relation to the NHS transformation funds available to Surrey Heartlands and means that multiple and time consuming national bidding processes can be avoided.
22. The NHS transformation funding earmarked for Surrey Heartlands totals £80m over four years with £15m allocated to 2017/18. Conditions attached to the release of the funding include the requirement for Surrey Heartlands to meet a number of national NHS commitments including investing GP services (to implement the 'GP forward view'), cancer services and a number of other areas, and to develop and agree an investment framework with NHS England setting out a clear and robust process for allocating the funds locally.
23. In addition to the national commitments (which total c. £6m in 2017/18), the investment framework requires that funding is prioritised and aligned to the delivery of the agreed NHS Sustainability and Transformation Plan and a local process has been initiated to agree the allocation of c. £9m with leads producing outline business cases. The Surrey Heartlands Joint Committee will oversee the implementation of the investment framework and allocation of transformation funding.

Frimley Health and Care Sustainability and Transformation Partnership

24. Frimley Health and Care STP secured a place on the national Accountable Care System development programme and received the top rating 'outstanding' in the first national assurance process by NHS England. The STP has a clear delivery plan and has set priorities that include prevention, emergency care, general practice, mental health and cancer services.

25. The STP has an agreed governance framework and signed a Memorandum of Understanding between NHS England and the local partners including the County Council. A Frimley Health and Wellbeing Alliance Board has been established with membership drawn from all five local Health and Wellbeing Boards from the system to agree how best to develop local engagement and communication around agreed system priorities.

Sussex and East Surrey Sustainability and Transformation Partnership

26. Within the Sussex and East Surrey STP East Surrey GPs, community NHS services, and local authorities are working together to deliver new models of care under four priorities: Urgent and primary care; Long-term conditions; Complex needs; and Prevention. Key to delivery of this will be the support of enabler workstreams, including workforce, communication and engagement, digital, estates and data & outcomes.
27. Whilst good progress has been made in some of the local systems such as East Surrey, the STP received an overall rating of 'needs most improvement' in the NHS England national assurance process.
28. Bob Alexander, Deputy Chief Executive of NHS Improvement has been asked to take on the role of Executive Chair for the STP as it moves from a planning phase to delivery.

CONSULTATION:

29. A wide range of partners have been involved in the development of the STPs including the organisations that commission and provide NHS services across Surrey and each STP either has, or is developing, its own communications and engagement plan.
30. Surrey Heartlands has placed significant focus on citizen engagement which a number of mechanisms in place to communicate with residents and enable residents to help shape the approach being taken – this includes:
- Undertaking specific research work to collect the views of residents re. health and social care services;
 - Regular stakeholder engagement forums to share and discuss plans and ideas; and
 - Regular communication and updates through a dedicated website and monthly newsletter.
31. In addition:
- The Surrey Health and Wellbeing Board received updates from the three Surrey STPs at its meetings on 26 May 2016, 8 December 2016 and 7 September 2017 where they discussed the emerging themes, issues and next steps.
 - A Surrey Heartlands scrutiny task group has been established by the County Council's Adults and Health Select Committee.

RISK MANAGEMENT AND IMPLICATIONS:

32. The overall risk management arrangements for the STPs are led by health partners.
33. The STP process provides a vehicle for strengthening partnership governance arrangements, closer alignment of strategies and plans with partners, and supporting the delivery of existing plans (such as the integration of health and social care) – these are identified as key mitigating actions (processes / controls) within the Council's Leadership Risk Register against the risks associated with the achievement of the Medium Term Financial Plan 2017-2022 and the implementation of new models of delivery.

34. In addition to the opportunities that taking on additional devolved/delegated commissioning responsibilities brings to the health and social care system, there will also be associated risks. These could include risks relating to the local system's ability to effectively commission any given service, capacity and resources within the local system to take on new responsibilities and potential financial and reputational risks. The County Council and its partners will need to assess and ensure effective controls are in place to manage and mitigate any identified risks.
35. An early focus in terms of risk management will be the risks associated with transition during the shift of responsibilities from national partners to local partners (such as how to ensure continuity of any given service during the transition). These risks will be mitigated through the creation of detailed delivery plans, dialogue between local and national partners and robust governance arrangements to ensure a smooth transition.

Financial and Value for Money Implications

36. Whilst there are no direct financial implications for SCC as a result of this report, the design and implementation of the STPs across Surrey will play a crucial role in developing a sustainable health and care system.
37. The Council's plans with partners relating to health and social care integration and an increasing focus on prevention and self-care are included within the STPs and are important elements of the Council's Medium Term Financial Plan. A key aspect of this is managing demand pressures across Surrey's health and social care system, which is vital to achieve financial sustainability in the long term.
38. It is important to recognise that in addition to the opportunities that the health devolution agreement provides to the local health and care system, taking on additional devolved / delegated responsibilities may also present financial risks in the case of commissioning responsibilities – the County Council and its partners will need to assess and ensure effective controls are in place to manage and mitigate any identified financial risks.
39. In securing the devolution agreement, Surrey Heartlands has had significant NHS transformation funding devolved to it (paragraphs 21-23 above provide further detail).

Section 151 Officer Commentary

40. The Section 151 Officer supports the overall health and social care integration agenda as it will enable better use of resources across the whole system to create improved and more efficient services for residents.
41. The County Council is facing a very serious financial situation, whereby it is having to identify unprecedented levels of savings to manage mounting pressures, particularly in relation to social care, and reduced government funding in order to achieve a sustainable budget. A significant proportion of the savings for future years are currently still to be identified.
42. The efficacy of specific integration proposals will be judged based on whether there are robust business cases that demonstrate that the proposals represent best value for the whole system. Where integration proposals include County Council budgets / resources an assessment will be made of the potential financial risks to the Council and assurance sought that appropriate controls are in place to mitigate these risks. This is particularly important in light of the Council's very serious financial situation to ensure that the Council's financial position is safeguarded in the process of integration.

Legal Implications – Monitoring Officer

43. The legislative framework that enables the devolution of health (and other) services from central government or a national body to local areas (either to local authorities, combined authorities or to CCGs) is set out in the National Health Service Act 2006 and the Cities and Local Government Devolution Act 2016. The Council also has duties to promote and encourage the integration of health and social care services.
44. The proposed governance arrangements for Surrey Heartlands are set out in paragraphs 10-14 above. Until such time as a partnership agreement under section 75 of the National Health Service Act 2006 has been put in place, anticipated to be for 1 April 2018, the joint committee will sit informally.
45. During the 2017/18 (the shadow year), Members attending the informal joint committee on behalf of the Council will do so with their existing authority under the Council's scheme of delegation. Members will need to ensure that any decisions they wish to make are taken in compliance with the Council's usual requirements for member decisions, including prior publication of papers. During the shadow year, matters in excess of £1m in value will need to be referred to Cabinet for final approval.
46. Legal Services will continue to advise on the partnership agreement and processes necessary to support the devolution plans.

Equalities and Diversity

47. Equality analysis and Equality Impact Assessments (EIAs) will form an important part of any planning for changes to services across health and social care to assess the impact upon residents, people who use services, carers and staff with protected characteristics. Where they represent a service, or policy change, individual schemes and programmes that are part of the STPs will have equality analysis / EIAs completed and included as part of the plans.

Safeguarding responsibilities for vulnerable children and adults implications

48. The further integration of health and social care services will support the safeguarding of vulnerable Surrey residents. More joined up service delivery by organisations will aid the identification and support of people vulnerable to abuse and enhance consistency of approach and training to safeguarding issues.

Public Health implications

49. Integration across health and social care will support and promote the health of the Surrey population, more closely aligning outcomes and resources.

WHAT HAPPENS NEXT:

The next steps include:

- Working with NHS England to agree the functions to be delegated / devolved to Surrey Heartlands from April 2018;
- Continuing to work with national / regional partners to identify other relevant areas for inclusion within the 'devolved' health and care system; and
- Developing a 'section 75' legal agreement to enable collective decision making by the Joint Committee.

Contact Officer:

Justin Newman, Devolution Programme Director, justin.newman@surreycc.gov.uk

Consulted:

Representatives from:
Adult Social Care and Public Health
Children, Schools and Families
Legal services
Finance
Surrey Heartlands STP

Annexes:

Annex one – Joint Committee Terms of Reference
Annex two – Executive Leadership Group Terms of reference

Sources/background papers:

Cabinet report – 28 March 2017: Surrey Heartlands Sustainability and Transformation Plan
Cabinet report – 18 October 2016: Sustainability and Transformation Plans
Cabinet report – 21 June 2016: Sustainability and Transformation Plans
Cabinet report – 22 March 2016: Health and social care integration
Cabinet report – 24 November 2015: Progressing the integration of health and social care in surrey
Cabinet report – 16 December 2014: Health and social care integration

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SURREY HEARTLANDS JOINT COMMITTEE – INTEGRATED COMMISSIONING TERMS OF REFERENCE

1. Context

On the 15 June 2017, a Trilateral Agreement was signed between local and national partners¹ setting out the commitment to develop a devolved approach to delivering health and social care across Surrey Heartlands.

The Trilateral Agreement set out the initial governance structure that would be established to oversee the implementation of the devolution arrangements including the establishment of a new Joint Committee (JC) and Executive Leadership Group (ELG).

The annexed Scheme of Delegation sets out the scope of services functions and decision making responsibilities / authority of the Joint Committee – in line with the Trilateral Agreement and the commitment to the ‘progressive implementation of Devolution in Surrey Heartlands’, there will be a phased approach to developing the Joint Committee through 2017/18 (the ‘shadow year’) on route to being fully established from 1 April 2018 through an agreement made under section 75 of National Health Services Act 2006. During the ‘shadow year’, decisions made at the Joint Committee meetings will be made by individuals (or groups of individuals) with delegated authority from the relevant organisation to make those decisions.

2. Purpose and Objectives

The JC exercises strategic oversight for health and social care commissioning across Surrey Heartlands including any responsibilities delegated to it from local and national partners. The JC will be outcomes led, taking into account best clinical practice and the views of the citizens of Surrey Heartlands.

The JC is:

- Responsible for developing proposals in 2017/18 for a joint Surrey Heartlands Commissioning Strategy for health and social care.
- Responsible for overseeing the development of the Surrey Heartlands devolution / integrated commissioning governance arrangements and negotiations with national bodies in relation to the scope and scale of services to be delegated / devolved to Surrey Heartlands.
- A forum for bringing together representatives from the County Council, the three Clinical Commissioning Groups within Surrey Heartlands and NHS England to develop and discuss proposals and make aligned decisions relating to the commissioning of health and social care services on Surrey Heartlands footprint.
- Responsible for the delivery of the Surrey Heartlands Commissioning Strategy via its commissioning decisions.

The JC will operate in line with the principles, vision and objectives set out for Surrey Heartlands in the Surrey Heartlands Devolution Trilateral Agreement (the “Surrey Heartlands Vision”).

Commissioning decisions for Surrey Heartlands will be taken at the JC – during the shadow year these decisions will be taken by individuals (or groups of individuals) acting under delegated authority from the organisations they represent. In developing the scheme of

¹ Local partners: Surrey County Council, Guildford & Waverley CCG, North West Surrey CCG, Surrey Downs CCG
National partners: NHS England, NHS Improvement

delegation (and proposal for any functions to be delegated to Surrey Heartlands by national partners) to the JC throughout the shadow year, the JC will pay due regard to the principle of subsidiarity set out in the Trilateral Agreement to ensure that decision making authority is delegated to the most appropriate level.

3. Responsibilities

Subject always to the Surrey Heartlands Vision, the key responsibilities of the JC are:

- To develop a proposal for a Surrey Heartlands Commissioning Strategy and associated financial plan(s), including an agreed and shared set of health and social care outcomes for the Surrey Heartlands population.
- To develop and agree the mechanism and protocol to determine what should be commissioned at a Surrey Heartlands level (and within the scope of the JC), subject to agreement by the relevant partners.
- To develop and agree the process by which the JC will accept commissioning responsibility for delegated functions.
- To undertake a quality, performance, risk management and oversight role for commissioned health and social care services in Surrey Heartlands.
- To exercise strategic oversight of the commissioning of health and social care services for the people of Surrey Heartlands
- To develop proposals for policies and / or agree the principles for the procurement of and/or the award of contracts to deliver health and social care services in Surrey Heartlands
- To agree the overall principles for the allocation of resources across Surrey Heartlands
- To review and pay due regard to the outcome of any consultations (which cross CCG boundaries) in relation to proposed significant services changes.
- To ensure an assessment of health and social care need across Surrey Heartlands, using the Surrey Joint Strategic Needs Assessment as the primary source, informs and underpins planning and decision making at the JC.
- To agree the form and function of the Executive Leadership Group for Surrey Heartlands (the ELG) and to monitor its performance.
- To define (and rationalise where required) the supporting governance arrangements to the JC.

As set out in the Surrey Heartlands Investment Framework, the Joint Committee has been delegated responsibilities to enable the application and approval of transformation funds across Surrey Heartlands. Responsibilities under the Investment Framework include²;

- Providing input to the STP Core Group who will approve Level 1 investments,
- Providing agreement to the Transformation Board who will approve Level 2 investments, and
- Formally deciding on the approval of Level 3 investments (during 2017/18 the formal decision will be made by the Joint Accountable Officer at the Joint Committee meeting).

² Levels 1, 2 and 3 are defined within the Surrey Heartlands Investment Framework.

4. Membership

The membership will comprise the agreed membership structure as described in the Trilateral Agreement, defined as follows:

Three Elected Member representatives from Surrey County Council.

Three representatives from each of the three Surrey Heartlands Clinical Commissioning Groups.

Ex-officio membership:

Chief Executive, Surrey County Council

Joint Accountable Officer and NHS England Director of Commissioning³

Other members / attendees

Committee members may nominate a suitable deputy when necessary and subject to the approval of the Chair of the Joint Committee. All deputies should be fully briefed and the secretariat informed of any agreement to deputise so that quoracy can be maintained.

No person attending the meeting in one role can additionally act on behalf of another person as their deputy, meaning that each deputy needs to be an additional person from outside the Joint Committee membership.

People from a range of areas will be invited to attend based on the needs of the agenda. This will be particularly pertinent when making connections to specific elements of the Surrey Heartlands Sustainability and Transformation Partnership.

[Insert name] will act as secretariat to the Committee to ensure the day to day work of the Joint Committee is proceeding satisfactorily.

5. Chair

The Chair, and chairing arrangements, will be agreed by the JC at its first formal meeting.

6. Quorum

The quoracy of the JC meeting is:

- At least two representatives from each of the partner organisations (Surrey County Council and the three Surrey Heartlands CCGs)
- Within the above:
 - o At least 1 CCG Clinical Chair
 - o At least 1 CCG lay governing body member
- One representative of NHS England

If any representative has a conflict of interest relating to a particular item of business such person will not count towards the quorum for that item of business (conflicted individuals may be asked to leave, and not be sent papers for the conflicted item, at the discretion of the Chair). If this renders a meeting or part of a meeting inquorate, a non conflicted person with relevant knowledge and experience may be temporarily appointed or co-opted on to the JC

³ The Joint Accountable Officer and NHS England Director of Commissioning is a dual role and will be acting in both capacities at the meeting. As such, the Joint Accountable Officer and NHS England Director of Commissioning will ensure that the capacity in which they continue to participate in the discussions is made clear and correctly recorded in the meeting minutes.

to fulfil the quorum requirements. The designation of the conflicted person or persons should be fulfilled by the temporary appointment.

If a meeting is not quorate, the Chair may adjourn the meeting to permit the appointment or co-option of additional members if necessary. If the conflicted person is a Chair or lay member of a CCG, the person temporarily appointed or co-opted must be from the same CCG as the conflicted person. Where the JC cannot collectively agree the suitability of any person who is temporarily appointed or co-opted onto the Joint Committee, the Chair will have the final decision as to their suitability.

7. Decision-making

During the 'shadow year', decisions made at the Joint Committee meetings will be made by individuals (or groups of individuals) with delegated authority from the relevant organisation to make those decisions. JC will be able to discuss, support and help to ensure alignment of decisions but the authority for making decisions will remain with individuals.

Where decisions require collective approval (for example in agreeing how the Surrey Heartlands devolution / integrated commissioning governance arrangements may need to change) proposals (to be formally agreed by those organisations represented in the JC membership) will be agreed by consensus – the intent of all partners is to achieve a dynamic way of reaching agreement between all members of the JC. All partners are committed to finding solutions that everyone actively supports.

8. Support

The JC will be supported by specialist advisory groups, primarily the ELG, and decisions will be taken with consideration to the recommendations from them.

In addition those organisations represented in the JC membership will be able to request items be added to the agenda / forward plan for discussion / consideration by the JC either at the meeting or by agreement in advance with the Chair.

Clerical, administrative and management support will be provided via [TBD].

9. Meetings

The JC will meet formally on a bi-monthly basis until the end of March 2018. From April 2018 the JC will meet formally on a quarterly basis.

The JC will meet in public and agendas and papers will be published at least seven working days in advance of the meeting except where confidential or sensitive information is likely to be disclosed. This may include:

- information given to any of the partners in confidence,
- information about an individual that it would be a breach of the Data Protection Act to disclose, or
- information the disclosure of which could prejudice the commercial interests of any of the partners or third parties.

In addition to the above formal meetings, the JC will meet informally for development sessions / seminars (jointly with the ELG when appropriate).

Meetings may be held by conference call or by electronic means, so long as these present (and members of the public) can hear each other and contribute simultaneously to the meeting.

10. Accountability

The JC is accountable to its constituent organisations (those represented in the JC membership).

Members of the JC will agree reporting arrangements back their constituent organisations (i.e. frequency and format of reporting).

11. Review of Terms of Reference

These terms of reference will be formally reviewed by the JC by mutual agreement of the membership of the JC at least annually. Any proposed significant changes to the ToR and responsibilities of the JC will be presented to the constituent member organisations (those represented in the JC membership) for approval.

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SURREY HEARTLANDS EXECUTIVE LEADERSHIP GROUP – INTEGRATED COMMISSIONING TERMS OF REFERENCE

1. Context

On the 15 June 2017, a Trilateral Agreement was signed between local and national partners¹ setting out the commitment to develop a devolved approach to delivering health and social care across Surrey Heartlands.

The Trilateral Agreement set out the initial governance structure that would be established to oversee the implementation of the devolution arrangements including the establishment of a new Joint Committee (JC) and Executive Leadership Group (ELG).

2. Purpose and Objectives

In accordance with the strategy and policies determined by the JC, the ELG will deliver various projects and plans in ensuring delivery of the Surrey Heartlands Commissioning Strategy. The ELG's executive capacity will also support the function of its role to challenge, review and scrutinise proposals before they are presented to the JC for approval.

The ELG will operate in line with the principles, vision and objectives set out in the Surrey Heartlands Devolution Trilateral Agreement.

3. Responsibilities

The key responsibilities of the ELG are:

- To operate within the Commissioning Strategy agreed by the JC - making decisions and developing proposals within the context of the agreed Surrey Heartlands Commissioning Strategy / Plan and associated workstreams.
- To produce specific products in line with the requirements / direction of the JC.
- To be a forum that brings together system leaders with commissioning responsibilities providing opportunities to ensure the principles and vision described in the Trilateral Agreement are adhered to, providing a forum for the collective production of proposals and options.
- To coordinate oversight and support for health and social care providers.
- To review and refine the ELG work plan on an ongoing basis, recognising the dynamic nature of the process and the connectivity to the wider health and social care system and Sustainability and Transformation Partnership programme.
- To ensure that the JC is furnished with papers and associated materials in a manner which allows it to conduct its business in a timely and effective manner.
- To provide regular guidance in the execution of the strategic work of the JC.²

¹ Local partners: Surrey County Council, Guildford & Waverley CCG, North West Surrey CCG, Surrey Downs CCG
National partners: NHS England, NHS Improvement

- To act as a conduit and filter between the JC and other related bodies.
- To take forward recommendations to the full JC, in particular with regard to specific initiatives and commissioning decisions which will be required.

As set out in the Surrey Heartlands Investment Framework, the Executive Leadership Group has been delegated responsibilities to enable the application and approval of transformation funds across Surrey Heartlands. Responsibilities under the Investment Framework include³:

- Providing input to the STP Core Group who will approve Level 1 investments,
- Providing input to the Transformation Board who will approve Level 2 investments, and
- Providing agreement to the Joint Committee who will formally approve Level 3 investments.

4. Membership

The membership will comprise the agreed membership structure as described in the Trilateral Agreement, defined as follows:

Chief Executive, Surrey County Council (chair)

Joint Accountable Officer and NHS England Director of Commissioning⁴

Senior Responsible Officer, Surrey Heartlands STP

Director of Delivery, Assurance and Oversight, Surrey Heartlands (NHS England/NHS Improvement)

Executive Clinical Director, Surrey Heartlands STP

Deputy Chief Executive and Strategic Director Children, Schools and Families, Surrey County Council

Strategic Director Adult Social Care and Public Health, Surrey County Council

² Should the system fail to achieve operational or financial requirements, the Executive Leadership Group will propose an action plan to address the system failure to the Joint Committee. The new NHS England/NHS Improvement Director of Delivery, Assurance and Oversight will assess the adequacy and proportionality of that plan, providing assurance to NHS England and/or NHS Improvement as appropriate. Where assurance cannot be provided, the NHS England/NHS Improvement Director of Delivery, Assurance and Oversight will propose further recommended actions to the national team. In the event that the system fails to adopt the recommended actions, NHS England and/or NHS Improvement would consider whether direct national/regional intervention should be executed.

³ Levels 1, 2 and 3 are defined within the Surrey Heartlands Investment Framework.

⁴ The Joint Accountable Officer and NHS England Director of Commissioning is a dual role and will be acting in both capacities at the meeting. As such, the Joint Accountable Officer and NHS England Director of Commissioning will ensure that the capacity in which they continue to participate in the discussions is made clear and correctly recorded in the meeting minutes.

Other members

Members from a range of areas will be invited to attend based on the needs of the agenda. This will be particularly pertinent when making connections to specific elements of the Surrey Heartlands Sustainability and Transformation Partnership.

5. Chair

The ELG will be chaired by the Chief Executive, Surrey County Council.

6. Quorum

Given the nature of the group, there is no formal quoracy requirement, although the nature of its work and particularly, the commitment to co-production makes it important for all sectors to be regularly and consistently represented.

For ELG agenda items where proposals / recommendations are being developed to be presented to the JC for consideration / approval, there should be at least two Surrey County Council representatives and two NHS representatives⁵ present for the discussion.

Nominated deputies will be permitted to attend, by agreement with the Chair.

7. Decision-making

Decisions will be made by consensus – the intent of all partners is to achieve a dynamic way of reaching agreement between all members of the ELG. All partners are committed to finding solutions that everyone actively supports.

8. Support

Clerical, administrative and management support will be provided via [TBD].

9. Meeting Frequency

The ELG will meet (initially) on a fortnightly basis.
The frequency of the meetings will be kept under review.

10. Accountability

The ELG will report to the JC, where it will be expected to provide regular updates as well as the specific outputs referred to above.

11. Review of Terms of Reference

These terms of reference will be formally reviewed by the ELG by mutual agreement of its members at least annually. Reviews will be undertaken to reflect any significant changes in

⁵ The NHS representatives include the Joint Accountable Officer and NHS England Director of Commissioning, Senior Responsible Officer, Surrey Heartlands STP, Director of Delivery, Assurance and Oversight, Surrey Heartlands (NHS England/NHS Improvement), and the Executive Clinical Director, Surrey Heartlands STP.

circumstances as they arise. These Terms of Reference, together with any amendments, will be signed off by the constituent organisations (shown in section 4 above), NHS England and NHS Improvement.

SURREY COUNTY COUNCIL**CABINET****DATE: 31 OCTOBER 2017****REPORT OF: MRS MARY LEWIS, CABINET MEMBER FOR EDUCATION****MR MIKE GOODMAN, CABINET MEMBER FOR ENVIRONMENT AND TRANSPORT****LEAD OFFICER: LIZ MILLS, ASSISTANT DIRECTOR SCHOOLS AND LEARNING****SUBJECT: INDEPENDENT TRAVEL TRAINING FOR CHILDREN AND YOUNG PEOPLE WITH SPECIAL EDUCATIONAL NEEDS AND DISABILITIES****SUMMARY OF ISSUE:**

Surrey County Council (SCC) is 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 will 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.

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.

RECOMMENDATION:

It is recommended that:

1. 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 RECOMMENDATION:

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.

<u>DETAILS:</u>

Business Case

The case for change

1. The Council has a duty to provide home to school travel assistance to children and young people with SEND who meet certain eligibility criteria. There are nearly 3000 SEND children and young people who are currently assisted on their journey from home to school or college. The majority of these, approximately 2,800, are transported by taxi or minibus, at an average cost of £10,000 per pupil each year.
2. The Council's 2017/18 budget for SEND transport is £25.5m, however an overspend of £1.2m is expected in the current financial year, due to the increasing number of children and young people becoming eligible for travel assistance, repeating the pattern seen in recent years. In order to maintain a sustainable service, the Council needs to achieve £7m savings from the overall SEND transport budget by 2021, included within the Council's Medium Term Financial Plan. The introduction of travel training will contribute to achievement of these savings by reducing the number of children and young people requiring taxi or minibus transport.
3. Managing this complex priority requires a more strategic approach to how the Council commissions, plans and delivers travel assistance. For this reason, the Council plans to introduce a comprehensive package of initiatives over the next 12 months aimed at enhancing the quality of the service, improving the experience of children, young people and families receiving travel assistance, and developing a more efficient and sustainable model of provision for the future. This will be supported by a broader range of flexible assistance options better adapted to meet the diverse needs of the county's pupils.
4. It is the local authority's intention to work together with parents, carers, schools and colleges to transform the culture around SEND transport, with an emphasis on supporting and enabling independence where this is appropriate and in the best interests of children and young people. Independent travel training is the first important step in this direction, and puts the support in place to enable children and young people to thrive and develop essential life skills.
5. Independent travel training is already included in the Council's existing Pre-16 and Post-16 SEND travel assistance policies, however there is currently no delivery model in place to support this. By commissioning this service, the Council will be providing children and young people with access to specialist training and support to equip them with the skills and confidence to travel independently, offering lifetime benefits.
6. The Council has consulted parents and carers on a proposed new 'Travel Assistance Policy for Children and Young People with SEND 0-25 years', due to come fully into effect from September 2018 (but parents and carers will be able to opt in sooner), which will set out the Council's new approach to travel assistance. Parents and carers are supportive of the introduction of independent travel training, and view this as an improvement to the existing Council offer, as long as this is aimed at children and young people who can

reasonably manage this type of assistance. Consequently, independent travel training will be maintained and embedded in the Council's new Travel Assistance Policy once this has been finalised.

7. Travel training provides children and young people with tailored and practical assistance to travel safely and without anxiety by public transport, on foot, or by bicycle, to school, college, or placement; as well as socially, to access other key services and connect with friends and family.
8. Local authorities also have a duty to encourage, enable and assist the participation of young people with SEND up to the age of 25 in education, employment or training. Independent travel is an invaluable life skill that provides greater opportunities for young people with SEND by increasing confidence in their own abilities, and is therefore essential to achieving this goal.
9. Independent travel training supports a child or young person's development as they progress from childhood to adulthood, and children and young people who are trained to travel independently are likely to transfer these skills into adult life. Independent travel is an essential employability skill, enabling young people to develop and maintain independence, potentially reducing the need (and associated costs) for Adult Social Care and other statutory services as they progress into adulthood.
10. Training children and young people to travel independently, where appropriate and practicable, will contribute to savings in the Council's Medium Term Financial Plan by reducing the need for taxi and minibus transport, whilst preparing children and young people for adulthood and independence.
11. Independent travel training has the potential to benefit hundreds of children and young people over the next five years, and after. An initial analysis identified up to 474 children and young people in Surrey (age 11 or over) who could be suitable for independent travel training based on their level of need, and having a journey to school that is practical for independent travel. Further testing and comparisons against the Council's transport data confirmed that at least 286 children and young people could benefit from independent travel training. Furthermore, 147 of these have a minimum of five years left in education – offering a greater potential to support these children and young people earlier ahead of transition to adulthood, increasing confidence and reducing anxiety, and to generate savings.
12. Whilst some schools and other organisations already provide a variety of independent travel training, there is a need for a more comprehensive offer that supports a wider range of children and young people in Surrey, and that also provides parents and carers with the confidence to encourage their children and young people to start travelling independently. The Council's new offer, in partnership with CT Plus Community, aims to address this gap in provision, whilst complementing existing training as much as possible.

Procurement options

13. The SEND Transport Programme carried out research into how other local authorities approach independent travel training. The findings were that not all local authorities deliver independent travel training, and those that do, tend to deliver this internally, but on a small scale, with a focus on young people age 16 or above. Surrey County Council proposes to offer this training on a greater scale to a wider age group (age 11 and above) for the additional benefits that this brings. Councils who provide travel training themselves already have the skills and resources in place to deliver this service in-house, whilst Surrey County Council does not. Furthermore, cost comparisons against other local authority models identified that better value for money options were available in the market.
14. As there is no existing or comparable contract for the provision of independent travel training, there is a business need to procure this expertise. Several delivery options were considered prior to commencing the procurement activity. These are summarised in the table below:

Option	Strengths/ Opportunities	Weaknesses/ Risks
Do nothing	<ul style="list-style-type: none"> No additional investment required 	<ul style="list-style-type: none"> No improvement to existing provision Children and young people have less opportunities to develop independence skills Transport costs continue to rise alongside increasing demand
Deliver in-house	<ul style="list-style-type: none"> Knowledge of Surrey and established relationships with parents, carers and Surrey schools 	<ul style="list-style-type: none"> Significant investment and time required to recruit and train staff to meet the scale of demand SCC would need to fund full cost of delivery, creating further pressure on already stretched financial resources
Contract with an external provider funded through a Social Impact Bond (SIB)	<ul style="list-style-type: none"> SIBs are designed to deliver outcomes, as they operate on a payment-by-results basis Better value for money, as SCC will only pay on delivery of agreed outcomes Set up capital and revenue costs funded by social investor Provider already has the resources, systems, and referral processes in place to mobilise training 	<ul style="list-style-type: none"> Innovative funding model new to SCC Investor requires a financial return on their investment (and this has been negotiated separately between the provider and social investor) Provider unknown to SCC and Surrey schools, so will need to establish base across the county
Contract with an external provider	<ul style="list-style-type: none"> Provider already has the resources, systems, and referral processes in 	<ul style="list-style-type: none"> Council has to fund full cost of activity, regardless of whether the provider

funded by the local authority	place to mobilise training	has been successful in delivering outcomes <ul style="list-style-type: none"> • No social investor covering set up capital and revenue, potentially leading to increased cost of contract • Other providers may not agree to payment-by-results model without backing from a social investor
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15. The options analysis identified a Social Impact Bond as the funding mechanism that would provide the best value for money to the Council, and deliver the training outcomes required for children and young people.
16. Social Impact Bonds are a funding tool that can enable organisations to deliver outcomes contracts and make payment for services conditional on achieving results. Social Investors pay for the project at the start, and then receive payments based on the results achieved by the project.
17. The outcomes sought from this contract are that children and young people with SEND have the skills and confidence to travel independently and safely to school or college, and arrive ready to learn. A further outcome is that parents and carers have confidence in their child or young person's travel assistance offer.
18. The investor will normally require a return which could increase the cost of the contract. However, the Council's chosen provider, CT Plus Community, has secured funding from the Big Lottery who have agreed to underwrite the investor's return, further strengthening the business case.
19. Benefits of commissioning independent travel training using a Social Impact Bond model include:
 - Contract model is designed to deliver outcomes for children and young people with SEND, whilst providing value for money to the taxpayer
 - Potential to innovate and trial a new service whilst protecting public expenditure, as the risk of the training programme being unsuccessful is transferred to the social investor
 - Unlocking opportunities to improve services and create future savings by shifting the focus on prevention and early intervention, and investing upfront.
20. Consequently, a full tender process, compliant with the European Public Procurement Regulations and Procurement Standing Orders has been carried out to invite tenders from suppliers funded through a Social Impact Bond.

Financial Benefits Case

21. Tenders were sought for the service using a staged outcomes-based payment mechanism. Payments would be made:

On completion of initial training, once a pupil is confirmed by their parents and carers, school and Council as independently travelling for more than one month	40%
After a further three months of successful independent travel	30%
After a further six months of successful independent travel	20%
After completion of 12 months of successful independent travel	10%

22. Prospective suppliers were invited to submit prices based on the referral of 70 suitable pupils a year, over a five year contract period. This is the minimum number of children and young people that the local authority can confidently estimate will participate in independent travel training each year, to begin with. The aim is to enable as many children and young people to travel independently as possible, however it will take some time for the provider to establish their reputation across the county, and to build confidence in the training programme among parents and carers.

It is the Council's ambition to scale-up the training programme over time, therefore discounted prices were also sought for additional pupils trained, for up to 90, and over 90, pupils a year. Outcome payments will be due over the five years of the contract.

23. The table below summarises the anticipated net costs and savings from the five year contract with CT Plus Community, based on implementation from the beginning of 2018. The savings are based on pupils no longer requiring taxi or minibus transport for the remainder of their school careers. The savings have been reduced by 10% to account for the possibility that some children and young people may return to council organised transport after a period of independent travel due to changes in circumstances.

	17/18	18/19	19/20	20/21	21/22	22/23
	£000s	£000s	£000s	£000s	£000s	£000s
Net Cost/ Saving	39	100	-107	-282	-403	-533

24. There is an initial investment in the first two years, before the savings start to be realised, and the contract will break even in year three. The average cost of transport for the cohort of pupils most suitable for travel training is £5,500 per pupil, per year (the overall average cost per pupil out of all children and young people in SEND transport is £10,000, but this takes into account children and young people with more complex needs requiring increased

assistance). Allowing for the cost of alternative bus or train travel, the saving per pupil for this group is estimated to be approximately £0.5m per year, by year five.

25. The annual savings are sustainable beyond year 5, and potentially greater, assuming the Council decides to continue with this service. At the end of the contract, and on review of the success of this commission, preparations will be made to re-tender for this service. However, any pupils within their first 12 months of independent travel would continue to be supported by the incumbent contractor to ensure continuity.
26. Further benefits will accrue overtime as pupils enter adulthood more independent and able to travel to other key services without travel assistance, reducing overall support costs over a lifetime.
27. Non-financial benefits of providing independent travel training to children and young people include:
 - Increased support to develop essential independence skills, so that children and young people are better prepared for adulthood, building resilience and reducing dependence in the longer-term;
 - Provides greater opportunities for accessing further education, training and employment, raising confidence and self-esteem;
 - Children and young people have the skills and confidence to pursue their ambitions, hobbies and interests, and are able to independently connect with friends, family and support networks, benefiting their overall development and wellbeing.
28. Further commercial details relating to this contract are set out in Part 2 of this report.

Competitive tendering process

29. The contract is being let following an Open Tendering Procedure under the Public Procurement Regulations 2015. It was decided that the Open Procedure was appropriate because this is a specialist and limited market where few qualified suppliers exist.
30. An OJEU contract notice was issued on 28 June 2017. The tender was published on the Council's e-Sourcing portal on 5 July 2017 and received eight expressions of interest. Bidders were given 30 days to complete and submit their tender. Two tenders were received by the closing date.
31. These tenders were then evaluated against the criteria and weightings set out in Part 2 of this report. Evaluation of submissions was carried out in two stages. Only those that scored 30% or more (out of a possible 50%) for quality were considered for full evaluation. From the two suppliers who submitted tender responses only one supplier, CT Plus Community, was successful in being considered for full evaluation.
32. CT Plus Community's price was evaluated, and achieved the maximum score for price (45%) and for social value (5%). The quality scoring of CT Plus Community was 36.4% out of 50%, giving a total score of 86.4%.

CT Plus Community Model

33. CT Plus Community is a market leader and has extensive experience and expertise in delivering independent travel training for children and young people with SEND. CT Plus Community's training programme has been tried and tested in Leeds and the London Borough of Camden, with approximately 500 pupils trained to travel independently over five years.
34. The programme has demonstrated immediate and lasting benefits for children and young people who have been supported to start travelling independently. Success stories include young people with SEND who have transitioned from their special school to attend mainstream college, and who have secured employment as a direct result of training. It has also enabled young people to access after-school/college classes and social events, as well as take on more responsibility, such as doing the weekly food-shop, preparing them for adulthood.
35. Parents and carers of children and young people who have completed CT Plus Community's programme in Leeds and Camden report that their children and young people are more confident and independent as a result of independent travel training. This has encouraged them to pursue further education and employment, as well as individual interests and hobbies, which has raised their self-esteem and improved their general wellbeing.
36. The CT Community Plus model, which follows the HM Department for Transport Guidance for independent travel training, is as follows:
 - The prospect of independent travel can trigger anxiety and concern among parents, carers, children and young people. CT Plus Community will work together with the Council, education providers and families to establish if a child or young person is suitable for independent travel training. This will be supported by a comprehensive training consultation with the pupil (at home with parents and carers; at school or college; and in public, with the training coordinator accompanying a pupil on the journey to school or college), to determine readiness and suitability.
 - A pupil is assigned a personal travel trainer who works with the pupil for five days a week on a one-to-one basis, before and after school, for 6-12 weeks (training is adapted to each child and young person's pace of learning).
 - Each trainer works with the pupil, parents and carers, and school or college, to design a bespoke personalised training plan. They work together to identify the new route to school or college, and to prepare the pupil to travel. This includes aspects such as 'stranger danger', who to ask for help, and to address any anxiety the pupil or parents and carers may have.
 - On day one of the programme, the trainer will meet the pupil at the home and accompany them to school or college. Over time, this support steps back to allow the pupil to travel more and more independently, such as meeting at the bus stop rather than at the home, and eventually shadowing the pupil from a distance.

- Once the pupil has proven able to independently travel and this is agreed by the parents and carers, and the school and college, the Council becomes liable for the first payment.
 - The Council will provide a bus or train pass to assist the child or young person to travel where needed. CT Plus Community will also provide top-up or re-training for up to two years after training, where required, to support children or young people to regain confidence after a change in circumstances, incident on the way to school or college, or break from independent travel.
37. CT Plus Community will recruit and develop a high quality team to increase local capacity to deliver training. This will involve engaging with local people who are already invested in the community, including but not limited to, part-time school staff, linking in with local community organisations and working directly with disability organisations to recruit people with the relevant skills and expertise. The rigorous training programme is designed to cover all eventualities, and includes safeguarding training, emergency first aid, disability awareness, and close supervision of trainers.
38. It estimated that the first phase of the recruitment and training of travel trainers will take up to three months following the proposed commencement of the contract on 1 December 2017, with the potential for the first cohort of pupils to start training from March 2018. Training for each pupil will take 6-12 weeks, so the first pupils could start travelling independently on completion of training from the beginning of the summer term (April 2018).

Key Implications

39. By awarding a contract to CT Plus Community for the provision of independent travel training, the Council will be meeting its duties to encourage, enable, and assist children and young people in education and training, whilst delivering value for money services that are sustainable for the future.
40. The management responsibility for the contract lies with the Schools and Learning Service under the Children, Schools, and Families Directorate. Performance will be closely monitored through a series of Key Performance Indicators, and reviewed at regular intervals as part of effective contract management.
41. The contract will operate on a payment-by-results basis, where staged payments will be made to CT Plus Community upon the completion of staged-outcomes, set out in the table on the next page.

KPI/Outcome	Target
Number of children and young people travelling independently for more than one month after training.	The target is to successfully train 70 pupils per year, with the ambition to exceed that target by training up to a total of 100 pupils per year.
Number of children and young people travelling independently for more than 3 months after training.	
Number of children and young people travelling independently 6 months after training.	
Number of children and young people travelling independently 12 months after training.	

42. It is the local authority's ambition to support and enable as many children and young people as possible to travel independently to school, college or placement. The target of 70 pupils per year reflects the minimum number of pupils the Council can confidently estimate will participate in travel training to begin with, as it will take some time for CT Plus Community to establish their reputation in the county, and to build confidence in the programme among parents and carers.

43. It is the Council's ambition to scale-up the training programme overtime, and there is the aspirational target to train up to 500 pupils over 5 years. The Council will work closely with CT Plus Community, parents, carers, schools and colleges to raise awareness of the programme, communicate success and actively promote the benefits of independent travel training, to ensure that as many children and young people as possible are offered this opportunity.

CONSULTATION:

44. A series of engagement events and webinars have been held with parents and carers throughout 2017 more broadly on the topic of the future of SEND Travel Assistance. Feedback has been very positive about the new opportunities for travel training, however some parents and carers have expressed concerns about their child's suitability.

45. Surrey County Council together with CT Plus Community is committed to working together with parents, carers, schools and colleges to design, plan and deliver independent travel training. The Council will consider a number of criteria when considering which children and young people should be offered independent travel training, including, but not limited to, the age and SEND of the pupil, existing level of independence skills, distance and practicality of route between home and school, and journey times using public transport or walking. This would be further supported by a comprehensive training

consultation involving parents, carers and the school or college to determine suitability and readiness.

46. Families will also be involved in developing the training plan, and will receive regular feedback on progress, and parents and carers will have the opportunity to shadow training sessions. Furthermore, once the training programme has been completed, parents and carers will be asked to confirm they are happy for their child or young person to continue travelling independently.

47. The SEND Transport Programme also engaged with a number of schools in the initial “discovery” or scoping phase of the project. Schools are keen to see a greater emphasis on independence, and as long as the independent travel training offer is made available to children and young people who can manage this mode of transport, there is strong support.

RISK MANAGEMENT AND IMPLICATIONS:

48. The following key risks associated with the contract and contract award have been identified, along with mitigation activities:

Category	Risk Description	Mitigation Activity
Safeguarding	The chosen provider will be responsible for the safety and welfare of children and young people undertaking independent travel training.	<ul style="list-style-type: none"> • The provider has the relevant safeguarding and child protection policies and processes in place, evaluated in the tender process, and these are in line with Surrey Children’s Safeguarding Board’s requirements. • The provider’s staff are subject to rigorous safeguarding and training. This includes enhanced level DBS checks, and the Council will conduct regular reviews (at least annually) of the provider to ensure that DBS checks are in place for all provider staff coming into contact with children and young people. • The provider’s policies will be submitted annually for assessment and approval by the Council.
Financial	Parents and carers do not have confidence in the independent travel training offer, resulting in low take-up.	<ul style="list-style-type: none"> • The chosen provider is a market leader and has extensive experience and expertise in developing and delivering independent travel training. • The provider has a good track record of delivering quality services that are highly regarded and trusted by parents, carers, schools and funders. • The provider will be responsible for building effective working relationships with families to increase awareness and confidence in independent travel

		training. This will be supported by appropriate marketing and communications.
	Low numbers of children and young people completing the course successfully, leading to reduction in potential savings and efficiencies.	<ul style="list-style-type: none"> • The provider is accredited to deliver independent travel training, and is experienced in working with children and young people with SEND. • The Council only pays for the results delivered, no more, no less, so public money is not wasted.
	If the local authority fails to meet the requirement to make an agreed number of referrals for travel training to CT Plus Community, agreed as part of the contract, then it could be at risk of breaching the 'authority default clause' in the contract.	<ul style="list-style-type: none"> • Analysis undertaken by the SEND Transport Programme Team has identified that at least 230 children and young people in Surrey could be suitable for independent travel training. • The provider has a good track record of delivering quality services that are highly regarded and trusted by parents, carers, schools and funders. • The provider will be responsible for building effective working relationships with families to increase awareness and confidence in independent travel training. This will be supported by appropriate marketing and communications. • The local authority will effectively support the provider to undertake the necessary engagement with parents, carers, schools/colleges, and SEN services.
Financial (continued)	If the relationship between the social investor and CT Plus Community were to break down, the delivery of the service and outcomes could be negatively impacted.	<ul style="list-style-type: none"> • The contract with CT Plus Community will appropriately mitigate against issues that may arise between the provider and social investor.
Reputational	The Social Impact Bond is an innovative funding model new to SCC and could be open to more scrutiny and challenge.	<ul style="list-style-type: none"> • Information about the funding model has been made open and transparent. • This model has been evaluated as the most cost efficient and effective approach for the Council to deliver independent travel training through a formal procurement process, and is most suited to delivering outcome-based services.
	The Council is commissioning a new	<ul style="list-style-type: none"> • The provider has a good track record of delivering quality services that are highly

	<p>provider unknown to SCC and Surrey schools. The provider will need to establish its base and reputation across the county.</p>	<p>regarded and trusted by parents, carers, schools and funders.</p> <ul style="list-style-type: none"> The provider will be responsible for building effective working relationships with schools to effectively market and promote independent travel training. This will be supported by appropriate marketing and communications.
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Financial and Value for Money Implications

49. The Social Impact Bond is offered by an experienced social investor. The investor will fund CT Plus Community upfront to deliver the service, and the Council pays upon successful completion of training.
50. CT Plus has secured development funding from the Big Lottery to support them to design and implement the Social Impact Bond. The Big Lottery through its 'Commissioning Better Outcomes and Social Outcomes Fund' has agreed to underwrite the investor's return through outcomes based payments under a separate contract. Surrey County Council does not know the details of this arrangement, but it is likely to have lowered the cost of travel training to the local authority.

Section 151 Officer Commentary

51. The contractual arrangements will be between the County Council and the provider, CT Plus Community. The Social Impact Bond details and arrangements have been negotiated separately, and although we are aware of the headlines, we do not know the details. The Section 151 officer would expect the contractual terms and conditions to mitigate against issues that may arise between the provider and the social investor.
52. The budget saving by year five is £0.5m and this will continue and increase if the travel training continues beyond the five year contract period.
53. Travel training should lead to wider benefits in the social care system as children and young people acquire independent life skills.
54. The local authority will need to ensure that children are referred to the provider for training and that the outcomes are monitored, as this will inform the provider payments and level of savings.

Legal Implications – Monitoring Officer

55. The Council has a statutory duty to provide travel assistance to children of statutory school age to get to school. Additional support provided by the Council is discretionary.
56. Under Section 3(1) of the Local Government Act 1999, the Council has a duty to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy,

efficiency and effectiveness". This duty applies to providing travel assistance to children and young people with SEND.

57. Post-16 Transport to Education and Training Statutory Guidance for Local Authorities (February 2014) advocates the provision on independent travel training schemes. It states "If the local authority and/or providers operate an independent travel training scheme it is good practice to include such initiatives in the transport policy statement" and "these schemes enable young people to gain skills which can be used for travelling to education or training and have, in some cases, enabled local authorities to make cost savings. It is strongly recommended that local authorities consider these schemes for the all-round benefits they can bring".
58. The Council has an obligation under the Public Contracts Regulations 2015 to conduct a competitive tendering process before it can award new contracts to service providers when the value of the contracts is over the threshold, as it is in this case. The contract between the Council and the provider contains provision to terminate should the Social Impact Bond not be in place.

Equalities and Diversity

59. An Equalities and Impact Assessment has been carried out which has identified that the positive impacts of independent travel training are that children and young people with SEND will be supported and enabled to develop essential independence skills, better preparing them for adulthood.
60. A potential negative impact is that a prospect of change in routine travel arrangements for children and young people previously travelling by taxi or minibus could cause anxiety and distress. This will be mitigated by the Council and CT Plus Community's approach to working closely with children, young people and families outlined in paragraph 36 of this report, so that children and young people are best prepared for training. The Council will also only offer independent travel training to children and young people who it reasonably believes should be able to travel to school or college safely after training, based on their age, SEN, and distance and practicality of route, in addition to other factors. A comprehensive training consultation will provide additional assurance that a child or young person is ready to undertake training.
61. Once a child or young person is travelling independently, an incident on the journey to school or college could cause anxiety and a loss of confidence. This will be mitigated by a two-year after care package to provide ongoing support, including the option of retraining where needed.
62. Another potential negative impact is where a child or young person might benefit from travel training but does not have a practical route to school or college by public transport. In order to mitigate this, the Council may provision transport assistance for a part of the route, where appropriate, to enable the child or young person to travel to school or college independently.
63. Furthermore, vulnerable students who are unable to use public transport or walk to school due to their special needs or physical disabilities will still receive the support they need to get to school, college or placement.

- 64. The contract manager will monitor access to the service from different communities and groups to ensure that it is as fair and inclusive as possible.

Safeguarding responsibilities for vulnerable children and adults implications

- 65. The chosen provider will be responsible for the safety and welfare of children and young people undertaking independent travel training.
- 66. The provider has the relevant safeguarding and child protection policies and processes in place, evaluated in the tender process, and these are in line with Surrey Children’s Safeguarding Board’s requirements.
- 67. The provider and their staff will be subject to rigorous training and checks, including enhanced level DBS checks and safeguarding training.
- 68. The provider’s policies will be submitted annually for assessment and approval by the Council, including enhanced DBS information.

Public Health

- 69. The provider will maintain suitable risk and health and safety management processes for all of its work for the Council. Copies of risk assessments will be available for audit at any point without notice.
- 70. There will be a comprehensive training consultation prior to the commencement of training, and a written assessment produced and shared with parents, carers and school/college to determine their suitability for independent travel training.
- 71. Routes for each pupil will also be defined and assessed by the parents/carers and school/college as safe for the needs of pupils to travel independently.

Climate change/carbon emissions implications

- 72. Independent travel training contributes to reducing carbon emissions through enabling children and young people to opt for more sustainable modes of travel, such as walking, cycling or using public transport, where appropriate.

WHAT HAPPENS NEXT:

- 73. The timetable for implementation is as follows:

Action	Date
Cabinet decision to award (including ‘call in’ period)	31.10.2017
‘Alcatel’ Standstill Period	10.11.2017
Contract Commencement Date	01.12.2017
First cohort start training	05.03.2018
First cohort start travelling independently	16.04.2018

- 74. The Council has an obligation to allow unsuccessful suppliers the opportunity to challenge the proposed contract award. This period is referred to as the ‘Alcatel’ standstill period.

- Next steps – Subject to Cabinet approval, the Council will proceed to award the contract to CT Plus Community to commence mobilisation of independent travel training.
- Future decisions – Cabinet will be taking a decision on the new Draft Travel Assistance Policy for Children and Young People with SEND, 0-25 years, once this has been finalised. This will complement Independent Travel Training, and set out the Council's overall new approach to SEND travel assistance.

Contact Officer:

Helena Kulikowska, Senior Project Manager, 01483 519567

Consulted:

- Family Voice Surrey
- Surrey Special Schools
- Parents and carers

Annexes:

- Annex 1: Part 2
- Annex 2: Equalities and Impact Assessment

Sources/background papers:

- 'Proposal for implementing Independent Travel Training for SEND Children and Young People', Education and Skills Board, (8 March 2017)

1. Topic of assessment

EIA title:	Independent Travel Training for Children and Young People with SEND
EIA author:	Helena Kulikowska, Senior Project Manager

2. Approval

	Name	Date approved
Approved by¹		

3. Quality control

Version number	1.0	EIA completed	This EIA will be regularly monitored, and kept updated as independent travel training is introduced to ensure that the Council is appropriately mitigating any potential unintended negative impacts.
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¹ Refer to earlier guidance for details on getting approval for your EIA.

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Date saved	11.10.2017	EIA published	
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4. EIA team

Name	Job title (if applicable)	Organisation	Role
Helena Kulikowska	Senior Project Manager	Surrey County Council	Project Manager

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5. Explaining the matter being assessed

What policy, function or service is being introduced or reviewed?

The Council plans to commission an independent travel training provider to equip children and young people with special educational needs and disabilities (SEND) with the skills and confidence to travel independently to school, college or placement, where appropriate.

This change affects children and young people with SEND (age 11 and above) who are currently eligible, or who will become eligible for home to school travel assistance in the next five years.

Independent Travel Training is already included in the Council's existing Pre-16 and Post-16 SEND travel assistance policies, however there is currently no delivery model in place to support this. By commissioning this service, the Council will be providing children and young people with access to specialist training and support to develop essential independence skills, offering lifetime benefits.

Independent Travel Training is the first in a series of planned service improvements for SEND home to school transport designed to better meet the needs of county's pupils through a broader range of assistance options, whilst ensuring cost-efficiency and sustainability.

The Council's 2017/18 budget for SEND transport is £25.5m, however an overspend of £1.2m is expected in the current financial year, due to the increasing number of children and young people becoming eligible for travel assistance, repeating the pattern seen in recent years. 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.

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In order to maintain a sustainable service, the Council needs to achieve £7m savings from the overall SEND transport budget by 2021, included within the Council's Medium Term Financial Plan. The introduction of travel training will contribute to achievement of these savings by enabling more children and young people to travel to school independently, reducing the need for taxi or minibus transport.

The intended outcomes for independent travel training include:

- Children and young people with SEND have the skills and confidence to travel safely and without anxiety by public transport, on foot, or by bicycle, to school, college or placement, as well as socially, to access other key services and connect with friends and family.
- Children and young people with SEND are better supported and prepared for adulthood and independence, and to access further education, training or employment.
- The Council is able to deliver a more cost-efficient and sustainable service for the future.

Surrey County Council and its chosen provider will work together with schools, colleges, parents and carers to identify children and young people who it reasonably believes could be successfully supported to travel independently to school or college safely. The Council will consider a number of criteria when considering which children and young people should be offered independent travel training, including, but not limited to:

- the age of the pupil;
- the SEN of the pupil;
- existing level of independence skills;
- distance between home and school;
- the route that would need to be followed;
- journey times using public transport or walking;

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	<ul style="list-style-type: none"> • the frequency of journeys required. <p>This would be further supported by a comprehensive training consultation involving parents, carers and the school or college to confirm a child or young person's suitability and readiness for training.</p>
<p>What proposals are you assessing?</p> <p>Page 41</p>	<p>The Council plans to introduce a new independent travel training offer for children and young people with SEND. The impact of this will be that this form of travel assistance will be offered to parents and carers of children and young people with SEND who the Council together with its chosen provider, and the school/college, reasonably believe could be successfully supported to travel to school or college independently and safely. This will be supported by a comprehensive training consultation, involving the parents/carers and school/college to determine suitability.</p> <p>This could involve a change in routine for children and young people previously supported by taxi or minibus transport, causing anxiety. For this reason, each trainer works with the pupil, parents and carers, and teacher, to design a bespoke personalised training plan. They work together to identify the new route to school or college, and to prepare the pupil to travel. This includes aspects such as 'stranger danger', who to ask for help, and to address any anxiety the pupil or parents and carers may have. A two year after care package is also offered, including the option of re-training, to provide ongoing support the children and young people.</p>
<p>Who is affected by the proposals outlined above?</p>	<p>Groups who will be affected by these proposals are:</p> <ul style="list-style-type: none"> • Children and young people with SEND who are eligible for travel assistance • An initial analysis identified up to 474 children and young people in Surrey (age 11 or over) who could be suitable for independent travel training based on their level of need, and having a journey to school that is practical for independent travel. Further testing and comparisons against the Council's transport data confirmed that at least 286 children and young people could benefit from independent travel training. Furthermore, 147 of these have a minimum of five years left in education – offering a greater potential to support these children and young people earlier ahead of transition to adulthood,

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increasing confidence and reducing anxiety, and to generate savings.
Parents, carers and families of children and young people with SEND.

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6. Sources of information

Engagement carried out

A series of engagement events and webinars have been held with parents and carers throughout 2017 more broadly on the topic of the future of SEND Travel Assistance. Feedback has been very positive about the new opportunities for travel training, however some parents and carers have expressed concerns about their child's suitability.

Surrey County Council together with CT Plus Community is committed to working together with parents, carers, schools and colleges to design, plan and deliver independent travel training. The Council will consider a number of criteria when considering which children and young people should be offered independent travel training, including, but not limited to:

- the age of the pupil;
- the SEN of the pupil;
- existing level of independence skills;
- distance between home and school;
- the route that would need to be followed;
- journey times using public transport or walking;
- the frequency of journeys required.

This would be further supported by a comprehensive training consultation by CT Plus Community involving parents, carers and the school or college to determine suitability and readiness.

Families will also be involved in developing the training plan, and will receive regular feedback on progress, and parents and carers will have the opportunity to shadow training sessions. Furthermore, once the training programme has been completed, parents and carers will be asked to confirm they are happy for their child or young person to start travelling independently.

The SEND Transport Programme also engaged with a number of schools in the initial "discovery" or scoping phase of the project. Schools are keen to see a greater emphasis on independence, and as long as the independent travel training offer is made available to children and young people who can manage this mode of transport, there is strong

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support.

Data used

- Extensive feedback from parents and carers from public engagement events and webinars, and public consultation on the Council’s draft ‘Travel Assistance Policy for Children and Young People with SEND, 0-25 years’
- Statutory requirements placed on local authorities in the Home to School Travel and Transport: Statutory Guidance for Local Authorities (Department for Education, 2014);
- The Special Educational Needs and Disability (SEND) Code of Practice (Department for Education, 2015);
- The Local Offer (<https://www.surreylocaloffer.org.uk/kb5/surrey/localoffer/home.page>)
- The Education Act 1996 and S 54 of ASCL 2009 and new s509AB(6)
- Post 16 Transport and Education and Training Statutory Guidance Feb 2014.

7. Impact of the new/amended policy, service or function

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7a. Impact of the proposals on residents and service users with protected characteristics

Protected characteristic ²	Potential positive impacts	Potential negative impacts	Evidence
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 45</p> <p style="text-align: center;">Age</p>	<p>Children and young people with SEND are supported and enabled to develop essential independence skills early on, better preparing them for accessing further education, training and employment.</p>	<ul style="list-style-type: none"> • A prospect of change in routine travel arrangements for children and young people previously travelling by taxi or minibus could cause anxiety and distress. • Once a child or young person is travelling independently, an incident on the journey to school or college could cause anxiety and a loss of confidence. 	<ul style="list-style-type: none"> • Feedback from SEN staff, parents and carers • Knowledge and experience of chosen provider of working with children and young people with SEND
<p style="text-align: center;">Disability</p>	<p>As above</p>	<p>Where a child or young person might benefit from travel training but does not have a practical route to school or college by public transport, creating a potential barrier to</p>	<ul style="list-style-type: none"> • Feedback from parents and carers

² More information on the definitions of these groups can be found [here](#).

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		accessing the benefits of training.	
Gender reassignment	N/A		
Pregnancy and maternity	N/A		
Race	N/A		
Religion and belief	N/A		
Sex	N/A		
Sexual orientation	N/A		
Marriage and civil partnerships	N/A		

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7b. Impact of the proposals on staff with protected characteristics

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence
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Age	N/A		
Disability	N/A		
Gender reassignment	N/A		
Pregnancy and maternity	N/A		
Race	N/A		
Religion and belief	N/A		
Sex	N/A		
Sexual orientation	N/A		
Marriage and civil partnerships	N/A		

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8. Amendments to the proposals

Change	Reason for change
N/A	

9. Action plan

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Potential impact (positive or negative)	Action needed to maximise positive impact or mitigate negative impact	By when	Owner
<p>A prospect of change in routine travel arrangements for children and young people previously travelling by taxi or minibus could cause anxiety and distress.</p>	<ul style="list-style-type: none"> The Council/provider will only approach families whose children/young people it believes could reasonably be trained to travel independently, based on, but no limited to, the child/young 	<p>From when first cohort start training – approximately April 2018.</p>	<p>Surrey County Council, CT Plus Community.</p>

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	<p>person's age; SEN; and distance and route from home to school.</p> <ul style="list-style-type: none">• A comprehensive training consultation carried out by the Council's independent travel training provider involving parents/carers and school/college will subsequently confirm if a child/young person is suitable for independent travel training.• Training is one-on-one and tailored to the child/young person's needs and pace of learning, gradually building on independence skills as the child/young person gains confidence and skills.• The child/young person and family are involved in developing the training plan, preparing the child/young person		
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	for training.		
Once a child or young person is travelling independently, an incident on the journey to school or college could cause anxiety and a loss of confidence.	Each pupil will have access to a two-year after care package to provide ongoing support, including the option of retraining where needed.	From when first cohort start training – approximately April 2018.	
Where a child or young person might benefit from travel training but does not have a practical route to school or college by public transport, creating a potential barrier to training.	<p>The Council may provision additional transport assistance for a part of the route, where appropriate, to enable the child or young person to travel to school or college independently.</p> <p>Vulnerable students who are unable to use public transport or walk to school due to their special needs or physical disabilities will still receive the support they need to get to school, college or placement.</p>	From when first cohort start training – approximately April 2018.	Surrey County Council

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10. Potential negative impacts that cannot be mitigated

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Potential negative impact	Protected characteristic(s) that could be affected
N/A	N/A

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11. Summary of key impacts and actions

<p>Information and engagement underpinning equalities analysis</p>	<p>Please see section 6 of this report.</p>
<p>Key impacts (positive and/or negative) on people with protected characteristics</p>	<ul style="list-style-type: none"> • Children and young people with SEND will be supported and enabled to develop essential independence skills, better preparing them for adulthood. • A prospect of change in routine travel arrangements for children and young people previously travelling by taxi or minibus could cause anxiety and distress. • Once a child or young person is travelling independently, an incident on the journey to school or college could cause anxiety and a loss of confidence. • Where a child or young person might benefit from travel training but does not have a practical route to school or college by public transport, creating a potential barrier to training. • The Council may provision transport assistance for a part of the route, where appropriate, to enable the child or young person to travel to school or college independently.
<p>Changes you have made to the proposal as a result of the</p>	<p>N/A</p>

EQUALITY IMPACT ASSESSMENT TEMPLATE

EIA	
Key mitigating actions planned to address any outstanding negative impacts	<ul style="list-style-type: none"> • The Council/provider will only approach families whose children/young people it believes could reasonably be trained to travel independently, based on, but no limited to, the child/young person's age; SEN; and distance and route from home to school. • A comprehensive training consultation carried out by the Council's independent travel training provider involving parents/carers and school/college will subsequently confirm if a child/young person is suitable for independent travel training. • Training is one-on-one and tailored to the child/young person's needs and pace of learning, gradually building on independence skills as the child/young person gains confidence and skills. • The child/young person and family are involved in developing the training plan, preparing the child/young person for training. • Each pupil will have access to a two year after care package to provide ongoing support, including the option of retraining where needed. • Vulnerable students who are unable to use public transport or walk to school due to their special needs or physical disabilities will still receive the support they need to get to school, college or placement.
Potential negative impacts that cannot be mitigated	<p>N/A</p>

EQUALITY IMPACT ASSESSMENT TEMPLATE

Further guidance

If you need more advice and guidance, you may find the following sources useful:

- [Government Equality Office: Equality Act guidance](#)
- [Equality and Human Rights Commission: *Guidance on the Equality Duty*](#)
- [Equality and Human Rights Commission: *Making fair financial decisions*](#)
- [Equality and Human Rights Commission: *Meeting the Equality Duty in policy and decision making*](#)
- [TUC: *Equality Toolkit*](#)

SURREY COUNTY COUNCIL

CABINET

DATE: 31 OCTOBER 2017

REPORT OF: MRS CLARE CURRAN, CABINET MEMBER FOR CHILDREN AND FAMILIES WELLBEING

LEAD OFFICER: GARATH SYMONDS, ASSISTANT DIRECTOR COMMISSIONING AND PREVENTION, CHILDREN SCHOOLS AND FAMILIES

SUBJECT: CHILD FIRST – COMMISSIONING INTENTIONS FOR CHILDREN IN SURREY 2017 – 2022



Summary of issue:

The Child First Commissioning Intentions have been developed at a time when unprecedented financial pressures are being faced by Surrey County Council, stemming from decreasing funding from central government and increasing demand for Council services. The Council has already saved over £450m with a further saving required of £103m for 2017/18 and £75m for the next two years. This is being felt especially in children, schools and families. This statement of commissioning intentions provides 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 our commissioning to achieve value for money and, as part of our overall service, to ensure children get the right help, care and protection at the right time so they are safe and can thrive.

Additionally, further work is underway alongside planning for 2018-23; this focuses 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.

Recommendations:

It is recommended that the Cabinet:

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

Reason for recommendations:

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.

Background/Business Case

1. We are committed to ensuring children in Surrey get the right help, care and protection at the right time so they are safe and can thrive. This supports our joint vision with partners for all children and young people in Surrey to be happy, healthy, safe and confident in their future. Most children in Surrey achieve good outcomes and make a successful transition to adulthood; for children with disadvantages such as poverty, discrimination or disability this is not always the case. These vulnerable children in Surrey do less well than children of a similar age in Surrey and some of these children do less well than those living in other local authority areas. The purpose of the Child First Commissioning Intentions is to set out and realise our vision by actively targeting our resources on the most vulnerable children, young people and families in Surrey and to provide support early to help them achieve better outcomes.
2. There is increasing demand in Surrey:
 - contacts to social care are increasing; 77,811 in 2016/17, rising from 60,915 in 2011/12;
 - Statutory plans for SEND (now Education, Health and Care Plans) have increased by 30% since 2009;
 - 11,000 extra schools places are required by 2021.
 - 3,990 additional post-16 places by 2026;
 - The number of Children in Need is forecast to rise by 20% over the next 3 years.
3. The Child First Commissioning Intentions are developed at a time when unprecedented financial pressures are being faced by Surrey County Council, stemming from both decreasing funding from central government and increasing demand for Council services. In 2017/18, the total expenditure for the CSF directorate is £454m and the total income is £253m, which leaves a total net budget of £201m (excludes delegated schools budgets). Reduction in government grants; our statutory duties, increasing use of high need statutory services and population increases mean that the county council faces significant demand and financial pressures, as outlined in the plan. This means the CSF directorate must deliver £54m of savings by 2020 as set out in the Medium Term Financial Plan 2017-2020. This will require a new operating model for early help and commissioning services in new ways to improve outcomes and reduce cost.
4. Due to historic Government underfunding of the county council and because Surrey has a high council tax base, Surrey's general government grant funding (Revenue Support Grant - RSG) is among the lowest in the country. In 2019/20, because of how the Government allocates this grant, Surrey is due to receive negative RSG of -£17.3m. This is the biggest negative RSG in England and equates to Surrey council tax payers giving nearly 3% of what they pay to the rest of the country. This is a clear funding inequity which the council has repeatedly urged the Government to address.
5. The Government is currently undertaking a Fair Funding Review, which it expects to take effect from 2020/21. This review should fundamentally address issues

within the current funding arrangements which also work against Surrey. One of the factors which militates against Surrey is the cost to serve in the area. Two core cost components for all organisations: wages and premises, have both risen significantly in Surrey in recent years compared to the rest of the country, yet the funding arrangements have unfairly remained static. Consequently, the council receives no uplift in its funding to alleviate this pervasive and increasing pressure. The council continues to make representations to the Government to address this and other matters as part of its fair funding review. However, any relief remains some way off.

6. Further pressures have been highlighted for 2018-19 and these are informing work on the MTFP for 2018-22. Additionally, more rigorous forecasting is being developed as well as robust and more integrated development in practice, decision making and market development to increase the proportion of children whose needs are met locally. These changes are designed to deliver sustainable services and improve outcomes for children through a cross-directorate initiative, entitled 'Child First: Developing Markets for a Sustainable Future'.
7. There are also financial challenges in other sectors of provision, such as the Public Health budget in Surrey which is 20% below the target level of funding due to historical funding formulas and reductions in central Government spending compared to what is required to deliver optimum services. This has resulted in a 11% reduction in the budget for health visiting and school nursing and £2million reduction in spend against sexual health services which are essential in proving a preventative response.
8. Through analysis three core **commitments**, three overall **outcomes** and ten specific **commissioning intentions** have been developed.
9. Core Commitments:
 - Children are seen
 - Children are safe
 - Children are heard.
10. Outcomes:
 - Children and young people achieve their potential;
 - Children and young people have good wellbeing;
 - Children and young people are safe from harm and danger.
11. CSF Commissioning Intentions:
 - Prevent problems escalating by identifying issues early and ensuring children, young people and families needing extra help receive timely preventative support.
 - Develop a positive experience of SEND services and support for children, young people and families.
 - Secure the right early support to promote good emotional wellbeing, physical and mental health.
 - Prevent and reduce the impact of abuse (including domestic abuse) and neglect.

- Secure provision of placements or accommodation for looked after children, care leavers, unaccompanied asylum seeking children that are appropriate, local and value for money.
- Reduce the impact to children of hidden crimes - child sexual exploitation (CSE), children who go missing from home and care and radicalisation.
- Champion the educational achievement, progress, health outcomes and engagement of vulnerable children and young people throughout their life course (looked after children, children in need, children with free school meals, children with SEND and 'vulnerable groups').
- Develop educational opportunities for children and young people with SEND in local schools or colleges that offer the best value for money.
- Secure increased participation in education, training and employment post 16 for children and young people in our 'vulnerable groups'.
- Secure increased school readiness and reduce the health development and attainment gap for disadvantaged groups in early years.

12. In summary, the Commissioning Intentions provide an overall strategic framework for commissioning for children in Surrey for 2017-2022. Additionally, delegated authority to the Cabinet Member for Children, Cabinet Member for Education and the Director of Children's Services is sought so changes can be made alongside the development of the MTFP for 2018-22.

Consultation:

13. A wide range of key stakeholders have been involved in developing these commissioning intentions, including:

- Children, young people and families through, for example, analysis of key engagement over the last few years such as the Big Survey, healthy related behaviours questionnaire and SEND workshops.
- Additionally a survey was conducted with broad agreement on the commissioning intentions. The plan has been updated in response to the feedback

Risk management and implications:

14. The following key risks have been identified, along with mitigation activities:

Category	Risk Description	Mitigation Activity
Safeguarding	The commissioning intentions includes the improvement of safeguarding, such as through reducing the impact of hidden crimes so risks will be reduced in this area.	<ul style="list-style-type: none"> • We have ensured Child First is aligned with the Children's Improvement Programme.

Financial	<p>The commissioning intentions align with the MTFP 2017-21 and will support its delivery. The commissioning intentions provide a framework for meeting the challenges of the MTFP 2018-22.</p> <p>Surrey County Council and children's services faces a difficult financial challenge, with increasing demand and reducing budgets.</p>	<ul style="list-style-type: none"> Delegated authority is sought to relevant Cabinet Members with Director of Children's Services to make changes, including any required to meet the requirements of the MTFP 2018-22. All financial decisions will be evidence based and allocate resources to the areas of most need.
Reputational	<p>The commissioning intentions set a clear and coherent direction for services for children across the county council and will therefore be positive in relation to reputation.</p>	<ul style="list-style-type: none"> The commissioning intentions will inform future commissioning and the development of markets outlined in paragraph 6.

Financial and Value for Money Implications

15. The commissioning intentions and plan will underpin many of the savings requirements over the medium term.

Section 151 Officer Commentary

16. The business planning process for 2018/19 and beyond is currently being developed and many of the financials in the report are in the process of changing. The Section 151 Officer expects the commissioning intentions to be delivered within the resources available for future years.

Legal Implications – Monitoring Officer

17. This report sets out the commissioning strategies identified by the Directorate as being necessary to ensure the Council meets its statutory duties. The requirement to deliver savings will however, require the Directorate to introduce new ways of delivering services. The report provides a strategic overview of the proposed transformation of the ways things are done.

18. All proposed changes to policy and practice will need to be considered on an individual basis in order to determine the extent to which public consultation is required. It is likely that some of the proposals will need to be referred back to Cabinet as they are more fully developed for final approval.

Equalities and Diversity

19. An Equality Impact Assessment has been conducted and highlights that the clear commissioning intentions will improve outcomes for vulnerable groups in Surrey and will therefore have a positive impact.

Safeguarding responsibilities for vulnerable children and adults implications

20. The implications are positive as the commissioning intentions set clear strategic actions to reduce safeguarding risks in Surrey, such as 'to reduce the impact to children of hidden crimes – child sexual exploitation (CSE), children who go missing from home and care and radicalisation.'

Public Health

21. Public Health have worked on the development of the commissioning intentions.

Climate change/carbon emissions implications

22. No significant implications.

WHAT HAPPENS NEXT:

23. The commissioning intentions will be taken forward through the key programmes: Early Help; Education in Partnership; Safeguarding; SEND; Improvement Programme and the supporting thematic commissioning plans.

Contact Officer:

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Consulted:

Groups outlined in paragraph 3 in the paper.

Annexe:

- Child First Plan 2017-22

Sources/background papers:



Child First
Commissioning
Intentions for
Children in Surrey
2017-22

Children are Seen, Safe and Heard

1. Vision and purpose

We are committed to ensuring children in Surrey get the right help, care and protection at the right time so they can thrive. We will also tackle inequalities early so no child has a worse chance in life than other children.

This commitment supports our partnership vision for all children and young people in Surrey to be happy, healthy, safe and confident in their future.

In Surrey we face three significant challenges to achieving this vision.

Firstly, whilst the majority of children and young people in Surrey achieve outcomes above the national average, there are vulnerable groups who need extra help and support in order to close the gap in outcomes they experience compared to the Surrey average.

Secondly, demand and complexity of need continues to increase significantly. This is driven both by the ongoing effects of demographic increase, which creates demand for all services and an increasing complexity driving demand particularly in social care and SEND.

Thirdly, Surrey County Council continues to face unprecedented financial challenges. The Council has achieved savings of £450m over the last six years and is planning to save a further £244m over the next three years. The Children's directorate expects to save £54m to 2020 (including savings from the DSG).

These challenges require a strategic response and our partnership approach is set out in the Surrey Children & Young People's Partnership Joint Commissioning Strategy 2017-22. This document sets out our commissioning intentions to inform all our commissioning for 2017-22.

At the core of this response is a focus on prevention, early intervention and Early Help with an emphasis on whole family support across the life course. This will help us to

achieve our vision and to address the needs of children and young people earlier in their lives so we can improve outcomes, reduce demand and associated costs of the service.

The CSF Plan also links through to key programmes of development in the Council in the following areas.

- Early Help
- Education in Partnership
- Information Management
- Safeguarding
- SEND
- Sustainable Transformation Partnerships

This document sets out the high level priorities and intentions. The detail behind these is set out in thematic commissioning plans for each area below.

- Early Help
- Early Years
- Education and Skills
- Health
- SEND
- Social Care and Well-Being

The CSF Plan also links through to cross-Directorate work on Safer Surrey, our key focus on strengths based approaches, and the CSF Improvement Plan, which sets out the key actions required to address areas highlighted by Ofsted.

We will continue to put the child first and essential to this is understanding what difference we are making to children and their families' lives. This is key to focusing our commissioning where we can have the most impact.

The commissioning intentions set our direction and are supported by the 'Sustainable Future' development which is developing more robust future demand modelling. This is linked to financial planning, future market development (internal and external offer) and service practice in key areas such as decision making on placements.

2. Outcomes

2.1 Outcomes for all children and young people

To achieve our vision, we have three overarching outcomes for all children in Surrey.

Children and young people have good health and wellbeing

Children and young people are safe from harm and danger

Children and young people achieve their potential

2.2 A commissioning approach

In developing these commissioning intentions, we followed a commissioning approach. We analysed the need, level of demand and expenditure (a full version of this can be found in the supporting evidence file, with further supporting information in the Joint Strategic Needs Assessment (JSNA) and Medium Term Financial Plan (MTFP)). This has led to the high level outcomes we want to achieve for all children, young people and families in Surrey and the ten commissioning intentions set out in this plan. We set out each of these commissioning intentions, the justification for them and how they will be achieved, with links through to key supporting plans and programmes.

We need to ensure that we address the root causes that drives demand. This can include poverty, poor family functioning, educational disengagement, and poor physical and mental health.

Our three core commitments to children are key to all our commissioning:

- Children are seen
- Children are safe
- Children are heard.

2.3 CSF Commissioning Intentions

These commissioning intentions will inform our future commissioning for 2017-22.

1. Prevent problems escalating by identifying issues early and ensuring children, young people and families needing extra help receive timely, preventative support
2. Develop a positive experience of SEND services and support for children, young people and families
3. Secure the right early support to promote good emotional wellbeing, physical and mental health
4. Prevent and reduce the impact of abuse (including domestic abuse) and neglect
5. Secure placements or accommodation for looked after children and care leavers, including unaccompanied asylum seeking children that are appropriate, local and value for money
6. Reduce the impact to children of hidden crimes – child sexual exploitation (CSE), Children who go missing from home and care and radicalisation.
7. Champion the educational achievement, progress, health outcomes and engagement of vulnerable children and young people throughout their life course (looked after children, children in need, free school meals, SEND, ‘vulnerable groups’)
8. Develop educational opportunities for children and young people with SEND in local schools or colleges that offer the best value for money
9. Secure increased participation in education, training and employment post 16 for children and young people in our ‘vulnerable groups’
10. Secure increased school readiness and reduce the health development and attainment gap for disadvantaged groups in early years.

3. What are the needs of children, young people and families in Surrey?

3.1 Introduction

This section highlights the key themes that have led to the identification of the commissioning intentions above. Further

detail is set out in an overarching needs analysis and the supporting [Joint Strategic Needs Assessments](#), as agreed at the Health and Well-Being Board.

3.2 Cross cutting needs and demand in Surrey

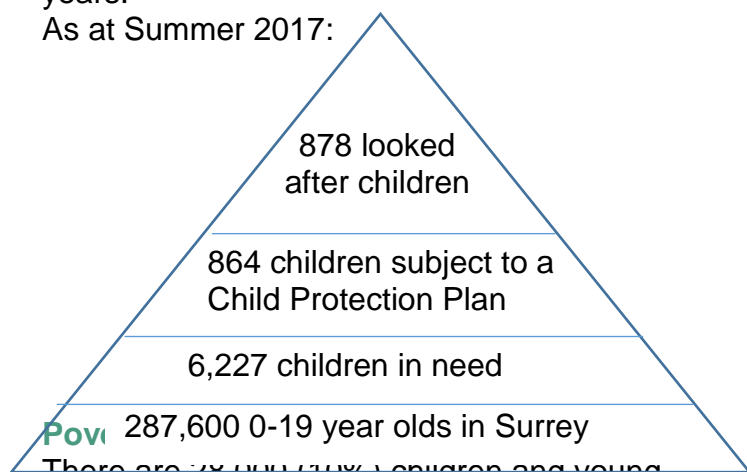
Demographic growth

There are 287,600 children and young people aged 0-19 living in Surrey.

Whilst birth rates are levelling off, the effects of substantial growth are still being experienced as children grow older, such as a forecast growth of 10,000 (14%) 10 to 14 year olds by 2022, compared to 2017. The proportion of high risk and complex pregnancies continues to grow due to an increase in maternal age, raised body mass index and a number of long term conditions.

The number of contacts to Children's Social Care has risen from 60,915 in 2011/12 to 77,811 in 2016/17 and the numbers of children and young people with needs requiring a statutory plan for SEND has risen by 30% since 2009. Demand is forecast to rise further, with numbers of children in need forecast to rise by 20% over the next three years.

As at Summer 2017:



Pov There are 28,000 (10%) children and young people living in poverty in Surrey. Although this is significantly lower than the national percentage at 30%, children living in poverty have relatively poorer outcomes. Deprived communities in Surrey experience lower than average outcomes across education, health and social care. 67% of children and young people living in households that are

dependent on out of work benefits are under 11 years old, this is below the national average of 74%. Children eligible for Free School Meals (FSM) start falling behind their peers academically from a young age and do not catch up. Poverty is also linked to social isolation and poor integration, in particular in more affluent areas.

Schools and learning

Education policy has been highly changeable and unpredictable over the last five years. The market for school support and school improvement services is changing, with academies and multi-academy trusts increasingly commissioning services and offering a range of services to schools. The joint venture with Babcock is scheduled to end in March 2019 and this will bring change to the local market. Surrey County Council is currently working in partnership with schools to shape the local authority's future offer.

Approximately 20% of Surrey children are in independent (non-maintained) schools. Whilst not a direct impact on the council's finance, there are implications for safeguarding practice and how children within these settings access services including school nursing, mental health and broad PSHE curriculum.

Health

There is a strong correlation between educational attainment, life expectancy and self-reported health. Child obesity is a major public health issue. The prevalence across Surrey of children aged 5 – 6 years who are either overweight or obese is 16.6%. This indicates a downward trend from 17.9% in 2014/15 and 18.1% in 2013/14 and remains below regional comparisons such as Kent at 23%.

If a child or young person does not receive appropriate support for their emotional wellbeing and mental health (EWMH) and intervention this can lead to higher school absence rates, increased risk of poor physical health, poor educational outcomes and mental health issues that can escalate.

In Surrey, unintentional injuries account for approximately 13% of all emergency admissions and 4.5% of all hospital admissions.

Surrey currently falls short of the European region of the World Health Organisation target of a 95% uptake rate for childhood immunisations. For example, in 2015/16, average uptake of the Measles, Mumps and Rubella vaccination in Surrey was 82.5% for the first dose and 73.8% for the second dose, compared with an average of 91.7% and 88% in England.

4. What do we know about how well services are meeting the needs of customers?

What is the quality of services?

The percentage of outstanding education providers, as assessed by Ofsted, is above average compared to national and regional performance across each phase of statutory school age and further education and skills.

However, the quality and suitability of current provision is not meeting the full range of children and young people's needs. In June 2015, Ofsted judged Surrey County Council's arrangements to safeguard children from harm as 'inadequate'. In December 2016, Ofsted judged there to be significant areas of weakness in the local area's practice for children and young people with SEND. The inspection highlighted that children and families' experience on their SEND journey needs improvement. This is evidenced by high appeal and tribunal rates, long time period to complete assessments and high levels of out of county provision. An improvement plan is addressing these issues.

Recent monitoring visits have been balanced and Ofsted has highlighted improvements in some areas, which has provided a good foundation for the future.

Health providers in Surrey have received mixed CQC ratings for delivery of children's health services. Surrey has one of the highest performing substance misuse services for young people in the country.

What do children, young people and families say about our services?

The majority of children and families have told us that staff are motivated, perform effectively and that they (children and families) feel more confident since accessing services in Surrey.

As part of our Children's Improvement Plan which sets out the work we will do to improve services for children following the 2015 Ofsted review, we asked children what is most important to them

The key feedback voiced by children is summarised below.

- I need help now
- I want to talk to someone I trust
- I only want to tell my story once
- I want to belong
- I want to be happy and safe
- I want to be with family and friends
- I want to have some fun

In response, we have made a commitment to children:

- Children are seen
- Children are safe
- Children are heard
- They receive the right services at the right time
- Care plans drive better outcomes through supervision and management oversight.

These commissioning intentions will work to deliver these commitments.

5. Our commissioning intentions

In this section we set out each of our ten commissioning intentions and the supporting evidence that sits behind them.

1. Prevent problems escalating by identifying issues early and ensuring children, young people and families needing extra help receive timely, preventative support

What is the need?

Universal services including education and health are facing increasing pressures to support children and families with increased levels of need at a time of an increasing population. Universal services need to be able to prevent issues from arising through good population level services and robust early identification and referral for those children and families that require more help. In June 2017, Surrey had a higher referral rate to social care per 10,000 of the 0-17 population at 694.2 compared with the national average of 532.0, and statistical neighbour average of 431.0.

An initial analysis of Surrey's looked after children in January 2016 found that 43% had siblings who were also in care. Of this cohort of 147 families, 76% (111) had children who were placed into care at the same time, but 24% (36) had children who were placed into care at different times, suggesting there may have been opportunities for preventative approaches to reduce repeat cases.

Our Child in Need (CiN) re-referral rate in Surrey (24.1%) is higher than the national average (22.3%) but has reduced by 9 percentage points, which may suggest Surrey has become more effective in supporting families so that problems do not reoccur later. Almost a third of all CiN referrals (including re-referrals) are concentrated in only 10% of the county.

In July 2017, 125 children received an Early Help Assessment. There was a total of 1,992 Early Help referrals from October 2016 to June 2017, with 40% for children and young people in the age range of 12-17.

What have we heard about our service?

Feedback from adoptive parents and special guardians (2015) includes the need for Early Intervention - the right professionals need to be involved from the beginning, and then work with the parents over time to reduce support as appropriate. There may then be instances in future where the professional needs to re-engage with the family.

What is the demand?

Contacts to Children's Social care are increasing; there were 77,811 contacts made in 2016/17, compared to 60,915 in 2011/12. The proportion of contacts where no further action is required is continuing to fall as cases are increasingly routed through our developing early help offer and getting the early support they need. The proportion of contacts progressing to referral to Children's Social Care (15.4% in 2016/17) is lower than the 2015/16 percentage (20%) which may be in part due to an increase in referrals to Early Help. A key element of managing the number of contacts to social care is through effective prioritisation in our Multi Agency Safeguarding Hub (MASH).

Current projections suggest that the number of Children in Need (CiN) could rise by almost 20% over the next 3 years, based on modelling conducted in 2016/17. Given the current projections for children in need, this may cost Surrey up to £5.9m by 2020/21, unless measures are taken to address this need through Early Help.

Market analysis and value for money

Early help services cover early years, youth and family services based in the community as well as wider provision through health and education that support Team Around the

Family approaches. Indicative benchmarking of costs per person suggest our early help offer is adequately funded, but there are reductions planned as Early Help services are better integrated and focused. There are also financial challenges in other sectors of provision, such as the Public Health budget in Surrey which is 20% below the target level of funding due to reductions in central Government spending compared to what is required to deliver optimum services. This will impact our universal services which are essential in proving a preventative response.

Family support in Surrey costs 15% less than national average (£77 vs. £90). Surrey's Family Service operates a different model from many areas, including providing social work for Children in Need within its model. In Surrey the spend per capita on supporting young people is approximately double the national average (£87 vs. £45).

What do we need to commission?

We need to improve our level of support for children aged 5-11 (approximately 8,800) in terms of effective parenting support and family support for children with SEND. These gaps are contributing indirectly to the rising demand for more acute social care and SEND provision. We need to develop a more

integrated offer and achieve cost reductions in line with the Medium Term Financial Plan. Public Health will continue to commission services which can prevent and identify at an early stage families requiring additional support as well as specialist targeted services and these need to be part of future early help design.

We will strengthen our Early Help offer through an integrated Early Help Transformation Programme to deliver more coherent and timely service with a key focus on Local Family Partnerships. This will be achieved through our commissioning thematic plans Early Help, Early Years, Health and the Early Help Programme.

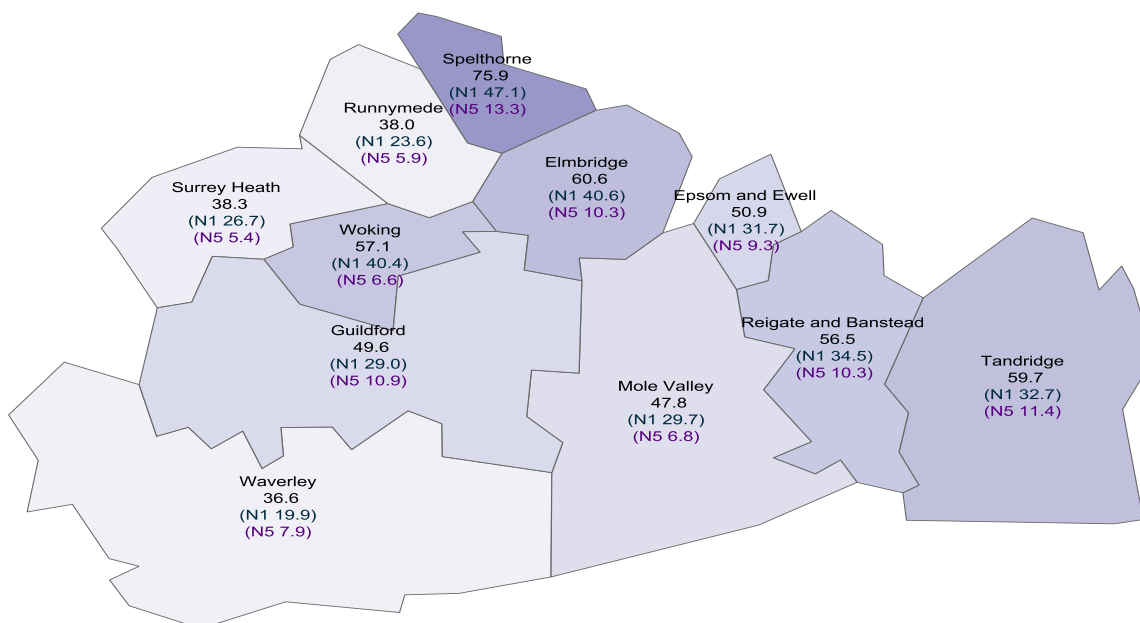


Figure 1: Map of CiN rates per 1,000 population across the 11 districts and boroughs, 2016

2. Develop a positive experience of SEND services and support for children, young people and families

What is the need?

In January 2017, there were 188,012 children in Surrey schools of which 27,718 children with some form of SEND, including 5,955 with a statutory plan. As a result of legislative changes and increasing demand, by June 2017 there were 6,843 children with statutory plans maintained by Surrey. Surrey has a slightly higher prevalence of children and young people with statutory plans: 3.5% of children and young people compared to 3.3% nationally.

In 2016/17 28% of children and young people with plans are in Local Authority maintained special schools, 21.1% in maintained mainstream schools and 15.6% in non-maintained special schools, independent special schools and other independent provision. This compares to the national view of children with statutory plan in mainstream school at 44.8% and 42.5% in special schools and 6.9% in NMIs.

In Surrey maintained primary schools in January 2017, 8.3% of the pupils with an additional need had Autistic Spectrum Disorder (ASD). In state funded secondary schools it was 10.4%. For special schools, it was 31% which is above the England percentage of 26.9%.

Nationally, Surrey has a high number of tribunal appeals registered per 10,000 of school population and has consistently remained above both the National and South East figures. However, Surrey's ranking has improved (and has moved down the rankings) from 13th to 19th of 152 authorities.

What have we heard about our service?

The Personal Outcomes Evaluation Tool (POET) Survey in February 2016 showed that

42% of parents in Surrey said that the support their child receives had made things better or a lot better, compared to 58% nationally.

Furthermore, we have heard that service provision is not always widely accessible. In some areas, parents feel confident that their children's needs are being met locally without having to travel long distances but this is not the same across the county.

Demand and projected costs

The number of children and young people with statutory plans who have been identified as having Autistic Spectrum Disorder (ASD) has increased by around 50% since 2009. Overall, ASD in Surrey schools has increased by 89% from 1,258 pupils in 2008 to 2,378 pupils in 2016, not limited to statutory plans (this is likely to be in part due to changes in diagnosis). This is something that has been reflected nationally and globally with a 25 fold increase in autism diagnosis in the last 30 years.

Maintained special schools for children and young people with ASD are at capacity, which partly explains why there is a high use of NMIs. There are vacancies within mainstream schools, but not always at the point of access. Maintained provision near to other local authority borders often goes to children in these areas due to the geographical distance from their homes, which results in some Surrey children being placed in NMIs.

We are developing more robust forecasting in order to better model changing needs in future. We are also in the process of improving and clarifying our data recording that will enable us to have more accurate data. Legislative changes, such as the extension of the age for EHCPs up to 25 means there will now continue to be plans when they otherwise would have ceased to exist once the child turned 19.

Market analysis and value for money

The 2017/18 budget for children and young people, aged 0-25 years with SEND was

£232m. The changes to the High Needs National School Funding Formula could result in significant funding gaps for Surrey.

The non-maintained and independent sector (NMI) represents a significant element of SEND expenditure, standing at £38.6m in 2016/17. The total cost of agency placements in 2016/17 to Surrey County Council (including the cost to Adult Social Care) was £43.2m and £43.6m including the health costs.

The net cost per 0-19 person in Surrey for top up funding to independent providers in Surrey is £136 in 2015/16 compared to the national average of £70.

What do we need to commission?

We need to work with health to ensure joined up pathways of service delivery for children with SEND. This includes ensuring early identification and support within the early years. Currently there is a lack of appealing local and maintained education provision to meets the needs of children with SEND which is contributing to rising demand for expensive non-maintained independent schools and residential placements. We expect to see a high rise in the number of children with statutory plans in the next 8 years. We need to shape the local market in order to improve and develop local provision for children and young people with SEND.

By 2017/18 we will have:

- A consistent process applied to inflation increase requests
- Robust data for NMIs and Specialist Post-16 Institutions (SPIs) that demonstrates the extent to which their provision is high quality, outcome focussed and value for money
- Robust data for NMIs and SPIs to demonstrate the extent to which they are working towards a Surrey-wide outcomes framework
- Contract management arrangements in place for NMIs and SPIs
- Child-centred funding arrangements established for school places

- Accurate forecasting tools for specialist setting places established

This will be achieved by our SEND thematic plan and programme.

3. Secure the right early support to promote good emotional wellbeing, physical and mental health

What is the need?

Physical and mental health are often viewed in isolation, however each can directly impact upon the other.

Preventing poor physical and mental wellbeing through robust whole population and targeted approaches is key to maintaining good outcomes in Surrey whilst helping to close the gap and reduce inequalities.

Children who develop poor lifestyle habits at an early age or who experience stressful and poor quality childhoods are more likely to adopt health-harming behaviours during adolescence. Poor adult health can also lead to wider exploitation, economic and housing insecurity, and social stigma. Children living in these environments can therefore be at heightened risk of neglect, abuse and domestic violence.

Variation in outcomes are often affected by maternal behaviours. In Surrey around 54% of mothers under 20 years old breastfeed compared with 84% of all mothers; 37% were smoking at delivery compared to 7% across all ages.

Whilst Surrey's stillbirth and perinatal death rates are favourable compared to national, there is still a focus on reducing these. Perinatal mental health remains a concern as the leading cause of death for women during pregnancy and in the year after birth.

A questionnaire of school aged-pupils in Surrey found that 38% of primary and 26% secondary school pupils responded that they feel afraid of going to school because of bullying at least 'sometimes'. In response to the same survey 26% of pupils responded that they have experienced negative behaviours in a relationship with a past or current boyfriend/girlfriend.

Children entering the care system, Gypsy Roma Travellers and Young Carers often have a poorer level of health than peers. As a result, they are more likely to experience a variety of problems.

What have we heard about our service?

The main health concern for young people surveyed in Surrey is depression and poor mental health, however they feel that education and health services are not doing enough in these areas.

We have also heard from children and young people who have accessed mental health services that transitions to adult services can be challenging and scary, clinic hours and locations can affect how easily young people can engage with services. They also raised concerns regarding access to out of hours mental health support for young people.

Community health services are generally well thought of, however, we need to improve accessibility to advice and information, within health visiting and school nurse services, as well as address waiting times in key therapy services. 45% of pupils stated that they know who their School Nurse is and 59% knew how to access the service. Families expect prevention to start at school with a robust Personal, Social and Health Education (PSHE) offer that supports good health and wellbeing.

Engagement work has identified that young people want better access to sexual health services, including more flexible opening times such as evenings and weekends.

Demand and projected costs

With an increasing 0-19 population, universal services will see increased demand for routine checks that provide an opportunity for prevention and early intervention. In addition there will be an increasing demand from children with more complex SEND or social care needs for services such as therapies and specialist nursing as well as direct support for families. This is against a

backdrop of reducing health (including public health) budgets.

A projected increase in demand for more specialist CAMHS services will put pressure on future budgets. It is estimated that the annual short term health, social care and education costs of mental health problems per child is £2,220, with the long term societal costs per child a further £3,310.

Market analysis and value for money

Joint commissioning is established and Surrey County Council and the six Clinical Commissioning Groups in Surrey jointly fund and commission Child and Adolescent Mental Health Services (CAMHS) and Children's Community Health Services.

It has also maintained the commissioning of Family Nurse Partnership. This service supports children with more complex needs and need to be seen as part of a package of care that can deliver better outcomes.

There are likely to be more opportunities for aligning and commissioning jointly in the future.

What do we need to commission?

We have a range of opportunities to commission services for emotional and physical health.

We will maximise opportunities through the strategic change programmes in Surrey (STPs, Early Help, SEND, Local Maternity System) and within our Community Health providers to integrated commissioning and service delivery, where this makes sense across health, public health and social care.

We will use this opportunity to further embed prevention in service delivery. This will include using the principles of Making Every Contact Count alongside the universal child developmental reviews to deliver key messages on mental wellbeing, breastfeeding, immunisations, healthy weight, smoking, substance misuse and oral health.

A key element for our emotional, wellbeing and mental health services is to ensure they:

- Are co-designed collaboratively with children, young people and their families
- focus on building resilience
- improve the communication of our local emotional, wellbeing and mental health offer with other agencies
- identify support for specialist workers for LGBT.

We also need to ensure clear and robust pathways are in place for pregnant women to ensure access to perinatal mental health services. In addition we need to improve the transition of children and young people from CAMHS to adult mental health services.

We will test a model of social prescribing within Local Family Partnerships to ensure access to preventative, early help services.

Whilst the Family Nurse Partnership service works with a high proportion of new young parents in Surrey, there are gaps in provision for those young parents not eligible for the service but who still have significant risk factors for poorer outcomes, including healthy relationships and timely access to contraception.

Childhood obesity prevention remains a priority for the Health and Wellbeing Board and we will develop a Healthy Weight Strategy and action plan to continue to reduce levels, outlined at the start of this document, across the county.

With the development of a local, family focused early help service there is an opportunity to ensure that there is an equitable level of physical and emotional and wellbeing mental health services across the county that are aligned with SEND services and with other agencies. In addition there is the opportunity to develop a clearly defined pathway between CAMHS to Adult Services.

This will be achieved through our Early Help programme, Early Help, Social Care and Wellbeing, and Health thematic commissioning plans.

4. Prevent and reduce the impact of abuse (including domestic abuse) and neglect

What is the

- in 36.8% (5,336) of incidents children were involved in some other way

What have we heard about our service?

Practitioners and families consistently report a gap in universal parenting support specifically for those aged 6-11 years and for teenagers as well as targeted parenting support for children with complex needs (including ASD and ADHD), mental health issues and undiagnosed or difficult behaviours; as well as adult-to-adult support service – including domestic abuse outreach.

The Big Survey asks Looked After Children about their experience in being in care of the council. Most children (66.7%) see their social worker as much as they'd like to.

Demand and projected costs

We are currently working to improve our demand modelling as part of our 'Future Sustainability Programme' which is aligned to future financial planning.

We do know that there has been a marked increase in the proportion of CiN due to 'abuse and neglect', and a decrease in the proportion of families in 'acute stress' over the past 5 years.

Market analysis and value for money

There are several commissioned services for domestic abuse, including outreach services, a telephone helpline and specialist support centres for rape and sexual abuse.

In Surrey, the current spend of domestic abuse services for children and young people is £100,000, rising to £299,000 if including partners. This money is delivered through five main providers: SDAS consortia, East Surrey Domestic Abuse Service, YourSanctuary, Chapter 1, North Surrey Domestic Abuse Service and Reigate and Banstead Women's Aid.

need?

An audit of abuse and neglect cases by the Surrey Safeguarding Children's Board highlighted that the main contributory factors were parental mental ill-health, parental substance abuse, domestic abuse, homelessness, poverty, criminality and parental disability. There were 6,227 children in need as at 31 March 2016, of which 58.1% had 'abuse and neglect' as their primary need at assessment, this compares to a national average of 51% for 'abuse and neglect'.

Despite young people representing only 9% of the population in Surrey, they are disproportionately (21%) represented as the victims of domestic abuse reported to the police.

In the year ending 31 January 2016, 1,570 children and young people became subject to a child protection plan. In around a third (570) of cases domestic abuse was identified as a factor at the end of a Section 47 Investigation. In August 2017, Surrey's rate of child protection per 10,000 of the 0-17 population was 36.4 which is lower than the national (43) and south east region (42) rates.

In the year ending 31 March 2016, 490 children started to be looked after; 55.1% (270) were looked after due to 'abuse and neglect'; 11.2% (55) due to 'family dysfunction', compared to national averages of 54% for 'abuse and neglect' and 9% for 'family dysfunction'.

Between April 2015 and March 2016, of the total number of incidents of domestic abuse reported to Surrey Police, 45.1% involved children:

- in 3.1% (448) children witnessed the abuse
- in 2.3% (335) children perpetrated the abuse
- in 2.8% (414) children were the victims of the abuse

What do we need to commission?

Modelled on the effective elements of existing support, a Community response to domestic abuse is being developed as part of our Early Help Commissioning plan. This approach is built on victims and their families being at the heart of the system, early identification by all professionals and public services, and targeted support for children. Furthermore, there needs to be an effort made to reduce barriers faced by vulnerable and repeat victims.

The Early Help thematic commissioning plan will help to achieve this, alongside our Safeguarding programme and the Social Care and Wellbeing thematic commissioning plan.

5. Secure provision of placements or accommodation for looked after children, care leavers, and unaccompanied asylum seeking children that are appropriate, local and value for money

What is the need?

There were 878 looked after children as of August 2017. This is 35 per 10000 of 0-17 population compared to 31 per 10,000 in 2012. This has been and remains much lower than the national (60 in 2016) and South East (53 in 2017) figures. It is also lower than our statistical neighbours at 43.0.

As of August 2017, 25.9% of Looked After Children in Surrey were placed out of county and more than 20 miles away from where they used to live. This compares to the national average of 14%, the statistical neighbour average of 24.8% and the South East region average of 15%.

In August 2017, 6.95% of looked after children had 3 or more placements compared with the national average of 10%, statistical neighbours of 11% and South East Region of 10%. There is a real focus for Surrey on ensuring looked after children are able to 'stay put' and not moved around in their placements, if it is the right placement choice.

What have we heard about our service?

Two-thirds of children and young people in care of the council said they were happy in their placement and most young people had received the advice and support needed to move from care onto independent living.

Two out of every three children experienced a change in placement and half of those who moved felt that their opinions and views were taken into consideration when moving.

Market analysis and value for money

The market for placements for looked after children is becoming more developed, however the volume of local provision alone

does not meet current or forecast demand. This has generated a dependence on out of county provision, in particular for fostering and residential care. Rising demand and high cost of placements for children looked after is unsustainable. Our average yearly cost for a child looked after in 2014/15 was £63,800, around £10,000 more than the national average. This is in part driven by the high use of costly external placements such as residential places and the use of independent fostering agency placements. Work is underway on a regional basis to improve volume and choice of placements driving better value for money.

The table below gives more detail on these costs based on figures from 2014/15.

	Placement costs* £'000	Social Work Cost* £'000	Total Cost* £'000	Average Number
Children with in house foster carers (FC)	22.8	17.3	40.1	490
Children with external FC	50.6	17.3	67.9	128
Children in in-house residential homes (RH)	122.3	17.3	139.6	34
Children in external RH	184.0	17.3	201.3	34

*2014/15

The annual cost of external fostering placements have remained stable due to the framework arrangements that are in place.

The above numbers has also increased with 184 children currently placed in external fostering and 65 children placed in external residential homes.

Demand and projected costs

8 The number of Unaccompanied Asylum Seeking Children (UASC) in Surrey has risen sharply over the last 5 years, a 131% increase (60 in 2011/12 to 139 in 2016/17) and projections suggest this will continue. This compares to the situation in Hampshire of a 20% increase and a national increase of 72%. This is in part related to Surrey's geographical position and the M25. The 1% projected rise in non-UASC looked after children will result in a cost pressure for the council of £2.06m.

The number of care leavers in Surrey has remained fairly stable since 2013. However this is predicted to increase by 31% over the next three years. This is in accordance with the rising numbers of 16 and 17 year olds in care, which is partly due to the increase in the number of looked after UASC within Surrey. The cost of each person leaving care in Surrey is £15,940 per year.

What do we need to commission?

We have already made progress in this area through the regional outcomes-based Independent Sector Fostering Agencies (IFAs).

We need to identify more families within Surrey's borders who are confident to foster or adopt looked after children and UASC meaning looked after children can more often be placed within the county. There is a high level of complexity of presenting needs which often limits alternative options.

We also need to ensure that where we have residential placements, they are the right ones for the individual child, making the most of the opportunities within homes, schools and secure residential placements. This will link to the Surrey Placement Strategy for Looked after Children 2016-2019.

There is also a lack of suitable placements for care leavers. While almost 20% of our care leavers are living in supported accommodation, many are living in 'spot purchased' rather than 'block purchased'

placements which generally cost more. It can be particularly difficult to place UASC care leavers in 'block purchased' supported accommodation placements due to the 'moving on' requirement, whereby placements are prioritised for those who have a local connection for future housing.

This will be achieved by the social care and wellbeing thematic commissioning plan and the safeguarding programme.

6. Reduce the impact to children of hidden crimes – child sexual exploitation (CSE), Children who go missing from home and care and radicalisation.

What is the need?

The inability to form healthy, positive relationships can place a child or young person at risk of exploitation and going missing. In 2016/17, 196 children were missing from care at some point during the year and there were 972 episodes of a looked after child going missing. This is 12% of the Surrey looked after children population which is below other comparable areas such as Kent (15%) but above the south east average (10%) and national average (9%).

During 2016-17, 346 children were deemed to be at risk of CSE in Surrey. Local data indicates that most identified CSE victims in Surrey (86%) are females and 50% are between the ages of 12-15.

In the 12 months to 30th November 2016 Surrey Police recorded 14,319 domestic abuse (DA) crimes and incidents, involving 8,415 young people. In 2015-16, 650 children on child protection plans and 2,625 children in need had domestic abuse as an identified factor. DA is also recognized as a driver for other risks such as CSE and children missing from home and education.

What have we heard about our service?

90% of looked after children who responded to the BIG survey know what to do if they are feeling threatened or uncomfortable. 13% of respondents said that they have found themselves in these types of situations.

We also receive feedback from children who go missing from care through return home interviews.

Demand and projected costs

As mentioned in previous sections, the demand on our services is likely to rise and this will include children that will experience CSE, go missing from care and radicalisation.

Market analysis and value for money

Children who are already known to social care are more likely to be at risk of sexual exploitation and repeat missing episodes are a risk indicator.

There is a joint list between children's services and police of children at risk and it may be discussed at monthly Missing and Exploited Children's Conference (MAECC) meetings which also extends to oversight groups and triage panels. However, in January 2017, Ofsted noted that we need to improve assessment of risk and safety planning.

There is a need for further support and therapeutic services for boys, children with a learning disability, children from a black and minority ethnic background and children under 13 years.

What do we need to commission?

The Multi-Agency Safeguarding Hub was set up over a year ago as the first point of contact if someone is worried about a child. This is an opportunity we are building on to strengthen our arrangements around children who are at risk of CSE.

We will also ensure that we continue to drive the work we are doing with schools around relationships through the 'healthy schools' agenda.

We will specifically:

- Ensure Social Workers in Surrey are accessing specialist training and modules facilitated by the Surrey Safeguarding Children's Board, particularly in relation to female genital mutilation, child sexual exploitation, child trafficking and radicalisation to

ensure that all workers are able to recognise the signs.

- Further develop our Safer Surrey approach and embedding this into our practice.

We will achieve this commissioning intention through the social care and wellbeing thematic commissioning plan and the safeguarding programme.

7. Champion the educational achievement, progress and engagement of vulnerable children and young people throughout their life course (looked after children, children in need, free school meals, SEND, 'vulnerable groups')

What is the need?

Specific groups that experience poorer outcomes include: children with Special Educational Needs and Disabilities (SEND); looked after children and care leavers; Children in Need (CiN); children living in poverty; young carers; teenage parents and their children; Gypsy, Roma and Travellers (GRT); children affected by domestic abuse, and; the children of prisoners.

Outcomes for these children tend to be poor when compared to the Surrey average and, in some instances, when compared with the national average. In fact some groups of disadvantaged children in Surrey do less well than children from similar backgrounds in other local authority areas. Where children experience multiple disadvantages, the differences in outcomes for some groups are even greater.

Children on free school meals in Surrey do less well than their peers by the end of reception year; 62% children have a good level of development, lower than the 73% Surrey average.

Children Missing Education (CME) and Pupils Missing Out On Education (PMOOE) make up around 1% of the school population of Surrey and on average there is a 60/40 split between boys and girls. Pupils with SEND and Gypsy, Roma and Traveller (GRT) pupils tend to be over represented. In 2016, Surrey had a lower proportion of looked after children with at least one fixed period of exclusion from education than the national average (9.81% vs 10.42%), but a higher proportion of looked after children who were persistently absent than the national average (10.6% vs 9.1%). The proportion of children

with special educational needs with at least one fixed period of exclusion from education in Surrey is slightly higher than the national average.

Vulnerable care leavers with challenging behaviours, who have moved foster placements several times and have lived in residential children's homes, are more at risk of not being in education, employment or training (NEET).

Good health and wellbeing and educational achievement are linked. The National Institute for Health and Care Excellence (NICE) advises that primary schools and secondary schools should be supported to adopt a comprehensive, 'whole school' approach to promoting the social and emotional wellbeing of children and young people. Such an approach moves beyond learning and teaching to pervade all aspects of the life of a school, and has been found to be effective in bringing about and sustaining health benefits. Improved access to services and approaches that support good health and wellbeing will help to reduce the attainment gap in Surrey.

What have we heard about our service?

94% of schools in Surrey are judged to be good or outstanding and overall performance is in the top 20% of Local Authorities across all Key Stages.

Some families elect to home educate their children due to dissatisfaction with the traditional school curriculum or settings, personal choice, or remove them from school following incidents of bullying.

Children experiencing multiple risk factors are impacted much more significantly and their attainment at KS2 and KS4 considerably reduced compared to their peers.

Demand and projected costs

We are currently working to improve our demand modelling and will understand more about the impact of this in the near future.

Current estimates suggest however that 11,000 more school places will be required by 2021, particularly within the secondary phase and 3,990 additional post-16 places by 2026.

In line with national policy, most Surrey secondary schools have converted to academies and become autonomous, which has altered the Local Authority role. Funding for schools is changing with a National Funding Formula (NFF) to be introduced in April 2018. While overall Surrey is expected to gain from the NFF, around 20% of the county's schools – predominantly those with high levels of deprivation – would lose funding under the current proposals. New school improvement funding streams will come online from September 2017, with the bulk going directly to schools via the 'Strategic School Improvement Fund'.

Low take-up of the Pupil Premium in Surrey also reduces significantly the resources available to improve the achievement of disadvantaged children. For Pupil Premium, the total funding claimed equates to £25m. However, the Department for Education statistics suggest that 29% of eligible children in Surrey are not being claimed for, which is the fifth highest rate nationally. A focus of the SEND inspection was the uptake of the 2-2.5 year developmental reviews. Around 85% of children receive this review. It can provide early identification of children requiring additional support and often forms the start of pathways into wider services that promote and aid a child's school readiness.

Missed opportunities to meet the needs of vulnerable children and young people, and prevent their needs from escalating, is driving up demand for high cost statutory services. The greater focus on Early Help and targeted support will enable earlier intervention to reduce cost and improve outcomes.

Market analysis and value for money

Historically, Surrey was spending more on school improvement per capita than the national average (£44 vs £31 nationally), this

has now reduced to £35 vs £44 nationally, however there remains a gap between Children in Need pupils achieving 5 GCSEs at A*-C including Maths and English and their peers in Surrey at 38.5% points.

What do we need to commission?

The current contract with Babcock for our Joint Venture, Four S, is scheduled to end in March 2019. Aside from ongoing school organisation and place planning work to address changing levels of demand, which is a statutory duty, SEND and educational inclusion will be our primary focus for future commissioning work.

We will specifically:

- Increase the attainment of vulnerable groups in Surrey so that the gap in outcomes is reduced.

This will be achieved through our SEND, Early Help, Early Years, and health education and skills thematic commissioning plans and the education in partnership, early help and SEND programmes.

8. Develop educational opportunities for children and young people with SEND in local schools or colleges that offer the best value for money

What is the need?

As at January 2017 there were 6,843 children and young people in Surrey schools subject to high need services via a statutory plan.

Surrey has a slightly higher prevalence of children and young people with statutory plans: 3.5% of children and young people compared to 3.3% nationally.

The number of children with SEND in non-maintained institutions (NMIs) has jumped by more than a third over the last five years – to around 15% in 2016. This is more than double the national average (6.9%) and considerably above the statistical neighbour average (8.5%). The high use of non-maintained independent schools cost £38.6m in 2016/17.

What have we heard about our service?

The journey to and from school can be a worry for children, young people and families affected by SEND. There is a lack of SEND support within mainstream schools which is limiting the opportunities for children and young people with SEND to attend schools alongside their peers.

Demand and projected costs

The number of children and young people with statutory plans has increased by 30.6% since 2009 and this is forecast to increase further.

SEND needs have been changing over the past six years. As mentioned, the number of children and young people with ASD in Surrey schools has increased by 89% from 1,258 pupils in 2010, to 2,378 pupils in 2016. Numbers of pupils with MLD have fallen from 1,101 in 2009 to 857 in 2016. Further growth

in demand for SEND Transport is projected, linked to the projected growth in the population of Surrey with SEND and with EHCPs.

We are aware of the increases to date in the number of children with a statutory plan but are in the process of developing more robust forecasting. We are also in the process of improving and clarifying our data recording that will enable us to have more accurate forecasting. Legislative changes, such as the extension of the age up to 25 which means there will continue to be plans when they otherwise would have ceased to exist will also affect our forecasting as this has not been seen before.

Market analysis and value for money

The average placement cost in Surrey for non-maintained independent schools is £38,000 per year for a day placement and £96,000 per year for a residential placement. Surrey has the highest average annual spend on independent and non-maintained special schools nationally. Surrey spent £24m on SEND transport in 2015/16, almost double the spend in Hampshire (a comparable county area) for almost exactly the same number of children and young people. In 2017/18 the SEND transport forecast has risen to £27m.

What do we need to commission?

Surrey's audit of SEN needs suggest that children are often placed in out of county provision because of a lack of places in Surrey maintained special schools and units. Some NMI and out of county placements are considerably more expensive than alternative provision, and may not always deliver the best outcomes for the individual. The current approach to transport provision for children and young people is financially unsustainable. We are taking steps to mitigate the pressure here by working with partners to put in bids for free schools and revising our practice.

In 2017/18 we will

1. Increase the number of negotiated discounts with the non-maintained and Independent Sector (NMI) and Specialist Post-16 Institutions (SPIs), for example, through block contract arrangements
2. Reduce the number of out of county NMI and SPI placements
3. Establish accurate forecasting tools for specialist setting places
4. Review and update the Social, Emotional and Mental Health (SEMH) offer
5. Increase the number of work opportunities that young people with SEND can access
6. Increase the number of personalised learning programmes for young people, for example through dual roll programmes
7. Increase promotion of maintained provision to reduce service user preferences for non- maintained independent educational settings
8. Commission Independent Travel Training through developing a Social Impact Bond (SIB).

This will be built on in 2018/19 and 2019/20.

This will be achieved through our SEND thematic commissioning plan and SEND programme.

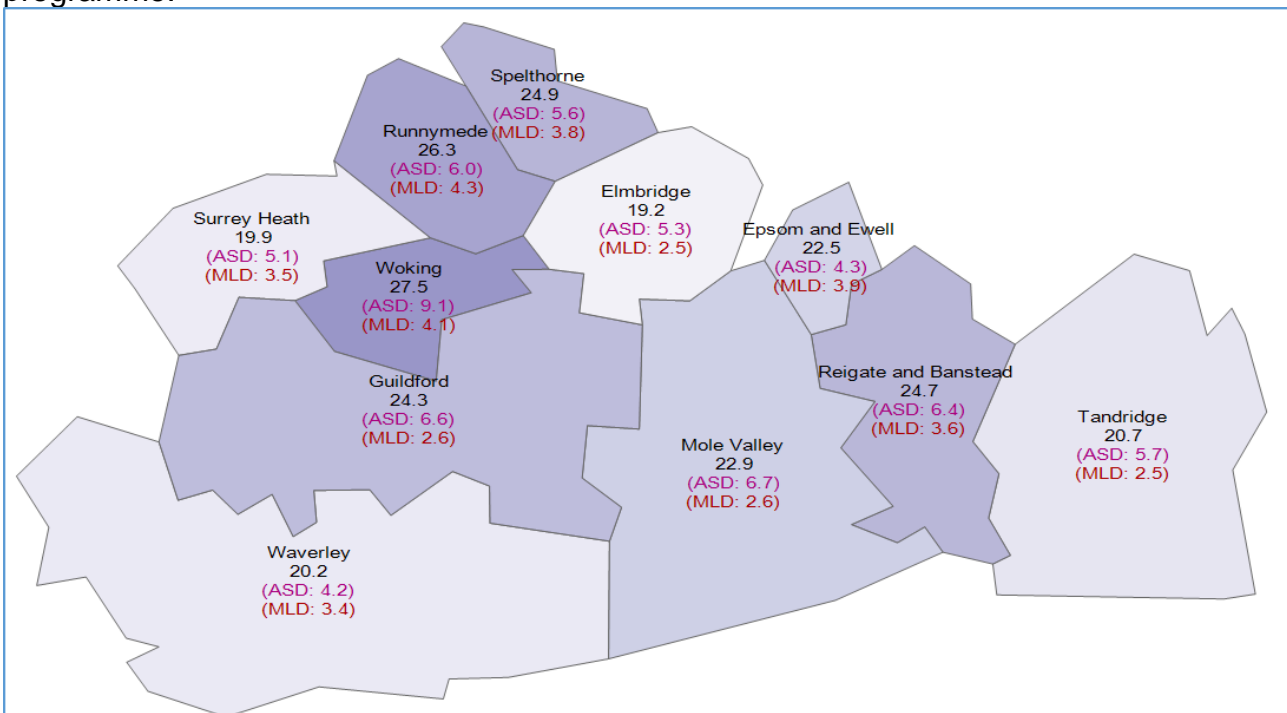


Figure 2: Rates of pupils with a statutory plan per 1,000 population by district and borough, 2016

9. Secure increased participation in education, training and employment post 16 for children and young people in our 'vulnerable groups'

What is the need?

Although Surrey's overall participation amongst 16 and 17 year-olds has remained above the national and regional averages for the last four years, there are certain groups performing less well and types of destinations that are not as widely taken up.

Between 2014 and 2015, the proportion of young people with SEND continuing in education and training increased significantly, from below the national average (80.8% compared to 86.1%), by 13.11 percentage points; bringing the total to 93.9% and subsequently exceeding the national average of 87.3% for 2015. This increase demonstrates the positive steps made to improve outcomes for this cohort. However, attainment and progress continues to be an area for improvement.

In Surrey there is a larger gap between young people with SEND and those without who are qualified to Level 3 by the age of 19 than nationally, regionally and amongst Surrey's statistical neighbours.

A gap in attainment by age 19 is also seen amongst those in Surrey claiming Free School Meals, compared to their peers. At both Level 2 and Level 3, the attainment gap is greater than that seen nationally.

Progression to higher education (HE) with an average of only 22% of Surrey young people who claimed Free School Meals entering HE, compared to 44% of those who did not. This inequality gap is greater compared to national performance levels. This is a gap of 22 percentage points which is 2 percentage points below the south east average.

Only 17.2% of looked after children achieved five or more GCSEs at grades A*-C (including English and Maths), compared to 93.9% across Surrey as a whole. This lack of progress at GCSE for the majority of looked after children greatly reduces the likelihood that they will achieve a Level 3 qualification by the age of 19.

Improvements can be seen in the proportion of care leavers who were NEET, decreasing from 40% to 37% within Surrey between 2014 and 2015, compared to an increase from 38% to 39% nationally. A deep dive of care leavers 'Staying Put' with their former foster carers found that 86% were participating in education, training or employment (PETE). This compares with 55% of care leavers in supported accommodation and 66% of care leavers in independent living being in participation. Only 5% of care leavers in Surrey entered HE in 2016 (1% less than in 2015) compared to 7% nationally (1% more than in 2015).

Some specific vulnerable groups within Surrey are known to perform less well than their peers. 16.8% of Surrey young people with an Education Health and Care plan or Statement of Special Educational Needs are qualified to Level 2 (GCSE equivalent) (including maths and English) and 15.8% to Level 3 (A level equivalent), compared to 86.1% and 72.1% respectively for those without SEND. This is a difference of 69.3% at Level 2 and 56.3% at Level 3, both of which are above the national average.

Market analysis and value for money

In 2012, Surrey County Council commissioned a preventative service known as Year 11-12 Transition. The initiative provides mentoring support to young people identified by using a set of Risk Of NEET Indicators (RONI) criteria. Mentors provide a range of one-to-one support, advice and guidance from the January of Year 11 to the February of Year 12; aimed at enabling young people to successfully transition to and sustain appropriate education, training or employment destinations. For those young

people who do not make a successful transition or subsequently withdraw from provision before the age of 18, Surrey's Family Service offers case-management to support them back into education, employment or training.

Demand and projected costs

Future demand is growing as more school age pupils are being identified as at risk of becoming NEET. The current healthy employment markets provides a good range of opportunities but any downturn in youth employment would have a detrimental impact.

We are currently working on developing our modelling abilities and will have further information in the near future.

What have we heard about our service?

Young people have told us that they feel education for GCSE level is too focused on getting them through their GCSEs rather than teaching them life skills.

They have also said that education services do not realise that some apprenticeships require qualifications and are not preparing well for such routes.

In general, children in care have told us that they have received the advice and support needed to move from care onto independent living.

What do we need to commission?

- Greater availability of flexible further education (FE) provision and training opportunities, particularly those which meet the needs of NEET young people, needs to be further developed.
- The quality and impartiality of careers education, information, advice and guidance (CEIAG) accessed by young people across Surrey varies widely and requires improvement.
- Transport costs can be a barrier to participation, particularly for vulnerable

groups of learners undertaking an apprenticeship.

- There is a need to increase the delivery of apprenticeships and other work-focused programmes to meet the needs of Surrey businesses and address the challenges employers face in recruiting and retaining high quality staff.

This will be achieved by our education and skills thematic plan, SEND thematic commissioning plan and programme, education in partnership programme.

10. Secure increased school readiness and reduce the health development and attainment gap for disadvantaged groups in early years.

What is the need?

In Surrey we have made great improvements in increasing the take up of Free Early Education for Two-Year-Olds (FEET). About 78% of eligible two year olds use Free Early Education for Two year olds (FEET) each term. This has improved from 65% in past years.

Low take-up of pupil premium in Surrey significantly reduces the resources available to schools to improve the achievement of disadvantaged children. This is in part due to the difficulty of receiving data from parents to check eligibility of Free School Meal status.

A focus of the SEND inspection was the uptake of the 2-2.5 year developmental reviews. Around 85% of children receive this review. It can provide early identification of children requiring additional support and often forms the start of pathways into wider services that promote and aid a child's school readiness.

What have we heard about our service?

Cost is the main barrier to accessing childcare, particularly for those on lower incomes. But we have heard that where families do access it, they are very satisfied with the quality of formal childcare services.

Demand and projected costs

Future demand will be modelled drawing on data from partners. Currently the development of 30 hours provision is the most significant demand in the sector.

Market analysis and value for money

National benchmarking indicates that in Surrey the spend on Early Years per capita is in line with the national average. The market comprises of a large number of generally

small providers, with a greater dependence on the Private, Voluntary and Independent (PVI) Sector in Surrey than is generally the case elsewhere in England.

The new requirement for 30 hours provision from September 2017 is challenging the market, particularly as it will limit opportunity to generate income, as well as requiring significant additional capacity.

What do we need to commission?

The new requirement for 30 hours provision from September 2017, requires significant growth in the market and is presenting providers with challenges as it reduces income potential. It will require new models of delivery and may limit opportunities for generating additional income. The market is being supported through DfE secured capital and targeted support for Sufficiency and Sustainability.

We will continue to work with health partners and providers to ensure access to early physical and emotional reviews is equitable across the population.

We will specifically:

- Develop new provision to meet the new 30 hour requirement
- Continue the collaborative model of working to deliver a speech and language model for early years children
- Extend the locations for the delivery of therapy sessions and ensure the model of therapy delivery dovetails into the Surrey County Council speech and language service for children in schools.
- Continue the integrated approach between Early Years and Health to carry out the 2 year checks
- Continue to fund publicity encouraging parents and carers to attend these

This will be achieved by our Early Years thematic commissioning plan.

Financial savings

6.1 What are the savings for CSF?

The table below sets out the planned savings for CSF, as at August 2017. These savings from a total budget of £454m are built into the service plans, programme plans and thematic commissioning plans.

The MTFP is currently being reviewed for 2018-2021 and work on forecasting demand is informing that plan. Additionally 'sustainable future is a programme of work which takes a longer term perspective on forecasting demand and changing the local market, internally and externally and service practice to ensure sustainable service for the future.

Market category	Key savings	17/18 (£m)	18/19 (£m)	19/20 (£m)	Total (£m)
SEND	Home to school transport (SEND)	1.5	1.5	1.5	4.5
	Supplier relationship management	0.3			0.3
	Review of special school funding	2.3	1.3		3.6
	Individual Statemented Pupil Support Budget	1.2			1.2
	Traded model for SEN Support Services	1.1	0.5		1.6
	Post-16 SEND	1.0			1.0
	Review provision of SEND support to Early Years Providers	1.0			1.0
	Further SEND savings on the high needs block	2.6	1.1	3.2	6.9
	Other	3.1			3.1
	Early Help	Service reconfiguration	2.1	4.4	0.12
Contract savings		0.3	0.2		0.5
Early Help reduction in LAC demand		0.1	0.2	0.2	0.5
Early Help reduction in CiN demand		0.3	0.6	0.6	1.5
Social Care and Wellbeing	Savings on external placements		0.5	0.3	0.8
	Reduced reliance on locums			0.5	0.5
Education and skills	Home to school transport (Mainstream)	0.6			0.6
	Reduction in school support	0.6			0.6
Cross cutting	Productivity Efficiencies	1.7	2.4	3.3	7.4
	Managing Market inflation	3.2	3.2	3.2	9.6
	Support Functions Review	0.4	0.3		0.7
	Income Generation	0.1			0.1
	Commissioning restructure	1.3			1.3
TOTAL		24.8	16.2	12.9	53.9

Local authorities receive an annual ring-fenced public health grant from the Department of Health. The core condition of this grant is that it should be used only for the purposes of the public health functions of local authorities as set out in the Health and Social Care Act 2012. They include the duty to improve public health through mandated and non-mandated functions. At the start of 2015/16, the Public Health grant for Surrey was £41.5 million (adjusting for the full year effect of the transfer of 0-5 services from the NHS to Local Authorities during this year). In 2015 the Government announced a series of reductions to the Public Health grant and these are demonstrated in the current published MTFP:

2016/17: £38.7m
2017/18: £37.9m
2018/19: £36.5m
2019/21: £35.5m

The impact of reductions includes a £2 million per year reduction to the value of the Integrated Sexual Health service and a 15% reduction in Public Health funding to the value of the school nursing and health visiting services within Surrey's community health service for children.

Additionally, given demand pressures, there will be a need to focus on containing spend within current budgets. Again, Early Help is key in addressing these demand pressures and ensuring future provision is sustainable.

How will we achieve these outcomes?

Overview

To achieve our vision, outcomes and commissioning intentions we will transform the way we do things. We will use evidence-based tools and approaches to re-imagine services over the coming years, commissioning for outcomes and collectively building a new offer that supports our vision.

Early Help

We will take a preventative approach, identifying negative events that occur in a child's life that often need an acute and frequently costly intervention. Being explicit about prevention will help us re-purpose our services, recommission our contracts, redeploy our staff and reform our practice with partners to support demand reduction.

We will develop an early help offer that reduces the requirement for statutory social work interventions by providing the right help at the right time. Prevention will also be central to our SEND offer, as we reform the education, health and care pathway for children and for all ages.

Safer Surrey

Reforming our practice and embedding restorative, family centred models in our work with children through the Safer Surrey approach is fundamental. Our practice needs increasingly to be more sensitive to the context of families, compassionate and respectful of children and families' lived experience. Practice will be underpinned by a firm knowledge of child development, attachment theory and social pedagogy that supports professionals working with families to coproduce child wellbeing.

A systematic programme of change

Our outcomes will be delivered through a number of key change programmes and

through thematic commissioning plans. The key transformation programmes are:

- Early Help
- Education in Partnership
- Information Management
- Safeguarding
- SEND

The Children's Improvement Plan pulls together key actions from across the council's and partners' change programmes. This is overseen by the Improvement Board which monitors the delivery and supports a coordinated, child-first approach to change across the partnership.

We have adopted an evidence-based improvement framework, informed by research and best practice to help ensure we have the infrastructure required to achieve long-term sustainable improvement across our services for children and families.

Our improvement work will focus on seven areas of our organisation and practice that are essential to achieving and sustaining service improvement and development and are dependent upon each other for its success – these are:

- Robust leadership, management and governance
- Practice improvement
- Collaborative learning culture
- Engagement with children, families, workforce and partners
- Strong core systems and processes
- Efficient and effective use of resources
- Quality assurance and performance management

The Sustainable Transformation Partnerships provide opportunities to build pathways and services across organisational boundaries and to further joint commissioning opportunities.

Our thematic commissioning plans set out further market analysis and planned commissioning actions in each of the following areas:

- Early Help
- Early Years
- Education and Skills
- Health
- SEND
- Social Care and Well-Being

The Annexe sets out the links between the commissioning intentions, change programmes and thematic commissioning plans.

In order to oversee and join up across our change programmes and the thematic plans we have created the CSF Programme Management Office (PMO). The PMO is responsible for managing interdependencies across this portfolio in order for all elements to work together to achieve our outcomes.

Reviewing our progress

Progress will be reviewed through Programme Boards (for Change Programmes), The Improvement Board and the Commissioning Overview Group with Service Management Teams (for thematic commissioning plans), with oversight by CSF Leadership Team and the Public Health Leadership Team.

<p>SCC outcomes for children and young people in Surrey.</p>	<p>Children and young people have good health and wellbeing Children and young are empowered and supported to have good social, emotional and physical wellbeing</p>	<p>Children and young people are safe from harm and danger Children and young people are empowered to keep safe and professionals work together to identify and address safeguarding concerns at the earliest point possible.</p>	<p>Children and young people achieve their potential Children and young people are empowered and support to reach their potential in everything they do.</p>
<p>CSF Commissioning Intentions</p> <p>Page 90</p>	<ul style="list-style-type: none"> ➤ Prevent problems escalating by ensuring children, young people and families needing extra help receive timely, preventative support ➤ Develop a positive experience of SEND services and support for children, young people and families ➤ Secure the right early support to promote good emotional wellbeing, physical and mental health 	<ul style="list-style-type: none"> ➤ Prevent and reduce the impact of abuse (including domestic abuse) and neglect ➤ Secure provision of placements or accommodation for looked after children, care leavers, unaccompanied asylum seeking children that are appropriate, local and value for money ➤ Reduce the impact to children of hidden crimes – child sexual exploitation (CSE), Children who go missing from home and care and radicalisation. 	<ul style="list-style-type: none"> ➤ Champion the educational achievement, progress and engagement of vulnerable children and young people throughout their life course (looked after children, children in need, free school meals, SEND, ‘vulnerable groups’) ➤ Develop educational opportunities for children and young people with SEND in local schools or colleges that offer the best value for money ➤ Secure increased participation in education, training and employment post 16 for children and young people in our ‘vulnerable groups’ ➤ Secure increased school readiness and reduce the health development and attainment gap for disadvantaged groups in early years.
<p>PH Commissioning Strategic Actions</p>	<ul style="list-style-type: none"> ➤ Reduce inequalities in lifestyle related long term conditions across the life-course (early years, CYP, adults, older people) ➤ Emotional wellbeing, resilience and mental health is protected and improved for Children and Adults in Surrey 	<ul style="list-style-type: none"> ➤ Risk taking behaviours decrease in Surrey residents across the life-course (early years, CYP, adults, older people) and amongst priority groups. ➤ Children and adults whose circumstances make them vulnerable will be safeguarded and protected from avoidable harm. 	<ul style="list-style-type: none"> ➤ Residents of Surrey have the opportunity to access preventative support and self-care to improve health and wellbeing
<p>ASC Commissioning Strategic Actions</p>	<ul style="list-style-type: none"> ➤ Individuals have the right support that enables them to stay well and receive the right care and treatment they need 	<ul style="list-style-type: none"> ➤ Individuals supported in both Surrey and out of county will experience quality services that are responsive to individuals’ needs keeping them safe delivering value for money 	<ul style="list-style-type: none"> ➤ Individuals have a great start to life and are supported to live and age well having opportunities to contribute to their local community

Commissioning intentions and performance measures

The principal performance measures are set out below. These have been selected as the main measures that give an indication of progress - other measures are reviewed as part of wider performance management across CSF.

CSF Commissioning intention	Principal performance measure
1. Prevent problems escalating by ensuring children, young people and families needing extra help receive timely, preventative support	Increase in percentage of children whose needs are met through Early Help Interventions
2. Develop a positive experience of SEND services and support for children, young people and families	Increase in satisfaction as measured by national POET survey
3. Secure the right early support to promote good emotional wellbeing, physical and mental health	Reduction in CAMHS waiting times for all children Reduction in CAMHS waiting times for vulnerable groups Obesity - Levels of overweight and obesity in school children in reception and year 6 and in adults. Sexual Health – Access to sexual health services Substance misuse - % successfully completed their treatment course and did not represent within six months
4. Prevent and reduce the impact of abuse (including domestic abuse) and neglect	Reduction in repeat Child Protection Plans within 2 years where referral reason is abuse and neglect
5. Secure provision of placements or accommodation for looked after children, care leavers, unaccompanied asylum seeking children that are appropriate, local and value for money	Increase in percentage of placements within 20 miles
6. Reduce the impact to children of hidden crimes – child sexual exploitation (CSE), Children who go missing from home and care and radicalisation.	Increase our awareness of CSE with consequent increase in numbers recorded as at risk Increase in proportion of boys recorded as at risk
7. Champion the educational achievement, progress and engagement of vulnerable children and young people throughout their life course (looked after children, children in need, free school meals, SEND, 'vulnerable groups')	Increase in percentage of vulnerable children achieving 5A* - C (9-6) GCSEs at Key Stage 4 Increase in percentage of Looked After Children achieving 5A* - C (9-6) GCSEs at Key Stage 4
8. Develop educational opportunities for children and young people with SEND in local schools or colleges that offer the best value for money	Increase in percentage of placements within 15 miles of home address
9. Secure increased participation in education, training and employment post 16 for children and young people in our 'vulnerable groups'	Increase in percentage of vulnerable young people in participation in education, training or employment Increase in percentage for Looked After Children and Care Leavers
10. Secure increased school readiness and reduce the health development and attainment gap for disadvantaged groups in early years.	Increase in percentage of children receiving their 2-2 ½ year review

Annexe 1

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		Programmes					Thematic Commissioning Plans					
		Early Help	Education in Partnership	Information Management	Safeguarding	SEND	Early Help	Early Years	Education and Skills	Health	SEND	Social Care and wellbeing
Commissioning intentions	1. Prevent problems escalating	x		x			x	x		x		
	2. Provide positive experience of SEND			x		x					x	
	3. Provide early support for good emotional well-being, physical and mental health	x		x			x			x		
	4. Prevent and reduce impact of abuse and neglect			x	x							x
	5. Local placements for Looked After Children, Care Leavers and Unaccompanied Asylum Seekers			x	x							x
	6. Prevent and reduce impact of CSE and children who go missing			x	x							x
	7. Champion educational achievement of vulnerable groups	x	x	x			x	x	x	x		
	8. Local educational opportunities for children and young people with SEND			x		x					x	
	9. Increase participation in education, training and employment for vulnerable groups.		x	x					x			
	10. Increase school readiness and reduce the health development and attainment gap for disadvantaged groups in early years.			x				x		x		

SURREY COUNTY COUNCIL**CABINET****DATE: 31 OCTOBER 2017****REPORT OF: COLIN KEMP, CABINET MEMBER FOR HIGHWAYS,
ENVIRONMENT AND FLOODING****LEAD OFFICER: JASON RUSSELL DEPUTY DIRECTOR ENVIRONMENT &
INFRASTRUCTURE****SUBJECT: FUNDING OPTIONS FOR FUTURE FLOOD ALLEVIATION
PROJECTS IN SURREY****SUMMARY OF ISSUE:**

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 are struggling to resource the amount of schemes required to protect the 30,000 properties that are at risk of flooding in Surrey. The Met Office is predicting more frequent severe rainfall in coming years and if this is the case, it is likely that more areas beyond those already identified will become at risk of flooding in the future, with potential financial impacts in excess of the £27.1m of damage caused by the floods in 2013/14. Therefore if a funding solution to this issue is not found then future flood events are 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 is such that "local contributions" are required to pay a significant proportion of the costs. This is sometimes possible in the case of smaller scale schemes and the council has a programme with some capital support for such schemes across Surrey. It is 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 this report.

The council cannot 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 is asked to consider how best to respond.

RECOMMENDATIONS:

It is recommended 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 RECOMMENDATIONS:

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.

DETAILS:

Background – history of flooding in Surrey

1. Surrey is a county at high risk of flooding with in excess of 30,000 properties at risk from fluvial and surface water sources. It has experienced several major flood incidents since 2000, with much of this occurring in the floodplain of the lower River Thames and its tributaries.
2. In 2000 Surrey witnessed the wettest autumn since records began, with the total rainfall between September 2000 and February 2001 recorded at 866mm compared to a long-term average of 432mm. This intense level of rainfall resulted in Surrey's drainage and sewerage systems becoming

overwhelmed, with between 500 and 600 homes being flooded. School closures and significant traffic disruption were also caused by this event.

3. A further flood event took place in July 2007. Again caused by heavy rainfall, significant damage to a number of communities in Surrey occurred with over 200 homes affected and the highway network disrupted.
4. A nation-wide flood event also took place between December 2013 and January 2014 and Surrey's population was the most affected of any part of the country. The impact of these floods was particularly severe, with approximately 1200 homes internally flooded, many families being forced to move out of their properties for months or more, and a total of £27.1m of damage being incurred. It was primarily caused by the River Thames and its tributaries bursting their banks following an extended period of heavy rainfall. Council officers worked with partners in boroughs and districts, the police and the armed forces in the recovery operation.
5. Other recent impacts of flooding in Surrey include:
 - Flanchford Bridge, Mole Valley - had to be demolished and rebuilt as a result of the flooding in 2013/14 costing £1.2m. Furthermore, 270 properties suffered internal flooding in Mole Valley during that flood event.
 - Maybury and West Byfleet, Woking - received around 32mm of rainfall over the course of a few hours in May 2016. The existing drainage systems were unable to cope and 45 properties were internally flooded. Three schools were also closed and major traffic delays caused by flooded roads resulted in gridlock in the Woking area.
 - Caterham on the Hill, Tandridge – a flash surface water event overwhelmed the local road and drainage infrastructure resulting in over 86 internal property floods and 63 external property floods in June 2016. Many of the internal property floods included sewage. 40 roads were affected by the flooding, with eight closures put in place and traffic gridlock occurring as a consequence.
6. With so many incidents of flooding having taken place in Surrey in the last ten years – and two within the last 18 months – it is clear that more needs to be done to manage this risk.

Future risk

7. Cabinet recognised the issue of limited funding for flood alleviation projects when it approved SCC's refreshed Local Flood Risk Management Strategy (LFRMS) and its approach to managing over 1,100 wet spots across the county in April 2017. Specifically, it recommended that officers investigate how flood work can be sustainably funded in future. This is particularly important as the Strategy has an objective to 'invest in flood alleviation schemes'. 'Investing in flood and maintenance schemes' also remains a strategic goal in SCC's Corporate Strategy 2017–22.
8. At present a large number of communities are at risk of flooding in Surrey and current funding levels mean there is a limit as to how many of these can be supported by flood alleviation projects. This is illustrated by the fact that there are 174 communities in Surrey at risk of flooding, with approximately 37 flood

alleviation schemes in development across the county (for further information please see **Annexe A**).

9. A recent study by the Met Office¹ shows that there is a high risk of record-breaking rainfall in England and Wales taking place in the next ten years. EA guidance indicates that flood flows could increase by 15% by the 2050s, though this increase could be as high as 40%. Current funding levels mean that the council is unable to mitigate sufficiently against this risk.

Current sources of funding

10. Current funding for flood alleviation work in Surrey comes from five main sources:
- *Grant funding for schemes from Central Government* – in May 2011 the Secretary of State for DEFRA introduced the ‘Flood and Coastal Erosion Resilience Partnership Funding’ policy. This policy established an approach to fluvial flood alleviation projects whereby responsibility for funding would be shared between national and local sources. The EA are the lead authority for such schemes, though this funding formula still requires funding contributions from the relevant Lead Local Flood Authority (LLFA). The amount an individual project receives from Central Government varies depending on a number of factors, including cost/benefit ratio, environmental benefits and number of properties protected. It is referred to as Flood Defence Grant in Aid (FDGiA) funding. It is this system that has been applied to the RTS, leaving a funding gap in excess of £257m, with Surrey’s contribution potentially being in the region of £100m.
 - *Existing levy* – the Thames Regional Flood and Coastal Committee (TRFCC) is a partnership with representation from all flood risk management authorities in the Thames basin area. SCC contributes approximately £1.2m per annum into a central pot which is then used to contribute to flood alleviation projects across the Thames basin. Through mutual agreement the TRFCC also sets the principles by which FDGiA funding is administered. At present Surrey benefits more than the amount it contributes. (Further information regarding the TRFCC can be found in **Annexe B**).
 - *Department for Transport* – Surrey receives a grant from DfT to carry out capital activities on all highway assets including roads, pavements and bridges. £1,400,000 of capital funding from this grant is allocated for capital highway drainage improvements.
 - *Defra “additional burdens” funding* – following SCC assuming the role of LLFA, Defra allocates funding for the delivery of the additional duties this entails. This is currently £575,000 per annum.
 - *SCC funding* – £3,446,000 of the council’s revenue funding is spent on highway drainage maintenance activities. In addition, the council is borrowing £500,000 per annum to contribute to the development of the

¹ BBC News: ‘High risk of “unprecedented” winter downpours’
<http://www.bbc.co.uk/news/science-environment-40683302>

River Thames Scheme (£2,500,000 in total). An additional £500,000 is allocated to contribute to other local flood alleviation schemes.

- *Local Enterprise Partnerships (LEPs)* – LEPs are partnerships between Local Authorities and businesses that help determine local economic priorities and lead economic growth and job creation. They receive delegated funds from Central Government to generate growth and some of the highways schemes that are developed from these funds incorporate flood resilience work. Funding for these schemes and flood work specifically vary year on year and depend on current local priorities.

The River Thames Scheme

11. In recognition of the flood risk posed by the Thames specifically, the EA is leading on the development of the RTS; a series of flood defences on the Thames between Datchet and Teddington which aim to alleviate the risk of flooding to approximately 15,000 properties. Communities in Spelthorne, Elmbridge and Runnymede stand to benefit from the scheme.
12. The RTS consists of two main elements. The first is the construction of major flood alleviation measures on the river itself. These are three major flood channels located in Windsor & Maidenhead and Surrey, increased capacity of the Desborough Cut and larger weirs at Sunbury, Molesey and Teddington to store the increased flow capacity from the new channels. The second element of the scheme is property level protection for households in the flood plain of the Thames that will not benefit from main the defences of the RTS.
13. SCC agrees that implementation of the RTS or a similar level of protection by other means is essential because of the benefits it brings. These include:

Table 1.1 – estimated economic benefits of the River Thames Scheme²

Item	Benefit (£m)
Reduction of flood risk to residential property	1,700
Reduction of flood risk to commercial property	400
Reduction in transport disruption associated with flooding	190
Reduction in health impacts associated with flooding	61
Environmental benefits (green space, biodiversity etc.)	38
Reduction in flood risk to utilities	14
Reduction in risk to life associated with flooding	5
Est. total economic benefits	2,408

² Environment Agency: River Thames Scheme Strategic Outline Case (2016)

14. As demonstrated in Table 1.1, the RTS would deliver potential benefits in the region of £2.4 billion. Furthermore, this figure does not include the fact that there are a number of major employers and infrastructure hubs that would be protected by the RTS. Increased certainty and protection would also help to foster greater investment and growth in Surrey and the wider scheme area.
15. The RTS is officially estimated to cost a total of £588m with a funding gap of £257m. Confirmation of Surrey's, and other benefitting Local Authorities, requested contribution to the scheme will be based on the number of properties set to benefit from the RTS in those areas. For SCC this is in the region of £103m as set out in **Annexe C**. This figure will reduce should contributions from other sources be forthcoming.
16. To this end the county council is supporting work to secure further contributions, also summarised in **Annexe C**. However, if this funding gap is not met then there is a high chance that the scheme will be significantly reduced in scope or withdrawn altogether. The Government and other national bodies do not fully fund such flood alleviation schemes and therefore under the current funding formula, large contributions from other sources are required if the scheme is to be successfully developed and built.
17. A key consideration with regards to funding of the RTS is that technically, SCC and other local authorities have no legal obligation to contribute. This is because the EA has statutory responsibility for managing flood risk from main rivers while SCC as LLFA has permissive powers for managing flood risk from ordinary watercourses. Therefore any contribution from a local authority or other organisation to the scheme would be discretionary and based on the availability of additional funds.
18. Although the RTS has an impressive benefit/cost ratio of 5:1 and is set to deliver billions of pounds worth of economic benefits, the current funding situation is such that there is insufficient funding to realise Surrey's contribution to the RTS, or to provide the number of flood alleviation schemes required elsewhere in the county. Therefore, an overview of why additional funding is required for both the RTS and other flood risk management work across the county is provided below.

Why additional funding is needed

19. Significant reductions in central government funding and increases in demand for statutory services mean that the council needs to deliver savings in excess of £237m by 2019/20, in addition to over £450m already delivered since 2010/11. Against this background, funding for flood alleviation work is under severe pressure.
20. Using estimates based on current sources of capital funding for flooding, when splitting these sources between the 174 communities in Surrey that could benefit from some form of flood alleviation scheme (excluding maintenance and staff budgets) there would be just £21,000 available for each project. With an average mid-sized scheme roughly costing more than twelve times this, it can be seen that current resources are not sufficient to address the risk of flooding in Surrey.

21. The current number of flood alleviation projects being developed in Surrey is unable to cope with the level of demand (see **Annexe A**). If the present amount of funding is not increased a large number of communities in Surrey will remain at significant risk of flooding indefinitely.
22. Were a flood event on the scale of 2013/14 or greater to take place again, the consequences would be severe and the current funding situation does not provide adequate resource to mitigate or prevent this. This is reflected in the fact that since 2013/14, SCC and its partners have developed 20 flood alleviation schemes that have protected 436 properties. However, this is a small proportion of the 30,000+ properties at risk of flooding in Surrey. Therefore many communities will remain at risk of economic and social harm from flooding if additional sources of flood alleviation funding are not found.
23. There is also more that could be done to improve routine highway maintenance, though this likewise requires additional funding. Specifically, additional targeting of drainage infrastructure in areas considered a priority due to historic or modelled flood risk would result in high flood risk areas receiving increased cleansing visits, which would in turn maximise the capacity of the system to deal with heavy rainfall events.
24. The population of Surrey is forecast to increase in the coming years and this could in turn increase the total number of people in the county at risk of flooding. The Surrey Infrastructure Study, published in January 2016, indicates that a further 47,053 dwellings are expected to be built in the county between 2015 and 2030 with an associated population increase of 60,991 people (an increase of 5%). The need for investment in flood alleviation schemes is therefore increasing, not only to reduce flood risk to existing communities, but to also provide for an increasing population and the associated dwellings that will be required.
25. The county council does not currently have any capital schemes in development for the areas that stand to benefit from the RTS. Should the scheme not be taken forward, current SCC funding for future flood alleviation work will be placed under further pressure as a result of needing to cover a wider area.
26. The council does not currently have a sustainable budget. The RTS is the highest priority flood scheme in the county and supporting its delivery is important to SCC. The council is committed to doing everything it reasonably can to make a significant contribution to the cost of the scheme. However, its ability to do this is prevented by the financial impact of other demands on its services and restrictions on its sources of funding.
27. Many options for bridging the funding gap of the RTS have been considered. A specially convened funding group, Chaired by Leader of SCC David Hodge, has assessed numerous options for generating additional funding for the scheme. This has included:
 - Maximising the contributions from organisations that stand to benefit from the RTS
 - De-scoping or deferring parts of the scheme to reduce cost and potentially alter the partnership funding score
 - Working with the Government to generate additional local contributions which are matched or leveraged by additional Government funding

28. However, these have either not raised sufficient funding commitments or gathered enough support to be viable options at this stage.

Potential new sources of funding

29. When it approved Surrey's flood strategy in April 2017, Cabinet made a recommendation that officers consider options for additional sources of funding for flood alleviation work across the county. This work has identified two possible options:
- Introducing a flooding element to the current Council Tax precept
 - Creating a new approval authority to raise funds through a levy, such as a Surrey-wide Internal Drainage Board
30. Approximately £3.1m - £9.3m p/a could be raised for flood alleviation work by applying an increase of 0.5% - 1.5% to Council tax (based on Council tax income for 2016/17) via one of the methods above. In cost terms a 1.5% increase would represent an additional annual cost of £19.02 (equivalent to approximately £0.36 per week) for a band D property across Surrey..

Precept

31. Additional funding could be raised by applying a percentage increase to council tax. However the Local Government Finance Act 1992 (as amended by the Localism Act 2011) requires a council proposing an increase in council tax in excess of a limit set annually by the government to hold a referendum. Historically this trigger has been set by the Secretary of State for Communities and Local Government at 2%.
32. In response to extensive lobbying from local authorities who argued the current precept was not sufficient to address the rising costs associated with adult social care, in 2016 the Secretary of State granted councils with adult social care responsibilities the ability to apply an additional 6% increase to the council tax precept across 2016-19, with a maximum increase of 3% in any one year, without affecting the referendum threshold.
33. Therefore, councils were effectively empowered to raise a total precept of up to 5% without triggering a referendum, as long as it could be proven that the additional 3% was to be spent on adult social care responsibilities.
34. The Secretary of State could apply a similar approach to empower councils to place an additional percentage on the council tax precept to cover the rising costs of flood alleviation work without triggering a referendum. SCC could ask the Secretary of State to consider this.

Levy

35. A further option to be considered is the introduction of a levy. This would take the form of an additional charge to residents and would be considered as part of their overall council tax bill. It would not be specifically itemised, unlike a flood alleviation element to the council tax precept.

36. A new approval authority would need to be established if SCC wished to introduce a levy because it does not currently have levy-setting powers. This would require the enactment of primary legislation in Parliament.
37. One form the approval authority could take is that of an Internal Drainage Board (IDB). IDBs are public bodies that manage water levels in areas where there is a special need for drainage. IDBs undertake works to reduce flood risk to people and property in their area (known as an 'Internal Drainage District' or 'IDD'). A small section of Tandridge District is part of the Upper Medway IDD.
38. IDBs are funded by the local beneficiaries of the flood risk management work carried out. In the case of individual residents, the IDB applies a special levy to the relevant district or borough council, which is paid for through council tax. Land occupiers, such as farmers or estate managers, are directly charged a drainage rate by the IDB.
39. The functions of an IDB would largely mirror those already performed by SCC in its capacity as LLFA – i.e. activities to manage flood risk including building flood alleviation schemes and the permissive power to maintain ordinary watercourses. In which case SCC could be challenged as to why an IDB would be necessary if it is duplicating current work. SCC could also potentially be asked to handover its current flood alleviation programmes to the IDB.
40. Theoretically, SCC could establish a Surrey-wide IDB. The IDB would be likely to charge a levy to the beneficiaries of the flood risk management work it undertook. This however would not likely generate a significant amount of income because it would only be the areas that benefitted from flood risk management work that would pay a levy, as the levy could not be applied to the 174 communities at risk of flooding in Surrey.
41. A further issue with IDBs is that they cannot carry out works associated with main rivers. Given that a key motivation for raising additional funding for flood alleviation work in Surrey is to help meet the funding gap for the RTS – a main river scheme – an additional, separate solution would have to be found to resolve this problem.
42. Most significantly, there is at present no legal basis to create a new IDB. Most existing IDBs were established following the passing of the Land Drainage Act (1930) and have been in place ever since. Therefore, establishing a new one would be a largely untested and potentially challenging process.
43. As IDB levies applied to non-large land occupiers are paid for from council tax, an equivalent increase in council tax would be required to pay a levy. This would contribute towards the council tax precept and if it resulted in a total increase of 2% or more would trigger a referendum.
44. The requirement to enact primary legislation to set up such an approval authority could prove a lengthy process, requiring several years to enact through primary legislation. And although the Secretary of State could in theory give SCC permission to set up an approval authority, there is still a strong possibility that Central Government would ask for a referendum to be held in order to seek the approval of residents.

45. Support for a new approval body would also have to be given by Surrey's districts and boroughs in their capacity as council tax collection authorities. Some may be hesitant to do so if they do not regard managing flood risk as a strategic priority.
46. Finally, there is the issue surrounding the fact that SCC already pays a levy to the TRFCC for flood alleviation work. Therefore if this option were to be implemented, Surrey residents would effectively be paying two levies for a similar purpose.
47. Somerset County Council are currently trying to obtain levy-setting powers for the Somerset Rivers Authority (SRA) following the floods of 2015. Should Surrey wish to pursue the approval authority option it would likely take a similar form to the SRA. (Further information can be viewed in **Annexe D**).

Amount of funding required

48. Surrey's requested contribution to meeting the RTS funding gap is provisional although likely to be in the order of £100m. This makes it difficult to assess how much funding would be required in total to meet the overall gap for all necessary flood risk management projects across the county. Therefore a decision on how much income would need to be generated would have to be taken by Cabinet at a later stage.
49. However as an initial indication, a council tax increase of at least 1% would be required in order to make the proposals viable. This would generate income of approximately £6.4m per annum to be allocated in some proportion between the RTS and wider flood alleviation projects across Surrey.

Viability and Risks

50. The introduction of any kind of levy/precept (be it through a new precepting authority, an IDB or otherwise) or council tax increase to raise additional funding for flood alleviation work could result in a referendum. This is because any form of additional charge on residents would be legally considered part of the annual council tax increase threshold of 2%. Because of this, at the present time there is no mechanism through which councils can raise additional funding that would not be considered part of this threshold. There is a single exception to this and it is the adult social care precept which has its own, separate limit of 3%.
51. The Secretary of State has the power to set and amend the limit by which councils can increase council tax. Therefore the only way any form of increase to council tax to fund flood alleviation work would not trigger a referendum would be for the Secretary of State to remove the current threshold of 2%, increase it, or give councils permission to introduce a separate precept element for the purpose of flooding similar to that for adult social care.
52. It can be stated with confidence that implementing a Surrey-wide IDB is not a viable option. Not only is there no legal basis for doing so, but the fact that it would only have the power to apply a levy to beneficiaries of its work as opposed to all Surrey residents would mean the potential income it could generate would be limited. This income would also not be controlled by SCC but by the IDB itself as it would have an independent status. Furthermore, its

inability to fund work to main rivers would not address the funding gap for the RTS.

53. The process through which a levy/precept or council tax increase could be implemented would likely be lengthy, costly and without guarantee of success. As stated, Secretary of State approval would be required for most approaches, and at the current time and with the county council's existing forecast council tax increases a referendum could be required for all approaches. Somerset County Council first took the decision to introduce a flooding precept in 2015 but as of September 2017 are yet to implement it owing to how long it takes to get the associated primary legislation approved. This would have to take place via a Private Member Bill in Parliament and again, is not guaranteed to succeed as a minority of these Bills become law as a result of the minimal parliamentary time given to them. Furthermore, there may simply not be appetite for Government to consider this in light of other national priorities.

Conclusion

54. There is a clear need for additional sources of funding for flood alleviation work in Surrey. If the current level of funding were to remain the same, or even reduce, SCC's ability to perform its LLFA duties would be severely restricted and the mitigation that could be put in place to manage the impact of a flood event of similar scale to that of 2013/14 would be very limited.
55. In particular, if additional funding is not found then it is likely that the RTS scheme will be not be taken forward in its current form owing to the substantial funding gap. This would have negative consequences for Surrey, given the significant reduction in flood risk the scheme is designed to provide.
56. The funding options analysed in this report all contain an element of risk. It is therefore suggested that at this stage, SCC 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 the current funding formula for flood alleviation schemes, whereby unachievable funding gaps must be met by local contributions, is not sustainable and must change if both the River Thames Scheme and other flood alleviation schemes are to be realised. Depending on the response to this statement, other options including those discussed in this report may be considered.

RISK MANAGEMENT AND IMPLICATIONS:

57. Financial risks:
- Public may oppose cost of holding a referendum
58. Non-financial risks:
- Reputational – public may strongly oppose any increase to council tax
 - Reputational – should flooding occur without the County moving to address the funding situation the County would attract criticism from the public.
 - Length of time to implement – implementation of a levy or precept could be challenging and take a number of years to complete

Financial and Value for Money Implications

59. Current funding sources are insufficient to address the need for flood alleviation projects in Surrey. A combined revenue and capital budget of approximately £5,400,000 per annum to maintain existing assets and carry out flood resilience work for 174 communities at risk of flooding does not enable the council to adequately mitigate against future flood events. Additional funding would enable the council to better support the many communities at increasing risk of flooding across the county.

Section 151 Officer Commentary

60. The council is facing a very serious financial situation whereby there are still substantial actions required to achieve a balanced budget in the current year and a sustainable budget plan for future years. The council's Medium Term Financial plan already allows for a contribution of £2.5m to the River Thames Scheme across 2016-2020. Any additional contribution would worsen the council's financial position, requiring additional funding, compensating savings or service reductions to be identified.

Legal Implications – Monitoring Officer

61. The Flood and Water Management Act 2010 designates SCC as lead local flood authority for the county. This requires the council to prepare a county-wide strategy and establish objectives for managing local flood risk. It does not give the council particular responsibilities for funding main river schemes. In the absence of a different approach to funding or a change in the council tax referendum threshold, if the council is not able to fund a capital scheme within the constrained budget available any solution is likely to be dependent on successfully holding a referendum.

Equalities and Diversity

62. An Equality Impact Assessment (EIA) has not been completed because this proposal relates to a policy (council tax) that is proportionately applied to all residents of Surrey.
63. An EIA for Surrey's Local Flood Risk Management Strategy was approved with the Strategy itself in April 2017 and is available to view publicly [online](#).

Public Health Implications:

64. Significant risk if flooding continues as was evident in 2013/14 and subsequent events.

WHAT HAPPENS NEXT:

65. If agreed, the Leader of the council will write 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 the current funding model applied to the RTS is not appropriate and that Government should meet the funding gap for the scheme. If this is not agreed by the Government the council will take out a loan to cover its contribution to the RTS and ask that Government funds the costs of this borrowing. Should this not be agreed by Government either, the council will consider implementing the alternative options analysed in this report.

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Consulted:

River Thames Scheme funding group

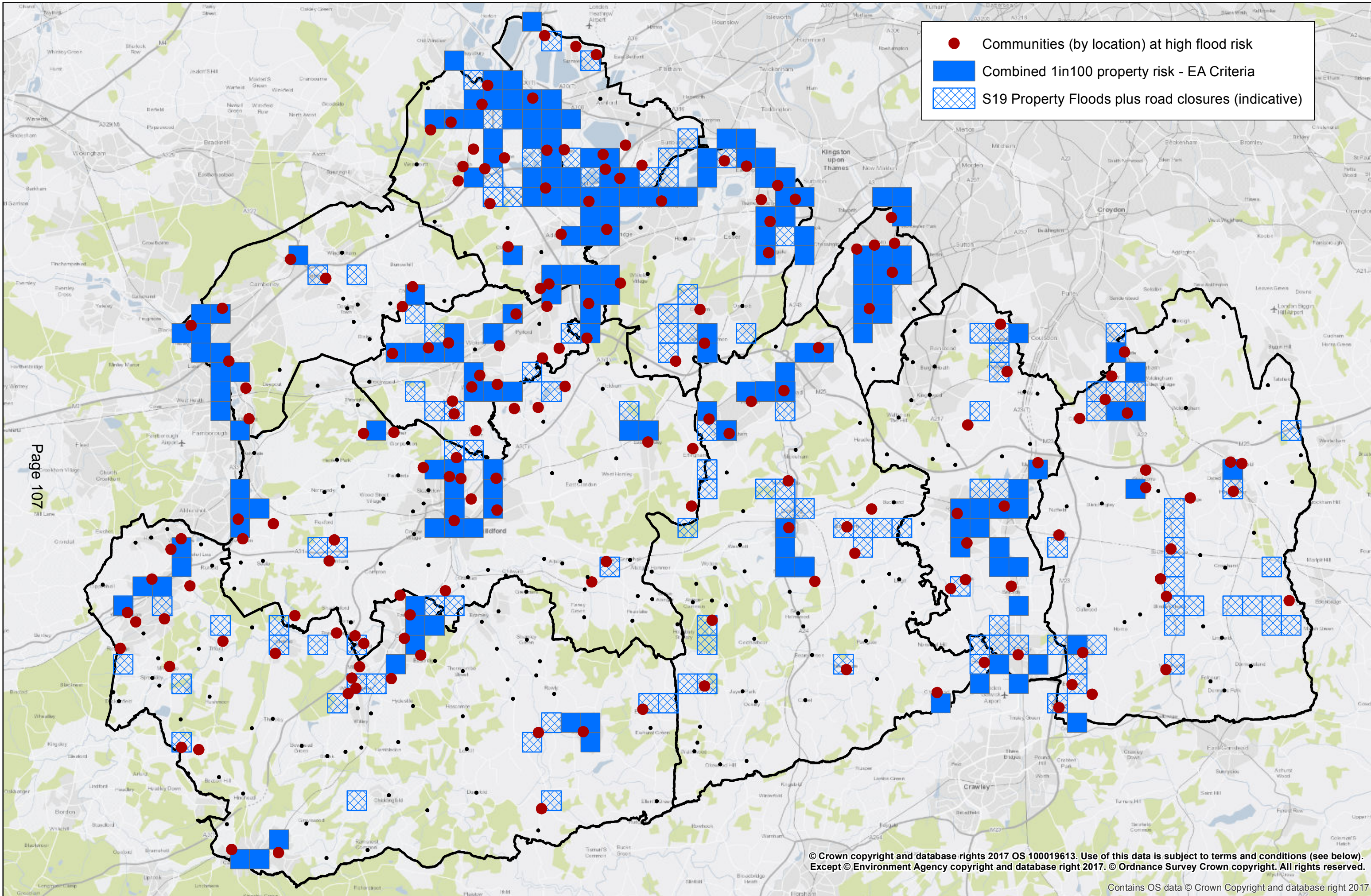
Annexes:

Annexe A – Mapping of communities at risk of flooding in Surrey
Annexe B – Thames Regional Flood and Coastal Committee overview
Annexe C – RTS Funding Contribution Breakdown
Annexe D – Somerset Rivers Authority overview

Sources/background papers:

None.

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- Communities (by location) at high flood risk
- Combined 1 in 100 property risk - EA Criteria
- S19 Property Floods plus road closures (indicative)

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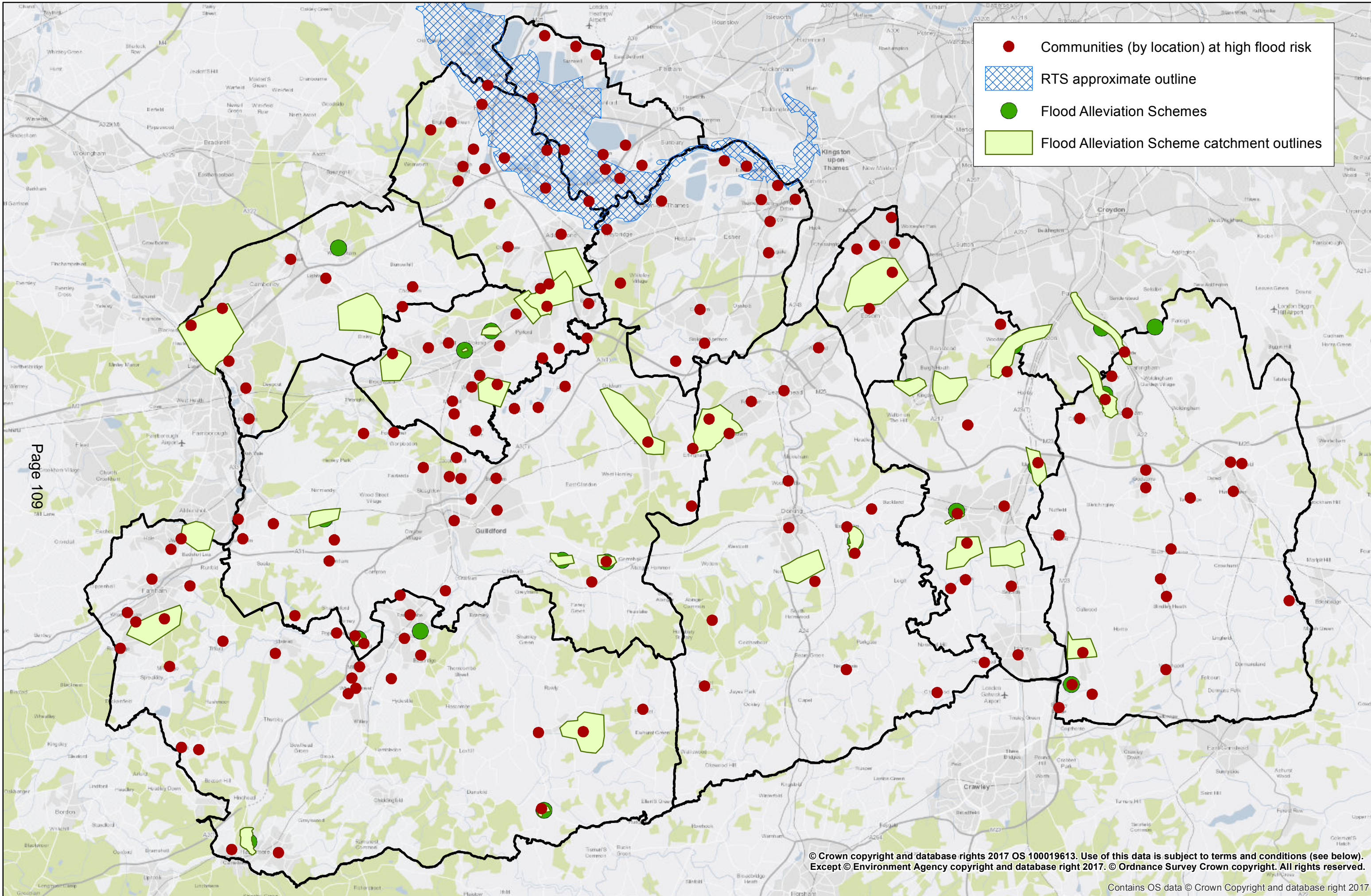
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Map 1: Preliminary Flood Risk Assessment (PFRA) 2017 high level risk screening based on EA criteria
Map based on Properties at Risk of Flooding from Rivers and Surface Water
and additional Section 19 historic flood evidence.



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- Communities (by location) at high flood risk
- RTS approximate outline
- Flood Alleviation Schemes
- Flood Alleviation Scheme catchment outlines

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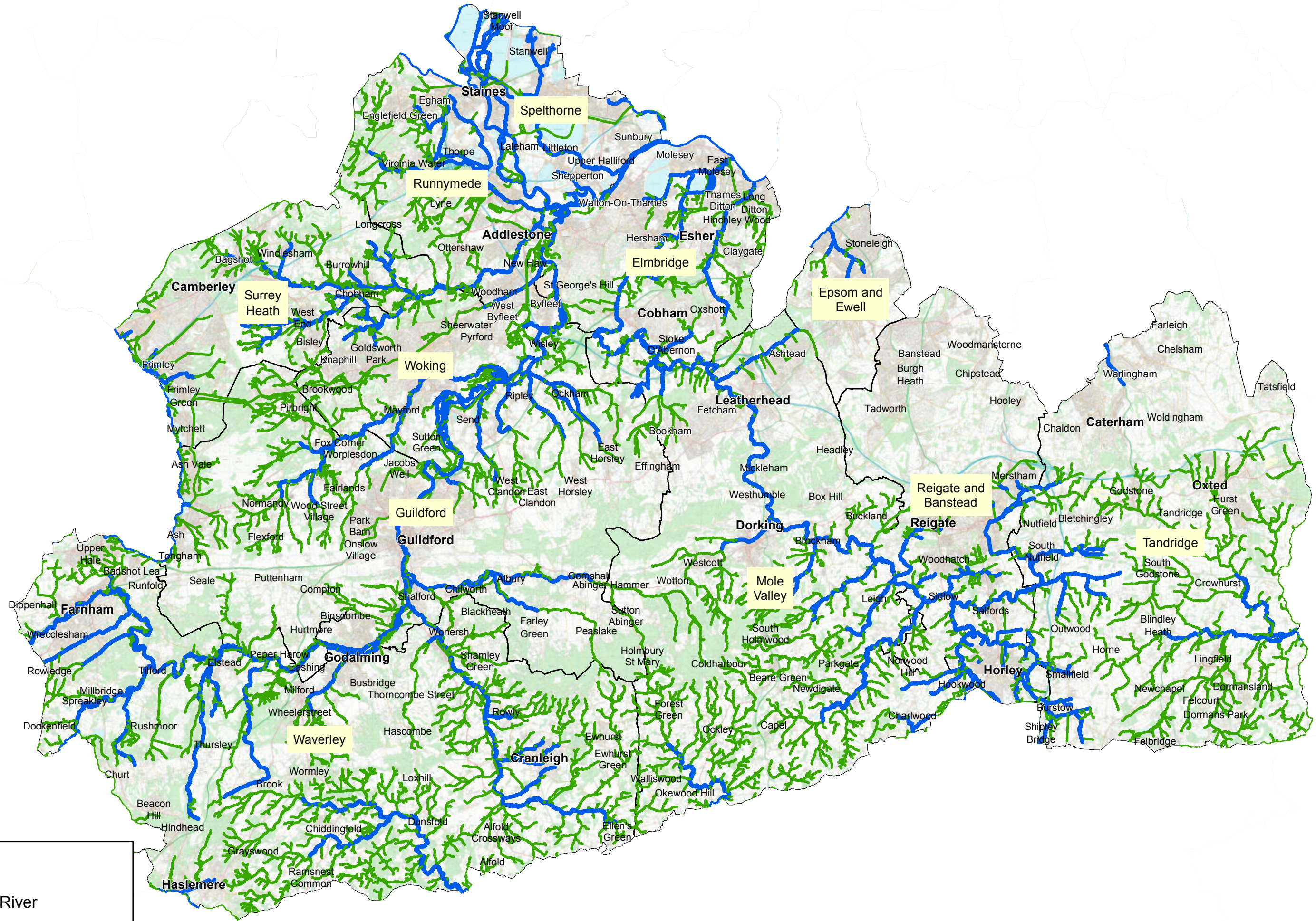
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Map 2: Flood Alleviation Schemes. Current and Pipeline Schemes Comparison with Communities at Risk (see map 1).



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Legend

- Main River
- Ordinary Watercourses

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Annexe A Map 3 - Main Rivers and Ordinary Watercourses in Surrey



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Thames Regional Flood and Coastal Committee (TRFCC)

The Thames Regional Flood and Coastal Committee (TRFCC) is a committee established by the Environment Agency under the Flood and Water Management Act (2010) that brings together members appointed by Lead Local Flood Authorities (LLFAs) and independent members with relevant experience for three purposes:

- to ensure there are coherent plans for identifying, communicating and managing flood and coastal erosion risks across catchments and shorelines
- to encourage efficient, targeted and risk-based investment in flood and coastal erosion risk management that represents value for money and benefits local communities
- to provide a link between the Environment Agency, LLFAs, other risk management authorities, and other relevant bodies to build understanding of flood and coastal erosion risks in its area

Surrey County Council (SCC) is a Member of the TRFCC and is represented at meetings by the Cabinet Member for Highways, Environment and Flooding, Colin Kemp. SCC's membership on the Committee enables the Council to lobby for funding and to encourage strategic, cross-border approaches to flood risk management.

Funding

The TRFCC has a central pot of money that is made up of contributions from member authorities and grant funding from DEFRA (Flood Defence Grant in Aid Funding). Member authorities receive funding from the TRFCC pot for flood alleviation schemes in their area based on a number of factors including number of properties at risk, cost/benefit ratio and environmental benefits.

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RTS Funding Contributions Breakdown

Current Scheme Costs and Funding Gap

Latest scheme costs	£588m
Raw funding gap (excluding contributions already secured)	£355m

Funding Contributions - Confirmed and Potential;

Funding Source	confirmed <i>(Partner targets based upon this)</i>
RFCC	£30.0m
Additional government grant	£60.0m
LA's (development costs)	£4.7m
LEP	£2.5m
Thames Water	£0.6m
subtotal	£97.8m
Remaining Funding Gap	£257.2m

Local Authority Partner Targets

Based on the most up to date cost/ benefit analysis, carried out in September 2017 and subject to final amendment, current partner apportionments are as follows (local authority contributions are based on percentage of scheme benefit, based on residential properties only):

Local Authority	% of total scheme economic benefit*	Most Likely partner target (gap = £241m)
Surrey County Council**	40.4	£103.92
Runnymede BC	31.4	£80.77
RBWM	18	£46.30
Spelthorne BC	8.3	£21.35
Richmond upon Thames	0.7	£1.80
Elmbridge	0.7	£1.80
Kingston upon Thames	0.5	£1.29

Methods to Close the Funding Gap

It is not necessarily expected that councils can meet these requirement from internal budgets. Other beneficiaries and funding mechanisms that have been pursued by the scheme's Funding Strategy Group, chaired by SCC Leader Cllr David Hodge, include:

- Utilities company contributions (inc. Thames Water)
- Transport providers (inc. Heathrow Airport and Highways England)
- Local Enterprise Partnerships
- Major landowners (inc. Crown Estates and Merlin Entertainments)
- Facilitating development
- Thames RFCC
- Council tax levy
- Provision of Sustainable Natural Alternative Greenspace (SANG)
- Increasing the benefits case for the scheme to leverage further government grant in aid
- Housing Infrastructure Fund

Should contributions be secured from these sources, the amount required from each LA will reduce.

Somerset Rivers Authority (SRA)

The SRA was officially launched on 31st January 2015 as a response to the floods of winter 2013/14. The SRA is run by a Board of partners from Somerset County Council, five District Councils, the Environment Agency, the Parrett and Axe Brue Internal Drainage Boards, the Wessex Regional Flood & Coastal Committee and Natural England.

The purpose of the SRA is:

“...to deliver higher standards of flood protection than would be funded nationally, and to create better flood protection and resilience against further flooding by joint planning and delivery (where possible). It will not lessen partners’ and land owners’ existing responsibilities or accountabilities. The existing Flood Risk Management Authorities, including the Internal Drainage Boards, will continue - with increased opportunities to link activities and ensure they benefit from members’ collective experience and knowledge.”

To this end, the remit of the SRA includes strategic planning, land management and building local resilience as key activities, with community engagement around these responsibilities.

Funding the SRA

The SRA was set up with interim funding of £2.7m for the financial year 2015/16, from the Department for Environment, Food and Rural Affairs (£1.9m); Somerset County Council (£600k), the county’s five District Councils and the Somerset Drainage Boards Consortium (£200k combined).

In order to achieve its purpose of delivering higher standards of flood protection, the SRA considered a number of options to find additional funding to support its work. This included:

- Creating a new precepting body (legal power to raise income)
- Creating a new levying body
- Increasing Council Tax
- Extending boundaries of Internal Drainage Boards

Following analysis of all of these options it was decided that the SRA would be established as a new statutory body with the power to raise income countywide from householders (i.e. that the SRA would be made a precepting body with a legal power to raise income).

The Chairman of the SRA wrote to both the Secretaries of State for Environment, Food and Rural Affairs, and for Communities and Local Government with a view to discussing and agreeing how to implement this as soon as possible, which requires the Government to pass primary legislation through Parliament.

In December 2015 the Department for Communities and Local Government approved a further interim funding measure in the form of granting Somerset County Council and the five Somerset District Councils the power to raise a shadow precept on Council Tax payers of up to 1.25%, for the purpose of funding the Somerset Rivers Authority in 2016/17. This enabled up to £2.7m via ring fenced council tax increase to fund the SRA’s work in the 2016/17 financial year. Environment Minister Liz Truss told the Oxford Farming Conference in January 2016 she was “glad the Communities Secretary has given the Authority the power to raise a Shadow Precept from this April on the way to long-term local funding.”

Further information

<http://www.somersetiversauthority.org.uk/>

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SURREY COUNTY COUNCIL**CABINET****DATE: 31 OCTOBER 2017****REPORT OF: MR COLIN KEMP, CABINET MEMBER FOR HIGHWAYS****LEAD OFFICER: JASON RUSSELL, DEPUTY DIRECTOR, ENVIRONMENT AND INFRASTRUCTURE****SUBJECT: FARNHAM ROAD RAIL BRIDGE – FUNDING FOR BRIDGE STRENGTHENING****SUMMARY OF ISSUE:**

Farnham Road Bridge is located in central Guildford carrying the A31 over the main rail line between London Waterloo and Portsmouth. The bridge is owned by Network Rail who have stated that the bridge has B4 liability, which means that they are 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.

Surrey Highways officers and Network Rail have identified a preferred scheme option which will restore the bridge to 40/44T capacity and will therefore enable the bridge to remain open to traffic into the future. The preferred scheme will 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 are 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 is not accounted for within the Medium Term Financial Plan (MTFP). Surreys CC's contribution could be up to £3.5m. Approximately £650,000 has been identified within existing Highways budgets and therefore up to £2.9m still needs to be identified.

RECOMMENDATIONS:

It is recommended that Cabinet:

1. Confirms support for the delivery of the Farnham Road Bridge Project.
2. Provides approval for entering into an agreement with Network Rail for payment towards improvements to Farnham Road Bridge.
3. Agrees that officers will work with Network Rail to confirm the Surrey CC contribution to the scheme.
4. Agrees 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 RECOMMENDATIONS:

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.

DETAILS:

Background

1. The bridge has been of concern since the original structural assessment for carrying capacity was carried out in 1998, when it failed to reach the 40 tonne assessment live loading requirement¹. Passing of the 40T live loading assessment ensures the structure is suitable for traffic up to 40T gross vehicle weight and up to 44T 6 axle lorries.
2. Assessment identified areas of weakness, and Network Rail have confirmed that the weight limit should be 7.5T. In 2010 Surrey County Council (Surrey CC) commissioned an independent assessment which confirmed a load rating of 7.5T
3. Following the 1998 assessment, the number of lanes of traffic was reduced from three to two in order to reduce the load on the bridge. Further to the 2010 assessment the bridge has been subject to a management plan whereby Network Rail carry out condition assessments every 3 months. These assessments will continue until strengthening work is carried out.
4. Network Rail have completed options studies for structural strengthening. A preferred option has been agreed which will ensure the bridge has a load capacity of 40/44T and which will provide a design life of 60 years before the next significant intervention is required.
5. The estimated cost of the agreed scheme is £4,461,000

6. Apportionment of costs is based on Network Rail being responsible for maintenance costs, and ensuring the bridge is adequate for 24T. This is a requirement of the BE4 standard². Surrey County Council are responsible for the cost of strengthening up to 40/44T³
7. Initial work carried out by Network Rail indicates that Surrey CC are liable for approximately 80% of the scheme costs, which is a figure that is comparable to previous schemes on Network Rail owned bridges both within Surrey and in other local authority areas. This would equate to a maximum contribution of £3.5m.
8. Surrey and Network Rail officers are negotiating the actual apportionment as there are elements of maintenance and resilience included in the scheme which are Network Rail's responsibility. It is expected that the costs that Surrey are liable for will be somewhere between £2.5m and £3.5m. £650,000 has already been identified within the MTFP and therefore it is expected that funding of between £1.85m and £2.85m needs to be identified.
9. Network Rail have stated that that commitment to the project by Surrey County Council is required by 20 November 2017 in order to meet the project timescales. Network Rail have provisional track possessions in place to carry out the work over Christmas 2018, and have agreed to continue to manage the bridge by regular inspection until then, if the Highway Authority commit to the project.
10. If Surrey do not commit to the project Network Rail have stated that they would serve notice to restrict the weight limit of the bridge to 7.5T. Weight restriction on the bridge would require all HGVs to follow a diversion route adding around 4km to journeys, through heavily congested roads, including the A3, with the obvious economic implications.
11. The bridge takes around 20,000 vehicles a day of which around 5% would exceed the weight limit. There are also around 400 bus journeys serving Onslow Village, Guildford Park, University of Surrey, Royal Surrey County Hospital and wider communities. It is not clear how these services would be able to operate efficiently with a 7.5T weight limit in place.

Surrey CC's Funding Options

12. Funding for this scheme has not been accounted for within the Highways Capital MTFP.
13. It was anticipated that a bid would be made to the DfT Challenge Fund in autumn 2017 to fund this scheme, however DfT have deferred the autumn 2017 Challenge Fund round and have said only that "there is expected to be a further tranche of Challenge Fund during this Parliament".
14. A number of funding options are being considered which include;
 1. Fund the scheme using existing capital funds
 2. Borrow to fund all or part of Surrey CC's requirement
 3. Borrow to fund all or part of Surrey CC's requirement with payback from the Capital Programme over a 5-10 year period
 4. Approach Guildford Borough Council and Enterprise M3 Local Economic Partnership for contributions as key stakeholders in the project.

² BE4 The Assessment of Highway Bridges for Construction and Use Vehicles, Jan 1967, (including amendment Nov 1970)

³ Liability as defined by The Transport Act 1968

5. Identify opportunities to bid for external funding if they become available within project timescales, such as the Department for Transport's Challenge Fund and National Productivity Investment Fund.

Potential Additional Benefits of the scheme

15. Guildford Borough Council are seeking to promote a "drive to not through" message for Guildford Town Centre and the Council is in discussions with the Borough regarding their opportunity to improve the pedestrian and cycle route over the bridge from Farnham Road car park to the town centre as part of the bridge strengthening scheme.
16. The road surface across the bridge is in a poor condition currently. There is a Horizon 2 scheme on the programme which would be brought forward to coincide with the bridge scheme, thereby minimising both traffic management costs and disruption to the public.

CONSULTATION:

17. The recommendations in this report have been developed in Consultation with finance colleagues, Network Rail, Guildford Borough Council, EM3 LEP and county councillor for Guildford South West.
18. The recommendations were reviewed by the Investment Panel on 10 October 2017.

RISK MANAGEMENT AND IMPLICATIONS:

19. If Surrey CC are unable to confirm their share of the funding before November 20 there is a risk that this project will be removed from Network Rail's forward plan which would lead to a 7.5T weight limit being applied to the bridge, effectively making it unsuitable for HGVs and buses.
20. Network Rail's programme is dependent on track possessions in December 2018 and if this slot is lost it cannot be easily re-programmed
21. The project estimates have been provided by Network Rail based on their framework contract. The estimates include a significant level of contingency for risk (40%) but Surrey CC have no detailed knowledge of the contract rates or conditions at this stage to validate the figures.

Financial and Value for Money Implications

22. If this scheme were not carried out there would be financial implications to the economy of Guildford as it would lead to a weight restriction being placed on the bridge requiring a 4km HGV diversion to be put in place.

If funding for the project has to be found through reduction of the capital programme the number of schemes that can be carried out will be reduced.

Farnham Road rail bridge : revenue cost of borrowing	Annual Cost	Total Cost
--	-------------	------------

	£000s	£000s
Borrowing of £2.865m, estimated scheme life 60 of years	119	7,163

23. The Council's Medium Term Financial Plan does not include the proposed scheme to strengthen the Farnham Road Bridge. Should the council decide to finance this expenditure through borrowing, there would be an additional revenue cost to the council over and above the current approved budget. Assuming that £0.65m is available from the 2017/18 MTFP, and can be carried forward to 2018/19 as a contribution toward the scheme, then council would be required to borrow up to £2.865m. The revenue impact of this is shown in the table below, allowing for interest and the amount that the council would be required to set aside to repay borrowing. Additional savings and/or income would need to be identified to offset these increased revenue costs.

Section 151 Officer Commentary

24. The proposed Farnham Road Bridge scheme is not specifically allowed for in the Council's Medium Term Financial Plan. Should Cabinet proceed with the scheme the additional cost to the council could be as high as £3.5m and would need to be met either through reducing or reprofiling other planned capital expenditure, through additional borrowing unless the council is successful in sourcing some or all of the funding from other sources. In addition, although quoted costs include an appropriate risk allowance, the County Council could bear a proportion of any cost increases e.g. due to unforeseen events.
25. Investment Panel have reviewed this scheme. Given the Council's very serious financial situation, whereby there are still substantial actions required to achieve a balanced budget in the current year and a sustainable budget plan for future years, the Panel recommend that any shortfall in funding be met through reducing or reprofiling other planned capital expenditure.

Legal Implications – Monitoring Officer

26. The Transport Act 1968 section 117 and the Railway Bridges (Load-Bearing Standards) (England and Wales) Order 1972 make it the duty of Network Rail to maintain a load-bearing capacity of 24 tonnes. Works agreements between Network Rail and SCC make clear that the cost of increasing the load-bearing capacity beyond Network Rail's legal obligation of 24 tonnes will be met by SCC. As such the requirement to contribute for works in excess of 24 tonnes is clear. SCC as Highway Authority is required to maintain a load-bearing capacity of 44 tonnes to comply with current EU Directive EU/2015/71. In addition s140 of the Highways Act 1980 imposes a statutory duty on SCC to ensure the safety of the public highway for all users. The works to upgrade the Farnham Road Bridge to the new weight limits will ensure that the County's statutory obligations are met.

Equalities and Diversity

27. The recommendations in this report will have no material impact on existing equality policy and therefore a full equalities assessment was not deemed necessary.

WHAT HAPPENS NEXT:

28.

- Network Rail require a decision on whether Surrey CC are able to commit to the scheme by 20 November 2017 in order to meet the project timescales
- If approved the scheme will commence in December 2018.
- Officers will continue to work with Network Rail to confirm scheme costs and apportionment
- Cabinet Member and Deputy Director will identify a suitable funding mechanism for the project and will report back to cabinet in due course

Contact Officer:

Amanda Richards, Group Manager – Network and Asset Management, 07792681586,

Consulted:

Investment Panel

Jason Russell, Assistant Director Environment & Infrastructure

Lucy Monie, Head of Highways and Transport Service

Tony Orzieri, Finance Manager

Nancy El-Shatoury, Principal Lawyer

Daniel Robinson, Asset Project Manager (Structures & Slopes)

Chris Smith, Transport Strategy Project Manager

Robert Curtis, Transport Strategy Project Manager (Guildford)

Sources/background papers:

Investment Panel Paper

The Transport Act 1968

Railway Bridges (Load-Bearing Standards) (England and Wales) Order 1972

EU Directive EU/2015/71

Highways Act 1980

SURREY COUNTY COUNCIL

CABINET

DATE: 31 OCTOBER 2017



REPORT OF: MR DAVID HODGE, LEADER OF THE COUNCIL

LEAD OFFICER: SHEILA LITTLE, DIRECTOR OF FINANCE

SUBJECT: FINANCE AND BUDGET MONITORING REPORT TO 30 SEPTEMBER 2017

SUMMARY OF ISSUE:

Surrey County Council takes a multiyear approach to its budget planning and monitoring, recognising the two are inextricably linked. This report presents the Council's financial position as at 30 September 2017 (month six).

The Section 151 Officer stated in her report of February 2017 to Full Council on the 2017/18 to 2019/20 budget and Medium Term Financial Plan (MTFP) that the financial challenges facing the council have become even more serious in the last year. During 2017/18, the council must deliver already stretching service reduction plans of £104m to balance the 2017/18 budget, in the context of increasing demand pressures, and move towards a sustainable budget for future years. This total includes £9m savings it has yet to identify.

The annex to this report gives details of the council's financial position.

RECOMMENDATIONS:

Recommendations to follow.

REASON FOR RECOMMENDATION:

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.

DETAILS:

Revenue budget overview

1. Surrey County Council set its gross expenditure budget for the 2017/18 financial year at £1,672m. A key objective of MTFP 2017-20 is to increase the council's overall financial resilience. As part of this, the council's 2017/18 budget requires it to make efficiencies totalling £104m including £9m savings it has yet to identify.
2. The council aims to smooth resource fluctuations over its three year medium term planning period. To support the 2017/18 budget, Cabinet approved use of £11.8m from the Budget Equalisation Reserve and carry forward up to £1.6m to

fund continuing planned service commitments. The council currently has £21.3m in general balances.

3. In January 2017, Cabinet approved the council's Financial Strategy 2017-20. The Financial Strategy aims to:
 - secure the stewardship of public money;
 - ensure financial sustainability
 - enable the transformation of the council's services and
 - build partnerships to achieve better value outcomes.

Capital budget overview

4. Creating public value by improving outcomes for Surrey's residents is a key element of the council's corporate vision and is at the heart of its £387m capital programme in MTFP 2017-20 and £185m budget for 2017/18.

Budget monitoring overview

5. The council's 2017/18 financial year began on 1 April 2017. This budget monitoring report covers the financial position at the end of the sixth month of 2017/18 (30 September 2017). The report focuses on material and significant issues, especially monitoring MTFP efficiencies. The report emphasises proposed actions to resolve any issues.
6. The council has implemented a risk based approach to budget monitoring across all services. The approach ensures the council focuses effort on monitoring those higher risk budgets due to their value, volatility or reputational impact.
7. A set of criteria categorise all budgets into high, medium and low risk. The criteria cover:
 - the size of a particular budget within the overall council's budget hierarchy (the range is under £2m to over £10m);
 - budget complexity, which relates to the type of activities and data monitored (this includes the proportion of the budget spent on staffing or fixed contracts - the greater the proportion, the lower the complexity);
 - volatility, which is the relative rate that either actual spend or projected spend moves up and down (volatility risk is considered high if either the current year's projected variance exceeds the previous year's outturn variance, or the projected variance has been greater than 10% on four or more occasions during the current year); and
 - political sensitivity, which is about understanding how politically important the budget is and whether it has an impact on the council's reputation locally or nationally (the greater the sensitivity the higher the risk).
8. Managers with high risk budgets monitor their budgets monthly, whereas managers with low risk budgets monitor their budgets quarterly, or more

frequently on an exception basis (if the year to date budget and actual spend vary by more than 10%, or £50,000, whichever is lower).

9. Annex 1 to this report sets out the council's revenue budget forecast year end outturn as at 30 September 2017. The forecast is based upon year to date income and expenditure and financial year end projections using information available as at 30 September 2017.
10. The report provides explanations for significant variations from the revenue budget, with a focus on efficiency targets. As a guide, a forecast year end variance of greater than £1m is material and requires a commentary. For some services £1m may be too large or not reflect the service's political significance, so variances over 2.5% may also be material.
11. Annex 1 to this report also updates Cabinet on the council's capital budget. Appendix 1 provides details of the MTFP efficiencies, revenue and capital budget movements, reserves and balances, debt and treasury management.
12. Annex 2 lists the progress of the Medium Term Financial Plan savings projects for 2017/18.

CONSULTATION:

13. All Cabinet Members will have consulted their relevant director or head of service on the financial positions of their portfolios.

RISK MANAGEMENT AND IMPLICATIONS:

14. Risk implications are stated throughout the report and each relevant director or head of service has updated their strategic and or service risk registers accordingly. In addition, the leadership risk register continues to reflect the increasing uncertainty of future funding likely to be allocated to the council.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

15. The report considers financial and value for money implications throughout and future budget monitoring reports will continue this focus.

SECTION 151 OFFICER COMMENTARY

16. The Section 151 Officer confirms the financial information presented in this report is consistent with the council's general accounting ledger and forecasts have been based on reasonable assumptions, taking into account all material, financial and business issues and risks.
17. During 2017/18, the council must deliver already stretching service reduction plans of £95m, plus it must identify a further £9m of service reductions to balance the 2017/18 budget and move towards a sustainable budget for future years.

18. The council's reserves are already at minimum safe levels and these should be retained to mitigate the risk of non-delivery of significant savings targets.

LEGAL IMPLICATIONS – MONITORING OFFICER

19. The Local Government Finance Act requires the council to take steps to ensure that the council's expenditure (that is expenditure incurred already in year and anticipated to be incurred) does not exceed the resources available. Cabinet should be aware that if the Section 151 Officer, at any time, is not satisfied that appropriate strategies and controls are in place to manage expenditure within the in-year budget she must formally draw this to the attention of the Cabinet and Council and they must take immediate steps to ensure a balanced in-year budget.

EQUALITIES AND DIVERSITY

20. Any impacts of the budget monitoring actions will be evaluated by the individual services as they implement the management actions necessary.

WHAT HAPPENS NEXT:

21. The relevant adjustments from the recommendations will be made to the council's accounts.

Contact Officer:

Sheila Little, Director of Finance

020 8541 7012

Consulted:

Cabinet, strategic directors, heads of service.

Annexes:

Annex 1 – Revenue budget, staffing costs, efficiencies, capital programme.

Appendix 1 – Service financial information (revenue and efficiencies), revenue and capital budget movements, balance sheet, earmarked reserves, debt and treasury management.

Annex 2 – Medium Term Financial Plan savings projects 2017/18

Sources/background papers:

None

Medium Term Financial Plan savings projects 2017/18

Position as at 30 September 2017

Service	Savings title	2017/18	2017/18	Over/	RAG for remaining savings forecast
		savings target	savings forecast	(under) target	
		£000	£000	£000	
ASC	Whole system demand management - FFC core target	2,500	2,500	0	G
ASC	Whole system demand management - FFC stretch target	1,000	337	-663	A
ASC	Whole system demand management - demand management through Consistency Practice Meetings process	4,021	0	-4,021	A
ASC	Whole system demand management - OP support package guidelines	1,141	116	-1,025	A
ASC	Whole system demand management - ensure correct application of national CHC framework	3,000	2,943	-57	G
ASC	Whole system demand management - resolution of significant outstanding CHC disputes/assessments	2,100	1,344	-756	A
ASC	Whole system demand management - PLD transport care packages review	500	150	-350	A
ASC	Whole system demand management - optimisation of transition pathways	1,000	1,000	0	G
ASC	Whole system demand management - personalised strategic shift for people with disabilities	1,268	200	-1,068	A
ASC	Whole System Demand Management - housing related support	453	54	-399	G
ASC	Whole systems demand management - section 256 client group savings	2,000	1,469	-531	G
ASC	Whole systems demand management - strategic review of in-house services	2,664	2,897	233	G
ASC	Market management & pricing strategies - Commissioning for Older People with Learning Disabilities	663	66	-597	A
ASC	Market management & pricing strategies - strategic supplier review rebates	1,000	506	-494	A
ASC	Market management & pricing strategies - day care commission review	575	100	-475	A

Service	Savings title	2017/18 savings target	2017/18 savings forecast	Over/ (under) target	RAG for remaining savings forecast
		£000	£000	£000	
ASC	Whole System Demand Management - contract & grant review	1,250	1,250	0	A
ASC	Market management & pricing strategies - optimisation of main block contract rates	75	0	-75	G
ASC	Market management & pricing strategies - optimisation of other contracts and grants rates	368	368	0	G
ASC	Workforce Development - workforce synergies	250	250	0	A
ASC	Workforce development - optimise staff travel	110	0	-110	G
		25,938	15,550	-10,388	
Public Health	Public Health – other initiatives	1,805	1,805	0	G
Public Health	Wider Public Health service redesign	187	187	0	B
Public Health	End Mental Health promotion contract on expiry 31 March	335	335	0	B
Public Health	Substance misuse prog reduction	500	500	0	G
Public Health	Alcohol IBA removal	400	400	0	B
Public Health	Lifestyle service (smoking) reduction	200	200	0	B
Public Health	Lifestyle service (physical activity) reduction	55	55	0	B
		3,482	3,482	0	

Service	Savings title	2017/18 savings target	2017/18 savings forecast	Over/ (under) target	RAG for remaining savings forecast
		£000	£000	£000	
Children's Services	Support functions review	280	0	-280	R
Children's Services	Productivity efficiencies	335	335	0	A
Children's Services	Market management -containing inflation	559	559	0	G
Commissioning and Prevention	Market management -containing inflation	224	224	0	G
Schools & SEND	Market management -containing inflation	2,417	2,417	0	G
Commissioning and Prevention	Reorganisation of Commissioning and Prevention	1,300	1,300	0	G
Commissioning and Prevention	Early Help contract savings	250	250	0	B
Commissioning and Prevention	Early Help reconfiguration	1,426	0	-1,426	R
Children's Services	Children's Services Early Help reductions in demand	400	0	-400	R
Commissioning and Prevention	Early Help Reconfiguration asset related savings	700	0	-700	R
Commissioning and Prevention	Review schools traded offer and opportunities to bid for grants and other resources	128	128	0	A
Schools & SEND	Home to school transport - SEND	1,499	400	-1,099	A
Schools & SEND	Productivity efficiencies	1,337	1,736	399	B
Schools & SEND	Home to school transport - mainstream	600	600	0	B
Schools & SEND	Support functions reductions	75	75	0	B
Schools & SEND	Reductions in school support	600	600	0	B
Schools & SEND	Review of special school funding	2,300	400	-1,900	G
Schools & SEND	No inflation on Individual Statemented Pupil Support Budget	1,200	351	-849	A
Schools & SEND	Traded model for SEN support services	600	300	-300	A
Schools & SEND	Trade specialist teachers	500	0	-500	B
Schools & SEND	Post 16 SEND	1,000	1,000	0	G
Schools & SEND	Review provision of SEND support to early years providers	1,000	1,000	0	B
Schools & SEND	Service cost reduction and/or recommissioning	800	200	-600	B

Service	Savings title	2017/18 savings target	2017/18 savings forecast	Over/ (under) target	RAG for remaining savings forecast
		£000	£000	£000	
Schools & SEND	New operating model for SEN pathway	500	500	0	B
Schools & SEND	Alternative provision	500	500	0	B
Schools & SEND	Trade or reduce non-statutory services	500	0	-500	B
Schools & SEND	Review and share costs with health & social care	500	500	0	A
Schools & SEND	Decommissioning of SEN planned places	300	300	0	B
Schools & SEND	Hard to place pupils	100	0	-100	G
Schools & SEND	More place to be charged to OLEAs for their pupils.	200	536	336	B
Schools & SEND	Post 19 - review plans in light of further guidance	0	1,000	1,000	A
Schools & SEND	Commissioning savings	0	0	0	A
Schools & SEND	Carry forward of overspend of DSG into 2018/19	0	2,513	2,513	B
Schools & SEND	Use of DSG originally earmarked for 2016/17 deficit	0	900	900	B
		22,130	18,624	-3,506	

Service	Savings title	2017/18 savings target	2017/18 savings forecast	Over/ (under) target	RAG for remaining savings forecast
		£000	£000	£000	
Highways & Transport	Highway information team income	40	40	0	G
Highways & Transport	Integrated team structure	200	200	0	G
Highways & Transport	Local committee funding	1,700	1,700	0	B
Highways & Transport	Marginal gains	178	178	0	B
Highways & Transport	Support service review	141	141	0	B
Comm Part Team	Members allocations	348	348	0	B
Comm Part Team	Community improvement fund	264	500	236	B
Comm Part Team	Other savings	22	22	0	G
Place Development	Local transport review	735	735	0	G
Place Development	Countryside & Surrey Wildlife Trust	350	255	-95	A
Place Development	Planning & Development	350	350	0	G
Place Development	Place & Sustainability review	200	147	-53	A
Place Development	Road Safety review	100	100	0	G
Place Development	E&I support service review	59	59	0	B
Place Development	Place Development marginal gains	200	200	0	G
Place Development	Fall out of prior year one off saving (marginal gains)	-500	-500	0	B
Waste	Community Recycling Centres and Transfer Stations	1,300	279	-1,021	G
Waste	Materials management - residual waste & sweepings contract	-792	-31	761	G
Waste	Waste : contract structure	1,000	1,000	0	A
Waste	Waste : recycling management	1,115	115	-1,000	A
Waste	Waste : Kerbside recycling performance	1,334	106	-1,228	A
Waste	Waste : Single waste approach	1,587	1,587	0	G
		9,931	7,531	-2,400	

Service	Savings title	2017/18 savings target	2017/18 savings forecast	Over/ (under) target	RAG for remaining savings forecast
		£000	£000	£000	
Fire	Capital financing vehicle and equipment replacement	1,470	1,470	0	B
Fire	Fire cover re-configuration	900	0	-900	A
Fire	Contingency cover and specialist rescue contract	718	645	-73	B
Fire	Blue light collaboration - fleet	200	0	-200	A
Fire	Internal reduction to fleet operations costs	0	200	200	A
Fire	Blue light collaboration mobilising	200	0	-200	A
Fire	Internal review - mobilising	0	-84	-84	G
Fire	Senior management restructure	50	50	0	G
Fire	Back office and support review	50	34	-16	G
Fire	Middle management savings	0	500	500	G
Fire	Other uniform savings	0	205	205	G
Fire	Fire Pension employer contribution	0	439	439	G
		3,588	3,459	-129	
Orbis	Orbis efficiencies (SCC Contribution)	349	349	0	A
Orbis	Orbis efficiencies (SCC Contribution)	1,548	2,087	539	G
Orbis	Orbis efficiencies (SCC Contribution)	633	633	0	B
Finance	Insurance self fund	750	750	0	B
Finance	Reversal of one-off savings	-25	-25	0	B
HR&OD	Training reduction	207	207	0	B
HR&OD	Apprentices reduction	216	216	0	B
IT&D	Infrastructure reduced application costs	346	346	0	B
Property	Fees reduced application costs	100	100	0	B
Property	Utilities reduced application costs	200	200	0	G
Property	Building running costs reduced application costs	440	440	0	B
		4,764	5,303	539	

Service	Savings title	2017/18	2017/18	Over/	RAG for remaining savings forecast
		savings target	savings forecast	(under) target	
		£000	£000	£000	
Legal	Legal Services - additional income	70	70	0	G
Legal	Legal Services - staffing review	48	48	0	B
Dem Srvs	Democratic Services –reduce voluntary sector support	22	22	0	B
Dem Srvs	Democratic Services - staffing review	22	22	0	B
Dem Srvs	Democratic Services - modern councillor review	22	22	0	G
Cultural Servs	Cultural Services - Libraries reclassification	121	121	0	G
Cultural Servs	Hold vacancies	0	20	20	G
Cultural Servs	Cultural Services - Libraries staffing restructure	30	30	0	G
Cultural Servs	Cultural Services - libraries resources reduction	246	246	0	G
Cultural Servs	Cultural Services - Surrey Arts subsidy reduction	15	15	0	G
Cultural Servs	Cultural Services - Registration & Nationality Service increased income	26	26	0	G
Cultural Servs	Cultural Services - improve marketing In Adult & Community Learning	22	22	0	G
Cultural Servs	Cultural Services - support services savings	6	6	0	B
Coroner	Coroner savings to be identified	64	64	0	G
Emergency Management	Income generation	20	20	0	G
Dir Supp	Support function review	155	155	0	G
Trad Stand	Buckinghamshire partnership and additional income	159	159	0	G
Strategy & Performance	Staffing review	173	294	121	B
Strategy & Performance	Surrey Growth Fund	300	300	0	B
Strategy & Performance	Health & wellbeing	30	30	0	B
Strategy & Performance	Corporate subscriptions	10	10	0	B
Comms	Communications - central spend	81	81	0	B
Comms	Communications - staffing review	36	36	0	A
Comms	Communications - Surrey Matters	185	185	0	B
Customer Services	Customer Services - no Saturday opening	15	15	0	G
Customer Services	Customer Services - reduce operating hours	50	50	0	G

Service	Savings title	2017/18 savings target	2017/18 savings forecast	Over/ (under) target	RAG for remaining savings forecast
		£000	£000	£000	
Customer Services	Customer Services - Libraries reservation & renewals	45	45	0	G
Customer Services	Customer Services - Complaints Staff review	35	35	0	G
Customer Services	Customer Services - channel shift	25	25	0	A
Customer Services	Customer Services- reduce web and digital	10	10	0	G
Strategic Leadership	Strategic Leadership	110	110	0	B
		2,153	2,294	141	
Central Income & Expenditure	Treasury management (interest payable)	8,600	8,600	0	G
Central Income & Expenditure	Other initiatives	2,503	2,503	0	G
Central Income & Expenditure	Minimum Revenue Provision	8,000	8,000	0	B
Central Income & Expenditure	Education Services Grant	3,000	3,000	0	B
Central Income & Expenditure	Pension fund contribution for Members	165	165	0	B
Central Income & Expenditure	Contributions to reserves	611	611	0	B
Central Income & Expenditure	Communications / Democratic services -stop Surrey Matters; move to digital communications; paper-free committee meetings by end of first year of new council.	110	110	0	A
		22,989	22,989	0	
All services	Unidentified savings	9,000		-9,000	N/A
Total		103,975	79,232	-24,744	

SURREY COUNTY COUNCIL

CABINET

DATE: 31 OCTOBER 2011

REPORT OF: MR TIM OLIVER, CABINET MEMBER FOR PROPERTY AND BUSINESS SERVICES

LEAD OFFICER: SHEILA LITTLE, DIRECTOR OF FINANCE

SUBJECT: LEADERSHIP RISK REGISTER



SUMMARY OF ISSUE:

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.

RECOMMENDATION:

It is recommended that the Cabinet note the content of the Surrey County Council Leadership risk register (Annex 1) and endorse the control actions put in place by the Statutory Responsibilities Network.

REASON FOR RECOMMENDATION:

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.

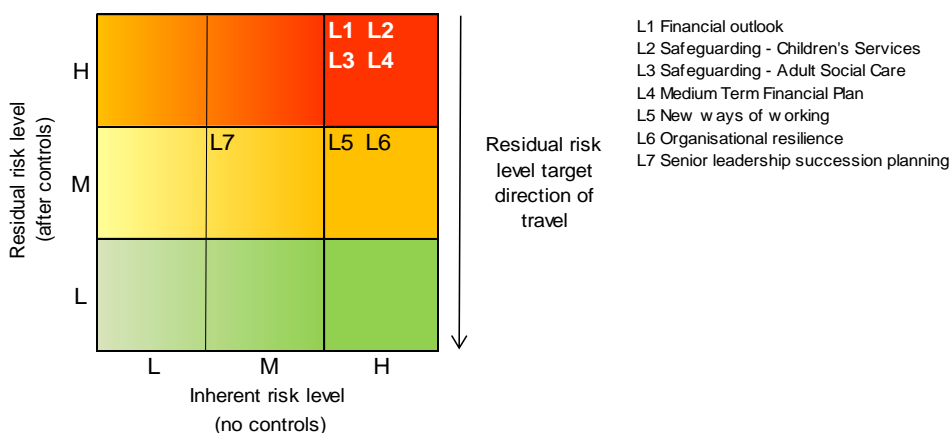
LEADERSHIP RISK REGISTER:

1. The Surrey County Council Leadership risk register (Annex 1) is owned by the Chief Executive and captures Surrey County Council's key strategic risks. The risk register focuses specifically on the strategic risks that have the potential to significantly destabilise the organisation.
2. The role of the Cabinet is to assure itself that Surrey County Council's strategic risks are captured on the risk register and that appropriate actions are being taken to effectively mitigate the risks to a tolerable level.
3. The Leadership risk register is reviewed monthly by the Statutory Responsibilities Network, bi-monthly by the Strategic Risk Forum and the Audit and Governance Committee at each meeting.
4. Since the Leadership risk register was last presented to Cabinet in July 2017, updates have been made to the following risks:
 - The risk relating to 'Strategic Infrastructure' (formerly risk L4) has been removed and this area of risk is now recorded on the Environment & Infrastructure Departmental risk register. Remaining risks have been renumbered accordingly.

- **Risk L1 (Financial Outlook)** : removal of specific reference to the 100% Business rate retention scheme.
- **Risk L2 (Safeguarding – Children’s Services)** : Processes and controls have been reviewed and updated.
- **Risk L3 (Safeguarding – Adult Social Care)** : Processes and controls updated in relation to working with partners to update safeguarding policies, procedures and guidance.
- **Risk L4 (Medium Term Financial Plan)** : reference to income generation through enlarged property investment programme.
- **Risk L6 (Organisational Resilience)** : reference to the delivery of the Member induction programme and linkages between the Annual Assurance Statement and Business continuity activities. Also additional reference to enhanced cyber resilience.
- **Risk L7 (Senior Leadership succession planning)** : Updated control measure relating to Chief Executive appointment.

Residual risk level

5. The Surrey County Council Leadership risk register includes both the inherent and residual risk levels for each risk. Inherent risk is the level of risk before any control activities are applied. The residual risk level takes into account the controls that are already in place or are being put in place, detailed on the risk register as both ‘processes in place’ and ‘controls.’
6. There are currently seven risks on the Leadership risk register, six of which have a high inherent risk level, as illustrated in the table below. Despite mitigating actions, four risks continue to have a high residual risk level (L1,L2,L3,L4), three have a medium residual risk level (L5,L6,L7), showing the significant level of risk that the council is facing despite the processes and controls being put in place to manage the risks.



CONSULTATION:

7. The Surrey County Council Leadership risk register has been reviewed by a number of senior officer groups and the Audit and Governance Committee.

RISK MANAGEMENT AND IMPLICATIONS:

8. Effective management of risks and financial controls supports the council to meet its objectives and enable value for money.

Financial and Value for Money Implications

9. There are no direct financial implications relating to the Surrey County Council Leadership risk register.

Section 151 Officer Commentary

10. The Section 151 Officer is well sighted of current and emerging risks through being chair of the Strategic Risk Forum, a member of the Statutory Responsibilities Network and a direct report to the Chief Executive. Her attendance at key strategic meetings provides further insight and ensures an integrated risk approach.

Legal Implications – Monitoring Officer

11. There are no direct legal implications relating to the Surrey County Council Leadership risk register.

Equalities and Diversity

12. There are no direct equalities implications but any actions taken need to be consistent with the council's policies and procedures.

WHAT HAPPENS NEXT:

13. The Surrey County Council Leadership risk register is presented to the Cabinet on a quarterly basis.

Contact Officer:

Rawdon Phillips, Risk Manager
Tel: 01273 481593

Consulted:

Strategic Risk Forum, Statutory Responsibilities Network, Chief Executive and direct reports, Audit and Governance Committee, Cabinet

Annexes:

Annex 1 – Leadership risk register

Sources/background papers:

None

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Leadership risk register as at 31 October 2017 (draft) (covers rolling 12 months)

Owner: Julie Fisher

Strategic risks – have the potential to significantly disrupt or destroy the organisation

Ref	Risk ref.	Description of the risk	Inherent risk level (no controls)	Processes in place (ie the 'how' risks are being mitigated)	Controls (i.e. decisions needed)	Lead risk owner	Residual risk level (after existing controls)
L1	CSF7 EAI1 FN1 ORB10	Financial outlook Further reductions in funding, due to constraints in the ability to raise local funding and/or distribution of funding, results in significant adverse long term consequences for sustainability and service reductions leading to significant implications for residents.	High	<ul style="list-style-type: none"> Structured approach to ensuring Government understands the council's Council Tax strategy and unsustainable impact of current funding mechanism. Targeted focus with Government to secure a greater share of funding for specific demand led pressures (in particular Adult Social Care). Proactive engagement with Government departments to influence core Government policy direction (specific areas to be developed as Government priorities become clear). Continued horizon scanning of the financial implications of existing and future Government policy changes. Development of alternative / new sources of funding (e.g. bidding for grants). Cabinet Members induction programme to ensure continuity of informed decision making and service delivery. New Members induction programme in place (May to July) to introduce them to the council and thereby facilitate informed decision making. <p>Notwithstanding actions above, there is a significant risk of Central Government policy changes /austerity measures due to changes in ministerial responsibilities impacting on the council's long term financial sustainability.</p>	<ul style="list-style-type: none"> Members make decisions to stop new spending, reduce spending and or generate alternative sources of funding, where necessary, in a timely manner. Officers unable to recommend MTFP unless a credible sustainable budget is proposed. Members proactively take the opportunities to influence central Government. Officers continue to analyse events and create budget scenarios. The council uses external expertise to confirm the facts relating to its sustainability. The council pro-actively seek to participate in consultations and other opportunities to engage with Government as it develop future funding policies. 	Director of Finance	High

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Leadership risk register as at 31 October 2017 (draft) (covers rolling 12 months)

Owner: Julie Fisher

Ref	Risk ref.	Description of the risk	Inherent risk level (no controls)	Processes in place (ie the 'how' risks are being mitigated)	Controls (i.e. decisions needed)	Lead risk owner	Residual risk level (after existing controls)
L2	CSF3,4,9	<p>Safeguarding – Children’s Services</p> <p>Avoidable failure in Children's Services, through action or inaction, including child sexual exploitation, leads to serious harm, death or a major impact on well being.</p>	High	<ul style="list-style-type: none"> Children’s Improvement Board, with partnership membership, in place which has set improvement objectives for children through an Improvement Plan and regularly reviews impact for children and whole system capability and capacity. In addition to the Improvement Board there is scrutiny and quality assurance across the partnership through for example the Children’s Safeguarding Board, Corporate Parenting Board and the Council’s Select Committee and scrutiny functions. Regular quality assurance and review within CSF, including feedback from regulators (Ofsted monitoring visits), peer review, quality and performance insight, and feedback from children and families. CSF Assistant Director roles and responsibilities have been reshaped to strengthen leadership and governance. Work now underway to strengthen practice leadership at all levels. 	<ul style="list-style-type: none"> Timely interventions by well recruited, trained, supervised and managed professionals ensures appropriate actions are taken to safeguard and promote the wellbeing of children in Surrey. Quality assurance and management systems in place to identify and implement any key areas of learning so safeguarding practice can be improved. Actively respond to feedback from regulators, partners and service users. The Surrey Safeguarding Children Board (with an independent chair) is the key statutory mechanism to ensure agencies, including the council, work together effectively to safeguard and promote the welfare of children. An Improvement Board (chaired by the Leader) sets direction and reviews progress on the Improvement Plan and agrees any areas of action as required. 	Strategic Director of Children's Schools and Families	High

Leadership risk register as at 31 October 2017 (draft) (covers rolling 12 months)

Owner: Julie Fisher

Ref	Risk ref.	Description of the risk	Inherent risk level (no controls)	Processes in place (ie the 'how' risks are being mitigated)	Controls (i.e. decisions needed)	Lead risk owner	Residual risk level (after existing controls)
L3	ASC6,7,13,14	Safeguarding – Adult Social Care Avoidable failure in Adult Social Care, through action or inaction, leads to serious harm, death or a major impact on wellbeing.	High	<ul style="list-style-type: none"> Working within the framework established by the Surrey Safeguarding Adults Board ensures that the council's policies and procedures are up to date and based on good practice. The Adult Social Care and Children, Schools and Families Multi Agency Safeguarding Hub went live on 5 October 2016 facilitating the sharing of good practice. Established a locality safeguarding advisor role to assure quality control. Surrey Safeguarding Adults Board has undertaken external auditing of adult safeguarding enquires in 2016 and 2017 and we have acted on the learning from these. We have improved our process including our case recording system and our internal quality assurance process. 	<ul style="list-style-type: none"> Continue to work with the Independent Chair of the Surrey Safeguarding Adults Board to ensure feedback and recommendations from case reviews are used to inform learning and social work practice. Actively respond to feedback from regulators. We are working with Surrey Safeguarding Adults Board and our partners to revise our adult safeguarding policies, procedures and guidance, associated tools such as the competency framework and out learning and development offer to support these. It is anticipated that these will be completed by April 2018. 	Strategic Director of Adult Social Care & Public Health	High

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Cross cutting risks – high level risks that can be mitigated more effectively through cross working.

Ref	Risk ref.	Description of the risk	Inherent risk level (no controls)	Processes in place (ie the 'how' risks are being mitigated)	Controls (i.e. decisions needed)	Lead risk owner	Residual risk level (after existing controls)
L4	ASC1,2,12,16,17 C&C4 CSF1,2,	Medium Term Financial Plan (MTFP) 2017-20 Failure to achieve the MTFP, which could be a	High	<ul style="list-style-type: none"> Monthly reporting to Continuous Improvement and Productivity Network and Cabinet on the forecast outturn position is clear about the impacts on future years and enables prompt 	<ul style="list-style-type: none"> Prompt management action taken by Directors / Leadership Teams to identify correcting actions for any in 	Director of Finance	High

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Leadership risk register as at 31 October 2017 (draft) (covers rolling 12 months)

Owner: Julie Fisher

Ref	Risk ref.	Description of the risk	Inherent risk level (no controls)	Processes in place (ie the 'how' risks are being mitigated)	Controls (i.e. decisions needed)	Lead risk owner	Residual risk level (after existing controls)
	7 EA11,3 FN2 ORB01, 10	<p>result of:</p> <ul style="list-style-type: none"> • Not achieving savings • Additional service demand and/or • Over optimistic funding levels. <p>As a consequence, lowers the council's financial resilience and could lead to adverse long term consequences for services if Members fail to take necessary decisions.</p>		<p>management action (that will be discussed informally with Cabinet).</p> <ul style="list-style-type: none"> • Weekly review of the in year financial position at Chief Executives Direct Reports meeting and strong focus on development of plans for delivery of the 2017/18 service efficiencies and reductions – to enable early management action as relevant. • Budget planning discussions held with Cabinet and Select Committees. • Early conversations are undertaken with all relevant stakeholders to ensure consultations about service changes are effective and completed in a timely manner (savings tracker developed for use during 2017/18 to identify necessary consultations, milestones, Equality Impact Assessments). • Cross service networking and timely escalation of issues to ensure lawfulness and good governance. • Increased challenge and rigour on cost control. • Chief Executive's Direct Reports meeting agreement to focus capacity on three key priorities – information management in CSF, health and social care integration and assets. • Cabinet Members induction programme to ensure continuity of informed decision making and service delivery. • New Members induction programme in place (May to July) to introduce them to the council and thereby facilitate informed decision making. • Significant focus on income generating activities through an enlarged property investment programme and the optimisation 	<p>year overspends or failure to deliver service reductions (evidenced by robust action plans).</p> <ul style="list-style-type: none"> - Members (Council, Cabinet, Select Committees) make the necessary decisions to implement action plans in a timely manner. - Members have all the relevant information to make necessary decisions. 		

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Leadership risk register as at 31 October 2017 (draft) (covers rolling 12 months)

Owner: Julie Fisher

Ref	Risk ref.	Description of the risk	Inherent risk level (no controls)	Processes in place (ie the 'how' risks are being mitigated)	Controls (i.e. decisions needed)	Lead risk owner	Residual risk level (after existing controls)
				of the existing property assets.			
L5	ASC2, 16 CSF1,2, 5,6,8 ORB01, 02,07, EMT3, 12, EA13	New ways of working Failure to work effectively as part of a multi-agency system leads to severe service disruption and reputational damage.	High	<ul style="list-style-type: none"> Shared and aligned strategies to ensure no unintended consequences. Robust governance arrangements (eg. Inter Authority Agreements, Health and Social Care Integration Board, Health and Wellbeing Board, financial governance framework) in place with early warning mechanisms. Regular monitoring of progress and risks against transformation programmes within each transformation board. Effective transition arrangements with continuous stakeholder engagement. Continuous focus on building and maintaining strong relationships with partners through regular formal and informal dialogue. Close liaison and communication with customers. 	<ul style="list-style-type: none"> Leadership and managers recognise the importance of building and sustaining good working relationships with key stakeholders and having early discussions if these falter. Work with Clinical Commissioning Groups on models of integrated care. Members continue to endorse approaches to integration across the council. 	Acting Chief Executive	Medium
L6	ASC4, 5,8 CSF5 EAI2, 3,4 ORB 02,03, 08 LD6 EMT1, 10,11	Organisational resilience Failure for the organisation as a whole to plan for and/or respond effectively to a significant event and or strains on workforce capacity or resilience, results in severe and prolonged service disruption and loss of trust in the organisation.	High	<ul style="list-style-type: none"> Developing an employment framework that supports flexibility in service delivery and organisational resilience. Robust governance framework (including codes of conduct, IT cyber resilience and information assurance policies, health and safety policies, complaints tracking). Information Governance Board monitors information governance requirements and changes and reviews information governance risks. Review of third party information governance risks. External risks are regularly assessed through the Local Resilience Forum and reviewed by the Statutory Responsibilities Network. 	<ul style="list-style-type: none"> Statutory Responsibilities Network review business continuity plans at least twice annually. Regular monitoring of effectiveness of processes is in place and improvements continually made and communicated as a result of learning. Robust change management processes. Refresh staff awareness for IT security and information management. All externally hosted IT 	Acting Chief Executive	Medium

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Owner: Julie Fisher

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Page 146				<ul style="list-style-type: none"> Active learning by senior leaders from external experiences / incidents informs continual improvement within the council. Close working between key services and the Emergency Management Team to proactively update and communicate business continuity plans and share learning. Leadership and management development programme in place to increase skills, resilience and effectiveness of leaders, focusing on communication and setting clear expectations. Career conversations built into appraisal process looking forward five years 	<p>solutions should be considered by Security Working Group (IT&D and Information Governance), with contract approval via IT&D.</p> <ul style="list-style-type: none"> Member induction programme delivered between May and July 2017 to ensure new Members learn quickly about the challenges facing the county and be in a position to make key decisions. Senior management annual assurance statement provides assurance that business continuity is well planned and staff are all aware. 		
	L7	<p>Senior Leadership Succession Planning A significant number of senior leaders leave the organisation within a short space of time and cannot be replaced effectively resulting in a reduction in the ability to deliver services to the level required.</p>	Medium	<ul style="list-style-type: none"> Enhance distributed leadership by focus on organisational goals and scorecard for organisational performance. Workforce planning linked to business continuity plans. Senior leadership appraisal process incorporates feedback (shaping leaders) and succession planning into appraisal process. 	<ul style="list-style-type: none"> Transparent and effective succession plans. Interim arrangements put in place will be kept under review pending the appointment of a new Chief Executive by full council on 5th December 2017. 	Acting Chief Executive	Medium

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Movement of risks

Ref	Risk	Date added	Inherent risk level when added	Movement in residual risk level		Current residual risk level
L1	Financial outlook	Aug 12	High	Jan 16	↑	High
L2	Safeguarding – Children's Services	May 10	High	Jan 15	↑	High
L3	Safeguarding – Adult Social Care	May 10	High	Jan 15	↑	High
L4	Medium Term Financial Plan	Aug 12	High	-	-	High
L5	New ways of working	Jan 16	High	-	-	Medium
L6	Organisational resilience	May 10	High	Aug 12	↓	Medium
L7	Senior Leadership Succession Planning	Mar 15	High	Nov 16	↑	Medium

Risks recently removed from the register

Risk	Date added	Date removed
<i>National policy development</i>	<i>Feb 13</i>	<i>Jan 16</i>
<i>Waste</i>	<i>May 10</i>	<i>Jan 16</i>
<i>Comprehensive Spending Review 2015</i>	<i>Sept 14</i>	<i>Jan 16</i>
<i>Reputation</i>	<i>Oct 14</i>	<i>Jan 16</i>
<i>Staff resilience</i>	<i>May 10</i>	<i>Jan 16</i>
<i>Information governance</i>	<i>Dec 10</i>	<i>Jan 16</i>
<i>Supply chain / contractor resilience</i>	<i>Jan 14</i>	<i>Jan 16</i>
<i>Strategic Infrastructure</i>	<i>Jan 16</i>	<i>Aug 17</i>

Leadership level risk assessment criteria

Due to their significance, the risks on the Leadership risk register are assessed on their inherent risk level (no controls) and their residual risk level (after existing controls have been taken into account) by high, medium or low.

Risk level	Financial impact	Reputational impact	Performance impact	Likelihood
	<i>(% of council budget)</i>	<i>(Stakeholder interest)</i>	<i>(Impact on priorities)</i>	
Low	< 1%	Loss of confidence and trust in the council felt by a small group or within a small geographical area	Minor impact or disruption to the achievement of one or more strategic / directorate priorities	Remote / low probability
Medium	1 – 10%	A sustained general loss of confidence and trust in the council within the local community	Moderate impact or disruption to the achievement of one or more strategic / directorate priorities	Possible / medium probability
High	10 – 20%	A major loss of confidence and trust in the council within the local community and wider with national interest	Major impact or disruption to the achievement of one or more strategic / directorate priorities	Almost certain / highly probable

SURREY COUNTY COUNCIL

CABINET

DATE: 31 OCTOBER 2017

REPORT OF: MR COLIN KEMP - CABINET MEMBER FOR HIGHWAYS

**LEAD OFFICER: ROSS DUGUID – ACTING ASSISTANT DIRECTOR
PROCUREMENT**



**SUBJECT: APPROVAL TO AWARD A FRAMEWORK AGREEMENT FOR
PROFESSIONAL HIGHWAY SERVICES**

SUMMARY OF ISSUE:

Surrey County Council ('SCC') has a statutory duty under the Highways Act 1980 to ensure that highways for which it is responsible remain safe for public use.

The Highway Service is 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 needs 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 seek Cabinet approval to appoint Atkins Ltd to a Professional Highway Services Framework Agreement.

The report provides 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 demonstrates why the recommended contract award delivers best value for money.

Due to the commercial sensitivity involved in the contract award process, the breakdown of the commercial offer received has been circulated as a Part 2 report.

RECOMMENDATIONS:

It is recommended that:

1. 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 be approved.

REASON FOR RECOMMENDATIONS:

Surrey County Council's Highway Service is responsible for the delivery of a Highway Works Programme which is anticipated to be £120,000,000 over the next 3 years and for the delivery of works which are funded from revenue budget estimated to be at £44,000,000 per annum.

In order to deliver these works the Highways Service requires additional capacity to support the in-house teams. This capacity was previously provided by Professional Highways Services Framework which has now expired.

A full tender process, in compliance with the requirement of Public Contract Regulations 2015 and Procurement Standing Orders, has been completed. This report recommends that a framework agreement with a single strategic multi-disciplinary professional service provider is awarded to Atkins Ltd. The recommendation provides best value for money for the Council, as detailed in paragraph 25 of this report.

The local residents will benefit from a number of professional development and training opportunities which will result from this Framework Agreement in accordance with the Service Provider's commitments. These commitments have been estimated to be worth £812,968 of Social Value benefits as measured using the Social Value Charter approach.

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

This report summarises the evaluation of the tender received and seeks Cabinet approval to appoint the recommended provider.

DETAILS:

Business Case

1. SCC has a statutory duty under the Highways Act 1980 to ensure that highways for which it is responsible remain safe for public use.
2. The Highway Service is responsible for the delivery of a Highway Works Programme which is anticipated to be £120,000,000 over the next 3 years and for works funded from revenue budget at the total of £44,000,000 per annum.
3. In order to deliver these works within required timescales, the Service needs to supplement their in-house capacity and expertise. In the past few years this was accessed under a Framework Agreement which expired on 31 January 2017.
4. There is a continuous requirement for the Highways Service to bring in additional specialist resources when required.

Background and options considered

5. In 2012 a framework agreement with a single professional highways services contractor Atkins Ltd was let to enable the Highways Service access to additional capacity to undertake design and associated services for the delivery of both capital schemes as well as other revenue funded works on top of in-house resources. This framework agreement expired on 31 January 2017. Since then Atkins Ltd has been delivering services commissioned before the framework end date.
6. In order to support the delivery of the Programme over the next three years, a new arrangement had to be established.
7. A number of options have been reviewed in preparation of the Framework expiry. Several service delivery models and routes to market were considered when completing the Strategic Procurement Plan (SPP) prior to commencing the procurement activity. These included:
 - a. using other existing framework agreements,
 - b. recruiting permanent or agency staff,
 - c. doing nothing, or
 - d. developing and establishing a new bespoke framework agreement.
8. Having assessed the existing third party framework agreements it has been decided that none would meet Highways Service's needs in full. The review of the revised requirements in the new Service Specification led to the decision to go out to tender to establish a new Framework Agreement with a single strategic multi-disciplinary professional service provider to provide additional capacity and expertise to the Highways Service.
9. The framework agreement will be awarded initially for a period of 2 years with optional extension of up to 2 additional years subject to satisfactory performance. The expiry date in 4 years will be aligned with the end of the current Main Highways Maintenance Term Contract which ends in April 2021. This will therefore unlock opportunity for consolidating the scope of services in the future should this be beneficial to the SCC. The new framework will be accessible to all user groups within SCC Environment & Infrastructure Directorate. The framework will also be accessible to other Local Authorities in the South East.
10. Performance will be monitored through a series of Key Performance Indicators groups including quality of operational delivery, sustainability, customer care, safety and Social Value.
11. The management responsibility for the contract lies with the Highways Service and will be managed in line with the contract documentation.

Competitive Tendering Process

12. Highways and Procurement Services have carried out an open tender procedure in accordance with the Public Contracts Regulations 2015 and Procurement Standing Orders, following the receipt of authority from Sourcing

Governance Meeting (SGM) on 7 December 2016, in order to select the most economically advantageous offer. The open procedure means that all interested potential providers were able to submit a tender.

13. The tender commenced on 31 March 2017 with a closing date on 19 May 2017.
14. The tender received was scrutinised to demonstrate robust experience and capacity as well as competitiveness, in delivering the professional highway consultancy services.
15. The Evaluating Panel, which comprised of colleagues from across the Environment & Infrastructure and Procurement Service, have completed assessing of the tender received. The Panel recommends that Cabinet approves the appointment of Atkins Ltd, who was the only tenderer, to provide strategic multi-disciplinary professional services. The recommendation provides best value for money for the Council, as detailed in paragraph 25 of this report. The appointment of Atkins Ltd will ensure that Environment & Infrastructure Directorate has access to the additional capacity and expertise to support delivery of its projects and programmes of work which are required imminently.

CONSULTATION:

16. No formal consultation was required. However, various members of Environment and Infrastructure Directorate and Procurement Service were involved in the procurement of the framework, feeding in their expert knowledge around the design of the specification, evaluating tenders and agreeing contract award. Legal Services were also consulted to ensure that what was being proposed was legally compliant. Financial Services were consulted to determine minimum acceptable level of tenderers' financial stability.

RISK MANAGEMENT AND IMPLICATIONS:

17. This new Framework Agreement is not a commitment by SCC to purchase any services. Commitment to purchase will only be made by SCC when it issues a legally binding call off contract under the terms of the framework agreement.
18. SCC does not guarantee the value or volume of instructions it may place with the Service Provider under this framework.
19. An Access Agreement will be in place to protect the SCC from any issues that may occur as a consequence of a dispute arising between any of the other local authorities accessing the Framework and the Framework Service Provider.
20. Should the Service requirements change, the new Framework can be terminated by SCC giving 3 months' notice.
21. The tenderer has successfully completed financial checks.

22. The Service Provider may be requested to provide a parent company guarantee or performance bond against failure for individual call-off contracts, on case by case basis.
23. There are no TUPE implications in relation to the award of this Framework Agreement.

Financial and Value for Money Implications

24. Full details of the contract value and financial implications are set out in the Part 2 report.
25. Following a benchmarking exercise it is estimated that the resulting framework agreement will potentially result in average annual savings of £22,455 when compared with the rates for the preceding year. This potential annual saving will depend on the volume of work being called off in the future, and has been estimated based on the projected spend of £1,200,000 per year.
26. The rates submitted by the successful Tenderer are fixed for two years. Should the Framework be extended the Service Provider's rates will be reviewed in accordance with the framework formula which links the uplift with the Retail Price Index.

Section 151 Officer Commentary

27. The Section 151 Officer can confirm that the costs of the proposed framework agreement for professional highway services are within the budget envelope for these services included within the Medium Term Financial Plan.
28. The County Council is facing a very serious financial situation, whereby there are still substantial actions to be identified and delivered to achieve a balanced budget in the current year and a sustainable budget plan for future years. This framework agreement will support the council to deliver highway services and improvements to residents. Notwithstanding this, it is important to recognise that agreeing to this recommendation will reduce the council's options to balance its budget.

Legal Implications – Monitoring Officer

29. Following approval for route to market at the Sourcing Governance Meeting, a full competitive tendering process has been undertaken by the Council using the open procedure in accordance with the Public Contracts Regulations 2015 and the Council's Procurement Standing Orders.
30. There are no monitoring issues arising from this report and Legal Services have been involved in providing support as required.

Equalities and Diversity

31. The Service Provider demonstrated that they had equal opportunities and diversity policy in place, and that this policy adapts and observes the statutory

requirements under the Race Relations Act 2000, the Disability Act 1995 (amended 2005) and the Gender Equality Act 2006 at the early tender Stage.

32. The Service Provider will contribute to developing local economy by delivering commitments in accordance with the Social Value Charter. From the services delivered by the Service Provider and its supply chain there will be £812,968 worth of Social Value as measured using the Charter across the 4 year life span of the Framework. The local residents will benefit from a number of professional development opportunities and training opportunities which will result from this Framework.

WHAT HAPPENS NEXT:

33. The timetable for implementation is as follows:

Action	Date
Cabinet decision to award (including 'call in' period)	31 October 2017
Contract Award Date	8 November 2017
Contract Signature	21 November 2017
Contract Commencement Date	1 December 2017

34. The Council has an obligation to allow unsuccessful tenderers the opportunity to challenge the proposed contract award. This period is referred to as the 'Alcatel' standstill period. However, as there was only one tender received, the standstill period is not required to be observed in this case.

Contact Officer:

Lucy Monie Head of Highways & Transport ex. 419896
Artur Krzyzanski Strategic Procurement Manager ex. 418080.

Consulted:

Environment and Infrastructure Directorate, Procurement, Finance and Legal Services

Annexes:

Annex 1 Part 2 Confidential Tender Report.

Sources/background papers:

None

SURREY COUNTY COUNCIL

CABINET

DATE: 31 OCTOBER 2017

REPORT OF: MR COLIN KEMP, CABINET MEMBER FOR HIGHWAYS

LEAD OFFICER: TREVOR PUGH, STRATEGIC DIRECTOR FOR ENVIRONMENT AND INFRASTRUCTURE

SUBJECT: PILOT FOR CAMERA ENFORCEMENT OF BUS LANE, HIGH STREET, WOKING



SUMMARY OF ISSUE:

The county council is enacting existing powers that would enable it to enforce against moving traffic offences in bus lanes. These powers were designated to Surrey County Council in the Road Traffic Order 2005, however to date these powers have not been enforced. This report proposes that these powers are 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 are delegated to Woking Borough Council to carry out camera enforcement.

An Experimental Traffic Regulation Order (ETRO) has 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 are registered with Woking Borough Council, and takes the form of a bus lane. The intent 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.

The High Street will 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 will prepare and consult on a county-wide policy for the enforcement of moving traffic offences which will be brought back to Cabinet in 2018. Findings from this pilot site and experience elsewhere will be considered as part of policy formation.

RECOMMENDATIONS:

It is recommended that:

1. 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. Surrey County Council delegates that enforcement function to Woking Borough Council through an agency agreement;

3. Officers prepare a comprehensive county-wide policy for moving traffic offences.

REASON FOR RECOMMENDATIONS:

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.

DETAILS:

1. Currently there are a number of bus lanes across Surrey within which compliance is not enforced. As a result compliance varies.
2. The County Council can legally enforce bus lanes, but has not previously enacted these powers. In Surrey the powers for moving traffic offences are currently only available to the Police, however, the Transport Act 2000 provides the power to make regulations for the civil enforcement of bus lane contraventions by Surrey County Council as an approved authority.
3. The Bus Lane Contraventions (Approved Local Authorities) (England) Order 2005 (SI 2005/2755) designates Surrey County Council as an approved local authority for these purposes and Woking Town Centre is a designated area courtesy of SI 2005/1645.
4. There is a desire from Woking BC and the Woking Joint Committee to undertake bus lane enforcement on the High Street, Woking. This is linked to their development plans and the desire to reduce the level of traffic using High Street for safety and for improvements to the pedestrian environment.
5. The enforcement of the bus lane on the High Street, Woking was taken to Woking Joint Committee for noting purposes on 22 March 2017 (Item 9/12).
6. The introduction of enforcement for the High Street, Woking will be treated as an operational pilot for bus lane enforcement in Surrey.
7. The costs for the Woking pilot will be met entirely by Woking BC, both for the installation and the operation.
8. Should Cabinet be agreeable to this pilot, a county-wide policy will be developed which will enable the County to roll out enforcement in other suitable locations. This county-wide proposal will be brought back to Cabinet for consideration. This pilot will assist with policy development once a positive business case has been developed.

9. As part of the wider policy formulation, Officers will seek the views of the bus operators, residents, businesses and other key stakeholders, as well as best practise from other authorities where enforcement currently takes place.
10. While the legislation is different, mobile enforcement and parking enforcement are intrinsically linked to maintain safe and efficient use of the highway, therefore it is proposed that any agreements for mobile enforcement mirror the terms and duration of those for on-street parking enforcement so far as that is possible.
11. The renewal of the Civic Parking Enforcement (CPE) Agency Agreements with Districts and Boroughs is due April 2018. This Bus Lane Enforcement Agreement would run to the end of March 2018 with a new agreement thereafter for the same timescales, as to be agreed for the CPE.
12. The purpose of the Bus Lane Enforcement Agreement, which is currently being negotiated with Woking BC, is to delegate to Woking BC the power to enforce the use of the bus lane, i.e. to ensure that it is used only by those authorised by the provisions of the Experimental Traffic Regulation Order and any subsequent orders. The Agreement will need to deal with receipts (arising from enforcement fines) and deficits, and has been based on the on-street parking enforcement agreements, which have been previously agreed by Cabinet.
13. The Agreement will also provide for the Borough Council to establish and hold a Bus Lane Enforcement Account to which the costs of administering and carrying out the Functions (including the expenses of all relevant and proper overheads, professional services, premises, supplies, insurances, meeting the costs of maintenance, and other costs properly incurred) shall be debited, and to which all income received in discharging the functions shall be credited.
14. The Borough Council is to hold the account, and all monies in it, on behalf of the County Council, and shall submit to the County Council an annual statement of income and expenditure, in accordance with prescribed timescales.
15. The bus lane on High Street is being implemented through an Experimental Traffic Regulation Order (ETRO) which restricts all vehicular traffic apart from buses and specified classes of vehicles, Monday to Sunday 7am to 9pm.
16. In the future, it is proposed that further bus lanes, which have been the subject of the planning process, are implemented on Victoria Way and at the Church Street West/Victoria Way.
17. Should Cabinet be agreeable to the pilot for Woking High Street bus lane, officers will draft a proposal for a county-wide policy, with the intention to bring it back to Cabinet in 2018.

CONSULTATION:

18. The ETRO is a formal consultation allowing a 6 month objection period, which allows people to base their comments on the actual impacts before a permanent TRO is made.
19. The ETRO and the enforcement by Automatic Number Plate Recognition (ANPR) was taken to Woking Joint Committee for noting purposes on 22 March 2017.

20. Public Notices of the ETRO were placed in the local press and a wide consultation has been provided to local businesses, residents, SCC Officers and Members, WBC Officers and Members, bus operators, police, fire service and other key stakeholders.

RISK MANAGEMENT AND IMPLICATIONS:

21. The Bus Lane Enforcement Agreement, currently being set up, will deal with receipts and deficits, and although with variations, has been based on the parking agreements which were all Cabinet authorised.

Financial and Value for Money Implications

22. The costs of implementing the proposals will be covered by Woking Borough Council.
23. WBC would be liable for any deficit of operational costs (the same as for parking). Woking BC has estimated an operational cost of £24,000 per annum for maintenance, officer time and communications for the enforcement camera system. There will also be the start up costs.
24. The aim of the bus lane enforcement is to change driver behaviour along High Street and to reduce through traffic and provide a bus priority route. In terms of revenues levels, it is currently too early to predict, however it is not expected that there will be a significant financial impact from the enforcement scheme. Woking BC are now starting to monitor activity and produce some useful statistics to measure compliance levels, and will be able to monitor this further through the warning notice campaign prior to official enforcement. Once this further detail has been provided, the likely expected financial impacts of the scheme can be determined.
25. Any operational surplus would be split between Woking, the Joint Committee and SCC in the following proportions: 20%/60%/20% respectively, as based on the existing parking agreements as previously agreed by Cabinet.
26. Any surplus would be in accordance with prescribed legislation.
27. The Bus Lane Enforcement Agreement, currently being set up, will deal with receipts and deficits, and has been based on the existing parking enforcement agency agreements.

Section 151 Officer Commentary

28. The financial implications of introducing enforcement powers, as proposed in this report, are explained in the paragraphs in the section above. There are not expected to be any significant financial or risk implications for the council.

Legal Implications – Monitoring Officer

29. Legal Services have been involved in drafting the Bus Lane Agreement between SCC and WBC.

30. Surrey County Council has power to enforce bus lane contraventions under section 144(3)(b) of the Transport Act 2000 and the Traffic Management Act 2004 and to delegate that function to Woking Borough Council. The delegation to Woking Borough Council is under powers in the Local Government Act 2000, together with associated regulations.

Equalities and Diversity

31. The reason for implementing this ETRO and enforcement is to remove much of the traffic passing along High Street in order to provide a safer, more pleasant environment for pedestrians between the busy railway station and the town centre, as well as providing more efficient and effective bus services.
32. It is an objective of Surrey County Council to treat all users of the public highway equally and with understanding. Appropriate and proportionate consultation is carried out with residents, and bodies representing particular user groups, to ensure that the interests of all highway users are considered.

Other Implications:

33. The potential implications for the following council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	No significant implications arising from this report
Safeguarding responsibilities for vulnerable children and adults	No significant implications arising from this report
Environmental sustainability	<ul style="list-style-type: none"> • Remove much of the traffic passing along High Street in order to provide a safer street; • Provide a more pleasant, less congested environment for pedestrians and cyclists between the busy railway station and the town centre; • Provide more efficient and effective bus services.
Public Health	No significant implications arising from this report

WHAT HAPPENS NEXT:

- Once the Bus Lane Agreement has been signed by SCC and WBC and providing Cabinet gives relevant approvals as set out in this report, enforcement powers will pass to WBC to operate through the ANPR camera system.
- Woking Borough Council has collated a “white list” of authorised vehicles permitted to be in High Street, as identified in the ETRO. The ANPR camera is an automated system called RoadFlow. Woking Borough Council officers will review evidence packs (short video clips) of potential contraventions and issue Penalty Charge Notice’s (PCN’s) where applicable. Registration

numbers of offending vehicles will be sent to the DVLA to request keeper details. The PCN will be sent to the owners via the post, in accordance with legal processes.

- Prior to the ANPR coming into force, WBC will arrange communications advising of the imminent enforcement. Warning letters will also be issued for a period before Penalty Charge Notices are issued.
-

Contact Officer:

Louisa Calam
Town Centre Development Project Manager
07968 832238

Consulted:

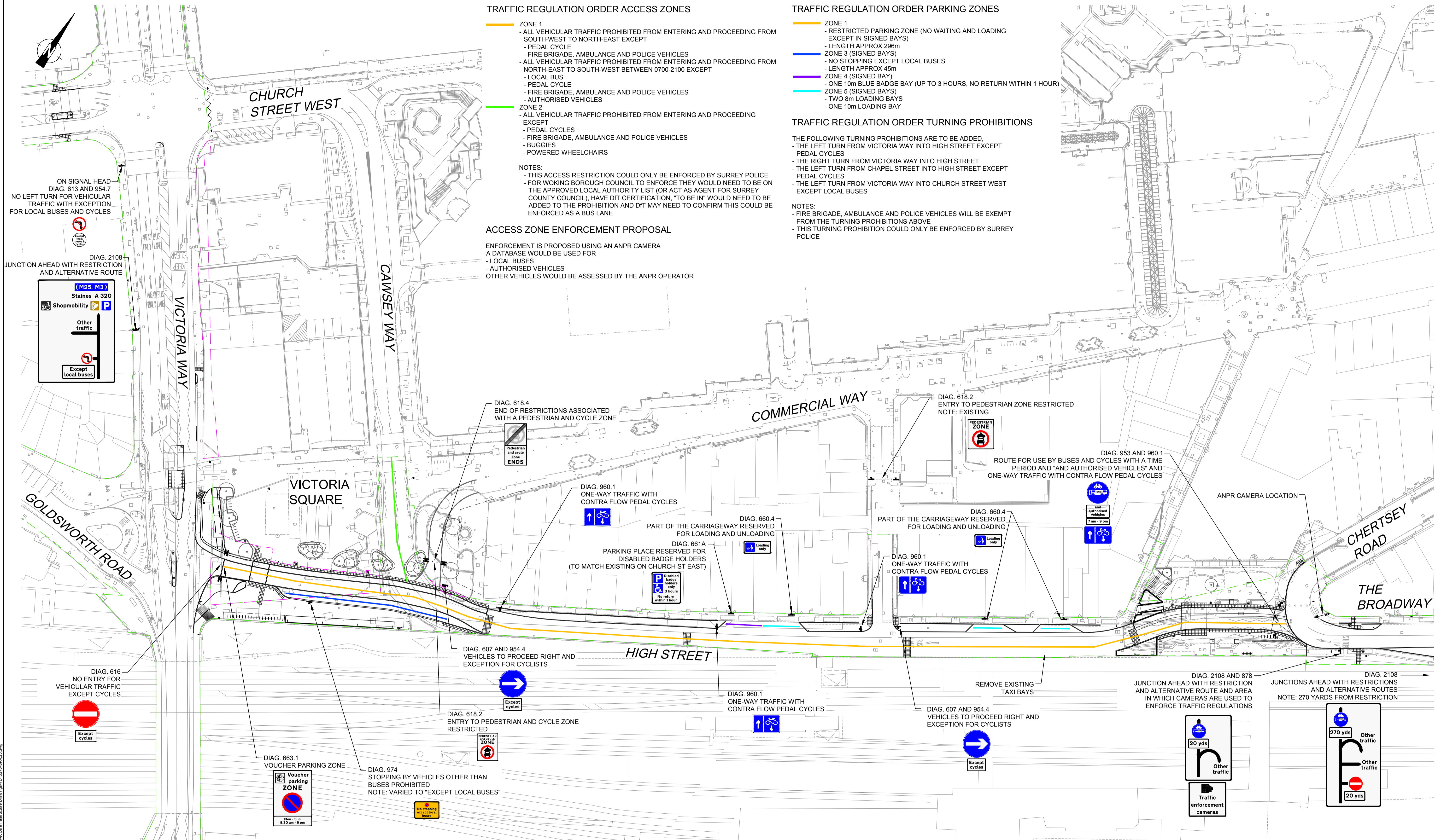
- Public Notices of the ETRO have been put in the local press
- A wide consultation has been provided to local businesses, residents, SCC Officers and Members, WBC Officers and Members, bus operators, police, fire service and other key stakeholders.

Annexes:

Plan showing bus lane

Sources/background papers:

Experimental Traffic Regulation Order, High Street (C143), Woking (Bus Lane) 2017



- ### TRAFFIC REGULATION ORDER ACCESS ZONES
- ZONE 1**
 - ALL VEHICULAR TRAFFIC PROHIBITED FROM ENTERING AND PROCEEDING FROM SOUTH-WEST TO NORTH-EAST EXCEPT
 - PEDAL CYCLE
 - FIRE BRIGADE, AMBULANCE AND POLICE VEHICLES
 - ALL VEHICULAR TRAFFIC PROHIBITED FROM ENTERING AND PROCEEDING FROM NORTH-EAST TO SOUTH-WEST BETWEEN 0700-2100 EXCEPT
 - LOCAL BUS
 - PEDAL CYCLE
 - FIRE BRIGADE, AMBULANCE AND POLICE VEHICLES
 - AUTHORISED VEHICLES
 - ZONE 2**
 - ALL VEHICULAR TRAFFIC PROHIBITED FROM ENTERING AND PROCEEDING EXCEPT
 - PEDAL CYCLES
 - FIRE BRIGADE, AMBULANCE AND POLICE VEHICLES
 - BUGGIES
 - POWERED WHEELCHAIRS
- NOTES:**
- THIS ACCESS RESTRICTION COULD ONLY BE ENFORCED BY SURREY POLICE
 - FOR WOKING BOROUGH COUNCIL TO ENFORCE THEY WOULD NEED TO BE ON THE APPROVED LOCAL AUTHORITY LIST (OR ACT AS AGENT FOR SURREY COUNTY COUNCIL), HAVE DIT CERTIFICATION, "TO BE IN" WOULD NEED TO BE ADDED TO THE PROHIBITION AND DIT MAY NEED TO CONFIRM THIS COULD BE ENFORCED AS A BUS LANE

- ### TRAFFIC REGULATION ORDER PARKING ZONES
- ZONE 1**
 - RESTRICTED PARKING ZONE (NO WAITING AND LOADING EXCEPT IN SIGNED BAYS)
 - LENGTH APPROX 296m
 - ZONE 3 (SIGNED BAYS)**
 - NO STOPPING EXCEPT LOCAL BUSES
 - LENGTH APPROX 45m
 - ZONE 4 (SIGNED BAY)**
 - ONE 10m BLUE BADGE BAY (UP TO 3 HOURS, NO RETURN WITHIN 1 HOUR)
 - ZONE 5 (SIGNED BAYS)**
 - TWO 8m LOADING BAYS
 - ONE 10m LOADING BAY
- ### TRAFFIC REGULATION ORDER TURNING PROHIBITIONS
- THE FOLLOWING TURNING PROHIBITIONS ARE TO BE ADDED,
- THE LEFT TURN FROM VICTORIA WAY INTO HIGH STREET EXCEPT PEDAL CYCLES
 - THE RIGHT TURN FROM VICTORIA WAY INTO HIGH STREET
 - THE LEFT TURN FROM CHAPEL STREET INTO HIGH STREET EXCEPT PEDAL CYCLES
 - THE LEFT TURN FROM VICTORIA WAY INTO CHURCH STREET WEST EXCEPT LOCAL BUSES
- NOTES:**
- FIRE BRIGADE, AMBULANCE AND POLICE VEHICLES WILL BE EXEMPT FROM THE TURNING PROHIBITIONS ABOVE
 - THIS TURNING PROHIBITION COULD ONLY BE ENFORCED BY SURREY POLICE

ACCESS ZONE ENFORCEMENT PROPOSAL

ENFORCEMENT IS PROPOSED USING AN ANPR CAMERA
A DATABASE WOULD BE USED FOR

- LOCAL BUSES
- AUTHORISED VEHICLES

OTHER VEHICLES WOULD BE ASSESSED BY THE ANPR OPERATOR

PLAN
SCALE 1:500

NOT FOR CONSTRUCTION

REV	DETAILS	DRAWN	CHECKED	DATE
A	ADDITIONAL NOTES AND SIGNAGE ADDED	TL	PW	18.3.16
B	RESTRICTION AMENDED, TURNING PROHIBITION ADDED	TL	PW	1.4.16
C	RESTRICTION AMENDED, TAXI BAYS REMOVED	TL	PW	3.5.16
D	ZONE ADDED	TL	PW	3.5.16
E	RESTRICTION AMENDED	TL	PW	19.5.16
F	UPDATED FOR NEW LAYOUT AND FIRE EXCEPTION ADDED	TL	KGS	1.6.16
G	RESTRICTED ZONE AND CYCLEWAY EXTENDED	TL	PW	22.6.16
H	CYCLE SIGNS AMENDED, TURNING ENFORCEMENT REMOVED	TL	PW	22.7.16
I	SIGNS UPDATED	TL	PW	26.8.16
J	RESTRICTION AMENDED, SIGNS UPDATED	TL	PW	28.9.16
K	UPDATED LAYOUT	TL	PW	10.10.16
L	RESTRICTION AMENDED, SIGNS UPDATED	TL	PW	10.02.17
M	SIGNS AND NOTES AMENDED	TL	PW	27.02.17
N	LOADING BAYS ADDED, DISABLED BADGE TIME LIMIT ADDED	TL	PW	16.03.17

- ### NOTES
1. THE HIGHWAY AUTHORITY IS SURREY COUNTY COUNCIL (SCC).
 2. ALL INFRASTRUCTURE WORKS SHALL BE IN ACCORDANCE WITH SCC SPECIFICATIONS.
 3. BOUNDARIES SHOWN ARE INDICATIVE ONLY BASED ON STOPPING UP ORDERS AND SCC HIGHWAY BOUNDARIES.

- ### KEY
- - - SECTION 278 BOUNDARY
 - - - LAND TO BE DEDICATED UNDER S278 AGREEMENT
 - - - TRAFFIC SIGN
 - - - ANPR CAMERA



PROJECT WOKING TOWN CENTRE		CLIENT WOKING BOROUGH COUNCIL	
DRAWING TITLE PHASE 2 TRAFFIC REGULATION ORDER PLAN HIGH STREET			
DRAWN TL		CHECKED PW	
DATE 18.02.2016		SCALE AT A1 1:500	
DRAWING NUMBER VD15278-SK-025		REVISION N	
Network Building, 97 Tottenham Court Road, London W1T 4TP t: 020 7580 7373 e: enquiries@vectoros.co.uk			

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CAD File Name: I:\08\2016\15278\Woking Town Centre\02\02\02\Infrastructure\Drawings\VD15278-SK-025.dwg
 Plot Date: 18 Mar 2017

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SURREY COUNTY COUNCIL

CABINET

DATE: 31 OCTOBER 2017

REPORT OF: MR TIM OLIVER, CABINET MEMBER FOR PROPERTY AND BUSINESS SERVICES

LEAD OFFICER: ROSS DUGUID, ASSISTANT DIRECTOR PROCUREMENT

SUBJECT: REVISION OF PROCUREMENT STANDING ORDERS



SUMMARY OF ISSUE:

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.

RECOMMENDATION:

It is recommended that:

Cabinet notes proposed changes to Procurement Standing Orders (PSOs) and recommends them to full Council for final approval on 5 December 2017.

REASONS FOR RECOMMENDATION:

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

DETAILS:

Business Case

1. The Procurement Standing Orders (PSOs) set out how the Council governs spending by Officers on goods, works and services, on consultants and contractors, and on direct care services. The PSOs cover all spend with external suppliers regardless of the source of funding (for example, revenue, capital, ring-fenced government money and/or any grant or third party funding).
2. The changes to the PSOs will deliver the following key benefits:

- a. Development of local suppliers**

Expanded guidance requires officers to use their purchasing power to work with local businesses where they offer equal or better value for money than alternatives. It also includes provisions to prevent barriers being created that may inhibit SMEs ability to tender, including reviewing specifications and the division of contracts into smaller lots.

- b. Delivery and measurement of social value**

The revised wording introduces the social value measurement charter; this is a tool used on all procurements over £100,000 to aid bidders in assessing what social value they can provide and putting a financial value on this.

- c. Contract Management Support**

The introduction of a new section into the Orders details the role that procurement will play in supporting contract managers within the council to understand the risks, opportunities and resources required to manage contracts of varying degrees of complexity. This will be done via a dedicated Contract and Supply Management team.

The Orders also provide increased guidance on contract award notices and contract modifications to comply with recent legislation (Public Contract Regulations 2015 – “PCR”); they also specifically refer to the requirement to comply with the temporary staffing contract to drive best value.

- d. An effective and efficient procurement process**

The formation of a dedicated strategic procurement team to manage the procurement process up to contract award, provides increased expertise in ensuring that we select the most appropriate route to market from the options available. To complement this the revised PSOs therefore provide greater detail on the variety of procurement routes that may be used in different contexts to deliver best value.

The Orders also contain a range of other measures intended to provide additional clarity and reduce the risk of challenge in the procurement process. These include: an expansion of the basic steps that need to be considered as part of a procurement; detail on the

implications of recent procurement legislation; and the introduction of a section on bribery, corruption, canvassing and collusion.

To ensure the sourcing process is as efficient as possible the internal governance (the Sourcing Governance Board) has also been amended to better accommodate the varying degrees of risk and complexity present in different procurements.

CONSULTATION:

3. In amending the PSOs we have taken into account good practice at other Local Authorities and across the wider public sector. This has included reviewing standing orders and supporting policies from other county and unitary authorities across the South East.
4. The revised Orders were prepared in consultation with Finance, Legal, Audit, Business Operations and Procurement staff.

RISK MANAGEMENT AND IMPLICATIONS:

5. A process of regular review and updating of the Council's Procurement Standing Orders helps in managing any risks associated with procurement activities. This includes:
 - a. Reducing the risk of legal challenge to contracts – by ensuring that legislation is built into our rules and best practice into our processes.
 - b. Improvements to strengthen our ability to deliver and monitor contracts which drive value for money for the whole Council.
 - c. Ensuring proper controls are in place across the process, to ensure public money is being properly spent.
 - d. Supporting efficiencies of the developing partnership working with East Sussex County Council, Brighton and Hove City Council and other potential partner organisations.

Financial and Value for Money Implications

6. There are no direct financial implications in these changes.

Section 151 Officer Commentary

7. Procurement Standing Orders are a fundamental aspect of the controls within local authorities to ensure taxpayers receive value for money. These should be reviewed on a regular basis to ensure they are fit for purpose. As a part of the audit plan, the implementation of new arrangements will be reviewed to ensure full understanding by users.

Legal Implications – Monitoring Officer

8. The revised PSOs ensure that the requirements of the Public Contracts Regulations 2015 are accurately contained within the Council's constitution to

ensure that when Officers are procuring goods, services and works on behalf of the Council they are doing so lawfully.

9. In addition to the complying with the 2015 Regulations the PSOs set out the Council's requirements for procuring goods, works and services to ensure compliance with other relevant legal requirements including State Aid rules, IR35, social value, best value, equalities duties. Further the PSOs set out the internal requirements of the Council's constitution as reflected in the Scheme of Delegation.
10. Officers who procure on behalf of the Council should be alerted to the PSOs and ideally receive training in relation to the application to their role. If Officers do not comply with the PSOs they are putting the Council at risk of legal challenge.

WHAT HAPPENS NEXT:

11. The revised Procurement Standing Orders will be placed before full Council for approval on 5th December 2017.
12. We will monitor the progress of any new case law and legislation and update these Orders as necessary.

Contact Officer:

Spencer Hill, Change Lead, 07701394756

Consulted:

The revised Orders were prepared in consultation with Finance, Legal, Audit, Business Operations and Procurement staff.

Annexes:

Annex 1: Draft Procurement Standing Orders 2017 (the substantive tracked changes remain)

Sources/background papers:

Procurement Standing Orders 2015

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:

Exclusion	Relevant Policy/Law
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 ¹	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:

¹ 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.

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?
£0 to £14,999	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
£15,000 to £99,999	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
£100,000 to £499,999	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
£500,000 and over	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 1st 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. 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 Extension/Modification/Extension	Approval
Up to £99,999	Head of Service
£100,000 and over – £499,999	Head of Procurement AD Procurement

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 all 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 all 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, must be published. Contract Award Notices for relevant contracts must also be published on the site in a timely manner: www.contractsfinder.gov.uk . 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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SURREY COUNTY COUNCIL**CABINET****DATE: 31 OCTOBER 2017****REPORT OF: ANN CHARLTON, MONITORING OFFICER****SUBJECT: LOCAL GOVERNMENT OMBUDSMAN REPORT WITH A FINDING OF MALADMINISTRATION****SUMMARY OF ISSUE:**

This report concerns 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 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.

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 told me 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. More details of the improvements made are set out in paragraph 6, below.

RECOMMENDATIONS:

It is recommended that that Cabinet:

1. consider the Ombudsman's report and the response from Children's Services,
2. satisfy itself that steps have been taken to address the findings and consider whether any other action should be taken, and
3. note that the Monitoring Officer will be bringing her report to the attention of all councillors.

REASON FOR RECOMMENDATIONS:

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.

DETAILS:

1. The Local Government Ombudsman has investigated a complaint made by parents of a severely autistic child about SCC's Children's Services. A report into the investigation was published on 6 July 2017. The events leading to the complaint all happened between October 2009 and August 2013. Although the LGO does not usually investigate events which happened more than twelve months before a complaint, he decided that on this occasion there was good reason to investigate, because SCC itself took a long time to respond to the complaint made by Mr and Mrs P to Children's Services in October 2013 (the investigator's report was not completed until October 2014). This left them with little option other than to pursue a late complaint with the LGO when they were dissatisfied with SCC's response.
2. The identity of the family in question is not made publicly available and the LGO refers to the complainants as "Mr and Mrs P" in his report. They have four children, the eldest of whom, described as "S", has severe autism. The LGO has found that 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 left without appropriate support until July 2011. When it did assess the family's need for support it was inadequate and in January 2012 Mr and Mrs P asked the Council to take S into care as they could no longer cope. SCC did so and then delayed considering Mr and Mrs P's request for a 52-week residential school placement for S. The LGO comments that it only addressed the family's concerns when threatened with legal action.
3. The LGO also investigated the way in which Mr and Mrs P's complaint was handled by SCC and found that it did not initially follow proper procedures, set out in law.
4. The LGO concludes that SCC's mistakes had a significant impact on Mr and Mrs P and their children. There was fault by the Council which caused injustice. The LGO recommended that the Council apologise and compensate the family, including paying legal cost they occurred in challenging the Council. The LGO's findings and recommendations were accepted by SCC and the LGO report acknowledges this. The full report is appended to this report and has been published on the LGO website.
5. The LGO report found significant fault on the part of SCC's Children's Services and recommended a substantial compensation payment, which has been made. The Monitoring Officer is therefore bringing it to the attention of Cabinet.
6. The Service has asked me to draw to members' attention the specific changes that have been made in areas identified within the investigation report since the time of the complaint, which include the following:
 - i) SEND developments have introduced joint decision making processes, such as the Partnership Resource Forum and the High Needs Panel. This ensures joint plans can be agreed for children.
 - ii) links between SEN and CWD Teams have strengthened and joint discussions take place at an early stage to identify solutions and to work with parents to agree plans. This may include residential school options where this provision would best meet the child's needs.

iii) there is clearer guidance for CWD, and all social care teams, on thresholds and the introduction of Signs Of Safety has ensured risk within a family are identified and addressed within safety / care plans.

iv) The introduction of single Child & Family Assessments (replacing initial and core assessments) means that the assessment is more comprehensive and considers the needs of all children within the family.

v) Significant incidents for children placed in residential schools are reviewed within supervision to ensure an overview placement is maintained and any concerns are addressed.

CONSULTATION:

7. The Chief Executive and S151 Officer have been consulted on this report in accordance with the statutory requirements.

RISK MANAGEMENT AND IMPLICATIONS:

8. The LGO findings highlight service failures that caused injustice to a vulnerable child and his family. More recent Ofsted inspections have identified a need for improvements in this area and improvement plans are in place. The effectiveness of improvements, to clearing backlogs for assessments and improving monitoring systems will be key to preventing similar failures in future years.

Financial and Value for Money Implications

9. The Council has paid a total of £18,400 compensation to the complainants as recommended by the Ombudsman.

Section 151 Officer Commentary

10. The Section 151 Officer confirms that there are no material financial implications regarding the matters raised in this paper and that the £18,000 compensation to the complainant has been paid.

Legal Implications – Monitoring Officer

11. The Local Government and Housing Act 1989 places a duty on the Monitoring Officer to report the Ombudsman's findings to the Cabinet and draw her report to the attention of each Member of the Council.

12. Ombudsman's recommendations are not legally enforceable although it is extremely unusual for an authority not to accept them. If the Ombudsman is not satisfied with a council's response he can publish a further report and can compel an Authority to publicise his views. In this instance Officers have accepted the findings of the Ombudsman, agreed to pay the amounts recommended by the Ombudsman and have agreed to make an apology.

Equalities and Diversity

13. The Council has to have due regard to its equality duties under the Equality Act 2010 and to consider the impact of its decisions and actions on individuals with protected characteristics. Particularly relevant here are the characteristics of disability and age (in so far as this is concerns a disabled child). The duties relating to special educational needs are enshrined in law to ensure that such children get the support that they require to help them with their education. The sum of money identified here has been recommended by the Ombudsman as a proportionate response in recognition of the failure to provide the support in this case. Members will no doubt wish to consider whether there are any other lessons to learn to avoid any future similar adverse impact on children with disabilities, those who care for them and on their families.

Corporate Parenting/Looked After Children implications

14. There are no implications for corporate parenting/looked after children arising from this report.

Safeguarding responsibilities for vulnerable children and adults implications

15. There are no implications for safeguarding responsibilities for vulnerable children and adults arising from this report.

Public Health implications

16. There are no implications for public health arising from this report.

Climate change/carbon emissions implications

17. There are no implications for climate change and carbon emissions arising from this report.

WHAT HAPPENS NEXT:

18. A report of the Cabinet's response to the Ombudsman's recommendations will be produced and sent to all Members and to the Ombudsman.
19. The matter will be reported to the Council for it to note.

Contact Officer:

Ann Charlton, Monitoring Officer
020 8541 9001
ann.charlton@surreycc.gov.uk

Consulted:

See paragraph 9 above

Informed:

See paragraph 9 above

Sources/background papers:

Report of the Local Government Ombudsman no 15 012 105

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SURREY COUNTY COUNCIL**CABINET****DATE:** 31 OCTOBER 2017**REPORT OF:** N/A**LEAD OFFICER:** ANN CHARLTON, DIRECTOR OF LEGAL, DEMOCRATIC AND CULTURAL SERVICES**SUBJECT:** LEADER/DEPUTY LEADER/CABINET MEMBER DECISIONS/
INVESTMENT BOARD DECISIONS TAKEN SINCE THE LAST
CABINET MEETING**SUMMARY OF ISSUE:**

To note the delegated decisions taken since the last meeting of the Cabinet.

RECOMMENDATIONS:

It is recommended that the Cabinet note the decisions taken by Cabinet Members / Investment Board since the last meeting as set out in Annex 1.

REASON FOR RECOMMENDATIONS:

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

DETAILS:

1. The Leader has delegated responsibility for certain executive functions to the Deputy Leader and individual Cabinet Members, and reserved some functions to himself. These are set out in Table 2 in the Council's Scheme of Delegation.
2. The Leader has also delegated authority to the Investment Board to approve property investment acquisitions, property investment management expenditure, property investment disposals and the provision of finance to its wholly owned property company, Halsey Garton Property Ltd.
3. Delegated decisions are scheduled to be taken on a monthly basis and will be reported to the next available Cabinet meeting for information.
4. **Annex 1** lists the details of decisions taken by Cabinet Members / Investment Board since the last Cabinet meeting.

Contact Officer:

Angela Guest, Democratic Services Officer, Tel: 020 8541 9075

Annexes:

Annex 1 – List of Cabinet Member Decisions

Sources/background papers: Agenda and decision sheets from the Cabinet Member meetings (available on the Council's website)

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CABINET MEMBER DECISIONS

OCTOBER 2017

(I) INVESTMENT BOARD

Details of Decision:

The Board approved the proposed acquisition, and specifically-

1. Approved the provision of equity investment of a set amount as set out in the submitted report by Surrey County Council to its wholly owned property company, Halsey Garton Property Ltd (HGP).
2. Approved that Legal Services agree the 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. Authorise HGP to acquire the freehold interest in the acquisition 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.

(Decision taken by the Investment Board – 5 October 2017)

LEADER OF THE COUNCIL

(II) COMMENCEMENT OF CONSULTATION FOR DRAFT OF THE SURREY WASTE LOCAL PLAN

Details of decision:

The Leader of the Council agreed that the Council commences a Draft Plan Consultation on a new Surrey Waste Local Plan (SWLP) from 1 November 2017 for a period of 14 weeks.

Reasons for decision:

It is important that when preparing its local plan Surrey County Council engages effectively with stakeholders in accordance with the adopted Statement of Community Involvement (SCI) and the Duty to Cooperate.

(Decision taken by the Leader of the Council – 17 October 2017)

CABINET MEMBER FOR EDUCATION

(III) CONSULTATION ON ADMISSION ARRANGEMENTS FOR COMMUNITY AND VOLUNTARY CONTROLLED SCHOOLS AND COORDINATED SCHEMES FOR SEPTEMBER 2019

Details of decision:

The Cabinet Member for Education authorised the Principal Manager Admissions and Transport (Strategy) to go out to statutory consultation on the proposed changes to admission arrangements for community and voluntary controlled schools for September 2019.

Reasons for decision:

There is a statutory requirement to consult on admission arrangements every seven years, or sooner if there is a proposal to change any part of a school's admission arrangements. The Local Authority is proposing some changes to the admission arrangements for community and voluntary controlled schools and, as such, there is a statutory duty to consult on these changes. The consultation will also seek views on the admission arrangements for which there is no proposal for change.

(Decision taken by the Cabinet Member for Education – 17 October 2017)

(IV) DEVELOPMENT OF ADDITIONAL TEMPORARY SCHOOL PLACES FOR PUPILS WITH AN EDUCATION HEALTH AND CARE PLAN

Details of decision:

It was agreed that temporary provision of additional capacity and the associated capital expenditure at the two identified locations is approved to enable the placement of 22 pupils with an Education Health and Care Plan in 2017 with a further 18 in 2018. This recommendation is subject to the business case being supported by Investment Panel.

Reasons for decision:

The Council has a statutory duty to make appropriate education provision available for all of its residents; this work will make sure that duty is met. In addition, this action will ensure that the most appropriate education offers are made to some of our most vulnerable pupils. Furthermore, the capital cost associated with this work is significantly mitigated by ongoing revenue savings against alternative provision.

(Decision taken by the Cabinet Member for Education – 17 October 2017)

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