

# Cabinet



Date & time	Place	Contact	Acting Chief Executive
Thursday, 14 December 2017 at 2.00 pm	Council Chamber, 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	Julie Fisher
		 vicky.hibbert@surreycc.gov.uk c angela.guest@surreycc.gov.uk	<b>We're on Twitter:</b> <b>@SCCdemocracy</b>

**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

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

**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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## **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**

The deadline for Member's questions is 12pm four working days before the meeting (*8 December 2017*).

### **b Public Questions**

The deadline for public questions is seven days before the meeting (*7 December 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**

(Pages 1 - 6)

Two reports have been received:

5a) a report has been received from the Environment and Infrastructure Select Committee regarding Pay and Conserve – Car Park Charging On The Countryside Estate.

This relates to item 11 on the agenda.

5b) a report has been received from the Children and Education Select Committee regarding: Child and Adolescent Mental Health Services (CAMHS) in Surrey.

**CORPORATE PRIORITIES: 1. WELLBEING**

**6 APPROVAL TO AWARD A CONTRACT FOR THE PROVISION OF ONLINE LESSONS VIA SURREY ONLINE SCHOOL FOR SURREYS ALTERNATIVE LEARNING SERVICES**

(Pages 7 - 30)

The Surrey Online School (SOS) has been providing live online lessons to a range of pupils who require alternative education provision across the county since 2015. The service provides an alternative to more expensive face to face tutoring and is enabling the local authority to cope with increasing demands without incurring additional cost.

To date the services have been contracted via 'ad hoc' spot purchases but the continued growth in demand means it now makes sense to implement a longer term contract that will ensure continuity of service and legal compliance, as well as delivering additional savings and supporting the opportunity to generate income.

NB: There is a Part 2 annex as item 14.

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

**7 SURREY SCHOOLS' FUNDING FORMULA 2018/19**

(Pages 31 - 64)

This report sets out the recommended funding formula for Surrey schools in 2018/19 for approval by the Cabinet. All Surrey schools, including academies, are funded from the council's Dedicated Schools Grant (DSG) allocation. Each local authority is required to maintain a local funding formula to allocate DSG funding to individual schools. This funding formula is determined annually, ahead of the council's main budget decisions, in order to meet the Department for Education (DfE) deadline of 19 January 2018. It follows the annual funding consultation with all Surrey schools during October and the recommendations of the Schools Forum on 10 November 2017.

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

## **CORPORATE PRIORITIES: 2. ECONOMIC PROSPERITY**

### **8 MONTHLY BUDGET MONITORING REPORT** (Pages 65 - 68)

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 November 2017 (month eight).

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

### **9 CONTRACT AWARD FOR JOINT VENTURE DEVELOPMENT PARTNER** (Pages 69 - 82)

This report provides an update on activities undertaken in response to Central Government's proposals to tackle the nationwide housing crisis, by unlocking sites for the construction of mixed use development schemes. Through utilising its own land and buildings, Surrey County Council (SCC) has the opportunity to unlock public land for redevelopment use, whilst also creating assets with income generating potential. In order to deliver this opportunity at scale and pace the Council has completed a procurement process for an external partner to deliver these benefits through a Joint Venture (JV).

This report highlights details of the procurement process and in conjunction with the Part 2 report, demonstrates why the JV contract award will deliver best value to our residents.

NB: There is a Part 2 annex as item 15.

*[The decisions on this item are subject to call in by the Corporate Services Select Committee]*

## **CORPORATE PRIORITIES: 3. RESIDENT EXPERIENCE**

### **10 AWARD OF FRAMEWORK AGREEMENT FOR THE PROVISION OF ADVERTISING SERVICES FOR STATUTORY NOTICES** (Pages 83 - 92)

This report seeks approval for the Council to award a framework agreement to TMP Worldwide for the provision of Advertising Services for Statutory Notices to commence on 1 March 2018.

The advertisement of Statutory Notices in relation to orders under the Road Traffic Regulation Act 1984 is governed by the Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996 and the Road Traffic (Temporary Restrictions) Procedure Regulations 1992. Under these Regulations the Council has a statutory duty as the Traffic Authority to publish two notices in the press for both permanent and temporary Traffic Orders.

This report outlines the procurement process undertaken, including the results of the tender evaluation. When considered in conjunction with the Part 2 report, it demonstrates why the recommended framework award will

deliver value for money, quality and consistency across the Council's Statutory Notices.

Due to the commercial sensitivity involved in the framework award process, the names of the bidders and their financial details have been circulated as a Part 2 report.

NB: There is a Part 2 annex as item 16.

*[The decisions on this item are subject to call in by the Corporate Services Select Committee]*

**11 PAY AND CONSERVE, CAR PARK CHARGING ON THE COUNTRYSIDE ESTATE**

(Pages  
93 - 142)

Since 2002, the County Council has contracted with Surrey Wildlife Trust (SWT) to manage the Countryside Estate in order to deliver biodiversity, landscape and access benefits. Our vision is for a financially sustainable Estate which is protected and enhanced for future generations.

Ongoing pressure on local government funding has meant the County Council has had to find savings in this area and since 2014 we have, in the face of severe funding pressures, been working with SWT to identify new ways of generating income in order to ensure the financial sustainability of the countryside estate.

In line with a strategy pursued by many other landowners, the option of charging for car parking has been investigated as a potential source of income to support our vision. This paper sets out a proposed approach to car park charging. The proposal is based on public consultation carried out during autumn 2017.

*[The decision on this item can be called in by the Environment and Infrastructure Select Committee]*

**12 LEADER / DEPUTY LEADER / CABINET MEMBER DECISIONS/ INVESTMENT BOARD TAKEN SINCE THE LAST CABINET MEETING**

To note any delegated decisions taken by the Leader, Deputy Leader, Cabinet Members and Investment Board since the last meeting of the Cabinet.

**13 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

- 14 APPROVAL TO AWARD A CONTRACT FOR THE PROVISION OF ONLINE LESSONS VIA SURREY ONLINE SCHOOL FOR SURREYS ALTERNATIVE LEARNING SERVICES** (Pages 143 - 146)

This is the Part 2 annex relating to item 6.

**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 and Education Select Committee]*

- 15 CONTRACT AWARD FOR JOINT VENTURE DEVELOPMENT PARTNER** (Pages 147 - 172)

This is the Part 2 annex relating to item 9.

**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 are subject to call in by the Corporate Services Select Committee]*

- 16 AWARD OF FRAMEWORK AGREEMENT FOR THE PROVISION OF ADVERTISING SERVICES FOR STATUTORY NOTICES** (Pages 173 - 176)

This is the Part 2 annex relating to item 10.

**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 are subject to call in by the Corporate Services Select Committee]*

- 17 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**  
**Acting Chief Executive**  
Tuesday, 5 December 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.

## MOBILE TECHNOLOGY AND FILMING – ACCEPTABLE USE

Those attending for the purpose of reporting on the meeting may use social media or mobile devices in silent mode to send electronic messages about the progress of the public parts of the meeting. To support this, County Hall has wifi available for visitors – please ask at reception for details.

Anyone is permitted to film, record or take photographs at council meetings. Please liaise with the council officer listed in the agenda prior to the start of the meeting so that those attending the meeting can be made aware of any filming taking place.

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

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

*Thank you for your co-operation*

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**ENVIRONMENT AND INFRASTRUCTURE SELECT COMMITTEE**  
**Item under consideration: PAY AND CONSERVE – CAR PARK**  
**CHARGING ON THE COUNTRYSIDE ESTATE**

**Date Considered: 29 November 2017**

**Key points raised during the discussion:**

1. The Committee reviewed the options, with the majority of Members expressing support for option five in the papers. It was noted that there was some reluctance in introducing charges, but it was recognised that the Council's financial position meant sustainable solutions were required.
2. Members highlighted that there were options to bring in additional revenue through the provision of kiosks, and other amenities.
3. Member suggested that additional consideration should be given to enabling online payments, and looking to best practice from the congestion charges.
4. The Committee discussed the need to make payment options easy to use, and that blue badge holders should not be charged for parking. It was suggested that payment options could be phased, with some sites only offering phone payment. The Cabinet Member was supportive of a phased approach.
5. The Committee discussed enforcement, and the risk of displacement. It was acknowledged that there needed to be a flexible solution, and one that did not seek to create issues for residents and local businesses. The Cabinet Member highlighted that there was work being undertaken to look at the specific local options.
6. Members commented that there should be improved facilities to encourage cycling, and to identify where public transport could support a reduction in parking displacement.
7. The Committee reviewed the proposed recommendations, and a vote was taken. Nine Members voted for the proposed recommendations, three Members voted against, and one abstained.

**Recommendations:**

That the Cabinet agree option 5 with further consideration given to

- Options for people to pay online, or in advance or after parking 24 hours
- How machines and phone payment are options made accessible and easy to use
- How enforcement is implemented with minimum of disruption
- A review of the scheme, displacement and lessons learnt within six months

- What additional resources are provided to promote cycling and cycle parking

**Bob Gardner**

Chairman of the Environment and Infrastructure Select Committee

**CHILDREN AND EDUCATION SELECT COMMITTEE****Item under consideration: CHILD AND ADOLESCENT MENTAL HEALTH SERVICES (CAMHS) IN SURREY****Date Considered: 17 November 2017****Key points raised during the discussion:**

1. Members expressed concern that access to CAMHS had been a longstanding issue, and that the recommissioned contract had not delivered the changes required. Witnesses acknowledged that there were unacceptable delays, and reiterated a commitment to resolve these. Commissioners commented that the first issue had been in data quality, and that this had begun to be addressed. The Committee was informed this would now mean a focus on improving the areas where delays were being experienced.
2. Members commented that there was a need for robust data monitoring, and challenged why steps had not been taken by commissioners to address the issues emerging from the contract sooner. Officers explained that discussions around performance data had first been progressed through an informal mechanism, with monthly management meetings put in place, before a contract notice was issued. It was recognised that there had been some improvement as a result of this notice being issued. Members challenged on the transactional nature of the commissioning process, and commented that more should be done to reflect on the experience of children and families in order to drive improvement.
3. The Committee highlighted that delays impacted on individual children and families at a significant time in their lives. Representatives from Surrey and Borders Partnership (SABP) noted that the contract had been costed for 6,000 referrals for targeted services, and the services had received 11,000 referrals for targeted and specialist services. The demand had impacted on what could be delivered by SABP. The Committee noted this but also that the activity level was significantly lower than what had been contracted.
4. The Committee was informed that commissioners and providers would be meeting in the coming week to discuss a plan of action in order to improve the activity and reduce waiting times. It was acknowledged that SABP had reallocated resource to deal with elements of the contract that were experiencing demand, though witnesses also expressed the view that there needed to be greater pace to the plans for improvement.

**Recommendations:**

That Cabinet note the Committee's dissatisfaction with the performance of the CAMHS contract, and seek meaningful assurances from commissioner and provider as to the commitment to improve.

That the Committee receives an update on the action plan in place to reduce waiting times, including key timescales and milestones for improvement, for circulation and given formal consideration at the next meeting.

That the commissioners and providers seek to incorporate the Family Voice proposals into service design and delivery (attached), and report back on how they have taken these proposals forward.

That child and family experience is embedded into the contract monitoring and processes, and that evidence is provided about how this has guided service design and delivery to the next committee meeting.

**Mark Brett-Warburton**

Chairman of the Children and Education Select Committee

## ACTIONS

### Referral

- Clarify/ communicate/ train – who can refer
- Consider move to self-referral - as in CAMHS plan for later in contract
- Make sure SPA support for families available and made known

### Assessment and Treatment

- Reduce waiting times – assessment and treatment
  - with support and treatment while waiting
- Make service ‘child and family centred’
  - timely information and informed decision making
  - continue to improve locations/ facilities/ times / in consultation with users
- Involve children and families - in Care Plan, setting outcomes, agreeing progress, agreeing discharge
- Value and measure family and young person experience/ use to drive change



## ACTIONS

### Discharge

- Improve transfers to other services on discharge
- Ensure Health & Wellbeing Plan in place and 'owned' by child and family

### Re-referral

- Make process straightforward and with timely response

### Crisis

- Improve pathways for crisis – child and family awareness/ services prepared
- Use cases to ID how crises can be reduced, especially admissions

### General

- Improve information/ knowledge sharing from CAMHS staff
- Improve support/ advice/ training for parent carers
- Improve communication to children, young people and families and wider stakeholders

**Overall, embed child and family experience measurement in CAMHS processes – build the evidence base and use to guide/ transform!**

**SURREY COUNTY COUNCIL**

**CABINET**

**DATE: 14 DECEMBER 2017**

**REPORT OF: MRS MARY LEWIS, CABINET MEMBER FOR EDUCATION**

**LEAD OFFICER: ROSS DUGUID – ASSISTANT DIRECTOR, ORBIS PROCUREMENT**  
**ROSE DURBAN – STRATEGIC DIRECTOR, CHILDREN SCHOOLS AND FAMILIES**

**SUBJECT: APPROVAL TO AWARD A CONTRACT FOR THE PROVISION OF ONLINE LESSONS VIA SURREY ONLINE SCHOOL FOR SURREYS ALTERNATIVE LEARNING SERVICES.**



#### **SUMMARY OF ISSUE:**

The Surrey Online School (SOS) has been providing live online lessons to a range of pupils who require alternative education provision across the county since 2015. The service provides an alternative to more expensive face to face tutoring and is enabling the local authority to cope with increasing demands without incurring additional cost.

The Surrey Online School replaced a previous system that Surrey had used (Lift Off) as it was more cost effective and more secure. This is a unique system that no other local authorities have in place, thus there was no off the shelf provision that could be purchased.

Many schools buy into this service (currently 78 schools are using SOS, but over the year over 130 schools will use this facility) for pupils from Key Stage 2 to Key Stage 4 (10-16 year olds). It is generally used as provision for fixed term and permanently excluded pupils, pupils who cannot attend school due to medical conditions, school refusers and catch up. It is also used for children not on roll or awaiting placement.

The curriculum is based on three core subjects (Mathematics, English and Science) plus spiritual, moral, social and cultural development lessons. Each pupil can participate in up to 14 lessons a week and, on average there are 60-70 pupils participating per half term.

All lessons are monitored for quality assurance and attendance alerts for pupil involvement are created for the schools and other agencies. User feedback is collated from schools, pupils and parents/carers and this is significantly positive towards the provision. If there are any negative responses, these are further investigated.

There is a greater demand for places, due to mental and emotional wellbeing of pupils and 12 pupils is the desired number for skypeing at any one time with a tutor to maintain high standards and quality of interaction and engagement. Schools and other internal agencies have a service level agreement, which substantiates the safeguarding and governance arrangements.

Schools find it more cost effective to buy back from Surrey Online School and due to number of places purchased a slight profit is made.

To date the services have been contracted via 'ad hoc' spot purchases but the continued growth in demand means it now makes sense to implement a longer term contract that will ensure continuity of service and legal compliance, as well as delivering additional savings and supporting the opportunity to generate income.

This Cabinet report, therefore, seeks approval to award a two year contract with an option to extend for up to two additional one year periods to Tute Education Ltd, to commence on 1 January 2018. The total value of this contract is approximately £1.5 m. The report provides details of the procurement process, including the results of the evaluation, and, in conjunction with the Part 2 report demonstrates why the recommended award delivers value for money and meets the needs of individuals in Surrey.

Due to the commercial sensitivity involved in the contract award process, the Value for Money details have been included as a Part 2 report.

#### **RECOMMENDATIONS:**

It is recommended that a contract for the provision of online lesson packages to Surrey Online School is awarded to Tute Education Ltd. starting from 1 January 2018 for a period of two years with an option to extend on an annual basis for two more years.

#### **REASONS FOR RECOMMENDATION:**

Surrey Online School currently spot purchases places on online courses, in advance from an existing supplier, and then recoups the money directly from the schools or services. In order to continue current levels of provision and cope with increasing demand we are seeking a longer term solution to procurement of courses and places for students.

This new provision provides a more cost effective means of commissioning these services.

Due to the rapid growth of demand for the services offered by Surrey Online School we are now seeking to formalise a contract with a supplier to maintain continuity for the schools and services that purchase online education for students in alternative provision.

#### **DETAILS:**

##### **Business Case**

1. In line with the Council's corporate strategy to improve outcomes for children in need of support and protection, support young people to participate in education, training or employment and to make better use of digital technology to improve services for residents, Surrey Online School (SOS) is a new initiative that provides live online lessons to a range of pupils across the county. It started in September 2015 and has grown much more rapidly than first anticipated. Surrey Online School had been developed in partnership with



a company called Tute who are working with SOS to build a bespoke provision that SCC can offer to internal services and schools.

2. SOS had been purchasing education provision from Tute for approximately two years. Due to the success of the provision expenditure has reached the Surrey CC procurement standing orders threshold of £100,000 for undertaking a tender. A waiver of £300,000 had been secured to allow SOS to continue to purchase from Tute whilst a longer term solution to procurement is found. This allowed SOS to continue to provide statutory provision across a range of services and ensure continuity of provision for the LA's most vulnerable pupils.
3. The service provides a range of online education solutions to the authority's most vulnerable students and the provision links directly with aspects of the SCC corporate strategy in wellbeing, economic prosperity and resident experience. This includes those pupils who are out of school due to medical needs, those within Surrey's existing alternative provision services including Access to Education (A2E), Special Educational Needs (SEN), Looked after Children (LAC), school refusers and increasingly those at risk of permanent exclusion.
4. The ongoing development of the service allows SCC to make significant savings in alternative education provision. There are also additional income generating opportunities that can also be achieved.
5. The Surrey Online School service will offer a programme of engagement (via a range of packages) for individuals or groups of students focused on supporting them to function better in and outside of school and to achieve the outcomes set out below.
  - Students are safe and feel safe
  - Improved attendance
  - Improved engagement in learning
  - Improved emotional health and well-being including resilience
  - Progress in learning
  - Attainment of academic and/or vocational qualifications
  - Successful pathway back to mainstream school or onto post-16 opportunities
  - Improved social skills and life-skills
  - Improved employability
6. The above outcomes will help vulnerable students to continue to access educational provision regardless of their background and location. By continuing to provide this service the ability for students to achieve the best educational results will be maximised.
7. This contract will ensure the rights of Surrey's most vulnerable students are protected and promoted and that children and young people in Surrey with a need for alternative educational provision will have access to good quality flexible education and ensure that the best educational results will be achieved.

## Background and options considered

8. The options considered for a longer term solution were:

- Option 1 - Tender under the Open Procedure of the Public Contracts Regulations 2015.
- Option 2 - Direct negotiation with Tute under the Public Procurement Regulations 2015
- Option 3 - Setting up an SCC owned company to trade directly with schools for SOS.
- Option 4 - Do nothing.

It was recommended that 'Option 1' be pursued.

9. Option 1 – Tender under the open procedure of the public contracts regulations 2015.

This procedure would allow SCC to establish if there were any other suppliers that could supply all of the education services that are currently provided.

The tender would be for a single supplier framework with direct call off contract awards without further competition, as and when services are needed.

This is good way of testing the market and making sure that by using transparent, competitive procedure SCC could not be challenged.

10. Option 2 – Direct negotiation with existing supplier under procurement regulation 32 (2) (b) (iii)

Under this option SCC would not need to publish an OJEU notice but SCC would enter into direct negotiation with Tute on the basis that the some specific conditions outlined in the regulations are met.

This option wasn't suitable as there are other providers in the market that could potentially deliver those services. There could be potential challenge from other market competitors.

11. Option 3 – Set up an SCC owned company to trade directly with schools for SOS

SCC currently does not have the capacity, i.e. a bank of teaching experts, and the IT platform needed to make this a viable option. SCC would need to partner with a business that has these components to add to SCC's ability to market the services to schools and other LAs.

Public Contracts Regulations 2015 would not apply in this circumstance as an SCC owned company has a separate legal identity to the Council. The Council is subject to the Regulations when doing procurement but an SCC owned company would not be. This option was not viable.

## 12. Option 4 – Do nothing

SCC would discontinue buying packaging for internal use and selling packages into schools. Alternative provision in Surrey would move back to other methods of delivery including face to face and existing 'non-live' IT based provision. This option was not viable.

## Procurement Strategy

13. After a full and detailed options analysis, it was decided to go out to open tender (Option 1).
14. Preparations for the retendering of the Surrey Online School provision– i.e. consultation on a draft service specification and procurement approach commenced in September 2016. Procurement delivered an early engagement day that was held in February 2016 that invited potential suppliers to contribute to the specification and ask questions about the draft specification that was sent out in advance. A full competitive tender process, compliant with the European Public Procurement Regulations and Procurement Standing Orders, has been carried out following the receipt of authority from Procurement Governance Board (SGB). The final Tender documents were published on the e-tendering portal with a closing date of 17 July 2017.
15. It was decided that the open procedure was appropriate and bidders were given 30 days to complete and submit their tender.
16. Tender received was evaluated against a number of quality questions. This aspect made up 50% of the overall score with the evaluation of price and other financial opportunities making up 45% of the balance. A final 5% was evaluated against social value that could be offered by suppliers.
17. Bidders were asked to respond to quality questions which included information about:
  - The proposed delivery model.
  - The approach to relationship building.
  - Customer feedback processes.
  - Quality assurance systems.
  - IT platform and systems functionality.
  - The Scope of IT solutions.
  - Data protection policies and control mechanisms.
  - Safeguarding of pupils.
  - Workforce planning.
  - Future opportunities and innovation.

## Key Implications

18. The Council will meet its statutory duties by awarding a contract to the recommended supplier for the provision of online lesson packages to Surrey Online School to commence on 1 January 2018.
19. The Council can terminate the contract with three months' notice should priorities change or funding no longer be available or if the provider commits a breach of the terms of the agreement. The specification also facilitates flexibility in service levels commissioned, in case of greater or less demand than anticipated.
20. The Terms & Conditions of the contract include standard provision for:
  - Default
  - Dispute resolution.
21. Business Continuity Plans were evaluated as part of the Tender. The Provider successfully completed satisfactory financial and competency checks.

22. Performance will be judged using a range of measures:

Outcome	Indicator	Method of Recording/Reporting
Improved attendance (GCSE Students)	Average attendance amongst cohort compared with school attendance	SCC data
Improved engagement in learning (all students)	Attendance data and feedback from school, parent and students	SCC data and reports Provider engagement scores
Achievement of qualifications (where applicable)	GCSE's and Entry Level Certificates obtained.  Comparison of supplier forecasted and working at grades and school data with actual grades obtained.	Numbers of students gaining qualifications
Successful re-engagement in home school (where applicable)	Measured annually and ongoing via pupil voice, feedback from schools and services, lesson observation, parent feedback, self-evaluation, service emotional wellbeing questionnaires.	
Improved health and wellbeing		
Learners feel safe and secure		
Improved employability, social and life skills		
Quality of lessons		
Repeat purchase from schools	Number of repeat places purchased by schools	SCC data
Availability of lessons	Number of cancelled lessons due to staff absence or technical difficulties	Provider data
Successful and timely capture of safeguarding incidents	Speed of response of incident	SCC incident log

23. The supplier will be required to provide the following to Surrey County Council:
- Report if the class size goes over maximum limit of 12 in any session.
  - Inform of any technical issues that affect the provisioning of lessons and the number of lessons affected.
  - All student reports should be quality assured to ensure accuracy and consistency.
  - Evidence of lesson quality assurance.
24. The management responsibility for the contract lies with the Surrey Online School service. The contract will be managed in line with the Contract Management Strategy and plan as laid out in the contract documentation, which also provides for review of performance and costs in line with identified continuous improvements in performance.
25. A detailed summary of the evaluation process is provided in the Part 2 report.
26. The tender evaluation panel for the service included representatives from IMT, Education Welfare, Schools and Learning senior management and Service Users.

#### **CONSULTATION:**

27. The consultation process for the tendering of the contract has been ongoing since 2015 and multiple conversations have taken place with stakeholders from schools and services who use the Surrey Online School, as well as the Surrey Online School governance group.
28. In February 2017 an early engagement event was held to, share the vision and strategy with current and prospective providers, and give them a chance to ask questions and contribute to the shaping of the specification.
29. The draft specification was shared with suppliers before the engagement event.

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

30. The contract includes a 'Termination Clause' (Clause 33) that will allow the Council to terminate the contract with 3 months' notice should priorities change or if the provider commits a breach of the terms of the agreement. Due regard to early consultation with the provider will be given.

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

Category	Risk Description	Mitigation Activity
Finance	Potential risk that during the life of the agreement the provider will request an inflationary increase against the annual service delivery cost.	The rates are fixed for the duration of the agreement.
Reputational	Quality of service delivered does not meet objectives and needs.	Strong contract management and regular performance review meetings which will enable us to influence, closely monitor and understand performance delivery.

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

32. Full details of the contract value and financial implications are set out in the Part 2 report.
33. The new contract will deliver better outcomes for service users and is more cost effective than the current commissioning arrangements..
34. Key Performance Indicators (KPI) reporting will be in place and robust contract monitoring will ensure targets are being met.

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

35. The County Council is facing a very serious financial situation, whereby there are still substantial savings to be identified and delivered to achieve a balanced budget in the current year and a sustainable budget plan for future years. By awarding this contract it will reduce the County Council's ability to balance its budget. However, it is recognised that there is a statutory requirement for the service to secure education services for all children and this contract satisfies that requirement for some of the most vulnerable children in Surrey.
36. The section 151 officer confirms that this contract is a more cost effective commissioning arrangement for online education services than currently.

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

37. The procurement is compliant with the Public Contracts Regulations 2015. A competition has identified the most economically advantageous tender.
38. Cabinet is asked to approve the award subject to all outstanding legal matters being satisfactorily concluded- Legal Services is advising on this matter.

### **Equalities and Diversity**

39. An Equality Impact Assessment (EIA) has been carried out by the Project Group to analyse any potential negative or positive impacts of the outcomes of the tender on individuals with protected characteristics. This can be found at Annex 1.
40. Key actions have been identified to maximise the positive and mitigate the negatives impacts on people with protected characteristics. The Council will be working with the currently commissioned provider and the potential new provider(s) to ensure there is a seamless transitioning in place from 1 January 2018.

### **Corporate Parenting/Looked After Children implications**

41. The Terms and Conditions of the contract, which the provider will sign, stipulate that the providers will comply with the Council's Safeguarding Adults and Children's Multi-Agency procedures, any legislative requirements, guidelines and good practices. This will be monitored through contractual arrangements.
42. The provider submitted their safeguarding policies as part of the tender process. This service plays a key role in safeguarding adults and children and we are confident that the providers can deliver safe, quality and efficient services.

### **Safeguarding responsibilities for vulnerable children and adults implications**

43. The Terms and Conditions of the contract, which the provider will sign, stipulate that the providers will comply with the Council's Safeguarding Adults and Children's Multi-Agency procedures, any legislative requirements, guidelines and good practices. This will be monitored through contractual arrangements.
44. The provider submitted their safeguarding policies as part of the tender process. This service plays a key role in safeguarding adults and children and we are confident that the providers can deliver safe, quality and efficient services.

### **WHAT HAPPENS NEXT:**

45. The timetable for implementation is as follows:

<b>Action</b>	<b>Date</b>
Cabinet decision to award (including 'call in' period)	8 December 2017
'Alcatel' Standstill Period	14 December 2017
Contract Signature	20 December 2017
Contract Commencement Date	1 January 2018

46. 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 – if this decision is part of a wider process or issue, set out the timescales for following steps (e.g. consultation>decision>review)
  - Any future decisions – will a further decision be required at a future point? If so, consider incorporating delegation to an officer/Cabinet Member as part of your recommendations
  - How the issue/outcomes will be communicated.
- 

**Contact Officer:**

Mark Scarborough  
Virtual School lead Manager  
Surrey County Council  
07968834333  
01483518107

**Consulted:**

Surrey IMT, Schools, Surrey Schools and Learning and other stakeholders

**Annexes:**

Annex 1: Equality Impact Assessment Summary of Impact and Actions  
Part 2: Annex attached as agenda item 15

**Sources/background papers:**

- None.
-

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# EQUALITY IMPACT ASSESSMENT TEMPLATE

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## 1. Topic of assessment

<b>EIA title:</b>	Surrey Online School
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<b>EIA author:</b>	Chris Goodall – Head of Surrey Online School
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## 2. Approval

	<b>Name</b>	<b>Date approved</b>
<b>Approved by<sup>1</sup></b>	Janice Anastasi	

## 3. Quality control

<b>Version number</b>	1.0	<b>EIA completed</b>	
<b>Date saved</b>	20.6.17	<b>EIA published</b>	

## 4. EIA team

<b>Name</b>	<b>Job title (if applicable)</b>	<b>Organisation</b>	<b>Role</b>
Chris Goodall	Head of Surrey Online School	Surrey County Council	Strategic Commissioning oversight
Janice Anastasi	Area Lead for Pupil Support	Surrey County Council	Strategic oversight

<sup>1</sup> Refer to earlier guidance for details on getting approval for your EIA.

# EQUALITY IMPACT ASSESSMENT TEMPLATE

## 5. Explaining the matter being assessed

<p><b>What policy, function or service is being introduced or reviewed?</b></p>	<p>Surrey Online School (SOS) is a new initiative that provides live online lessons to a range of pupils across the county. It started in September 2015 and has grown much more rapidly than first anticipated. Surrey Online School has been developed in partnership with a company called Tute who are working with SOS to build a bespoke provision that SCC can offer to internal services and schools.</p> <p>It has currently delivered lessons to over 300 pupils across 87% of Surrey secondary schools and demand is increasing rapidly.</p> <p>SOS provide these lessons to a wide range of pupils including those who are out of school due to medical needs, those within Surrey’s existing alternative provision services including Access to Education (A2E), Special Educational Needs (SEN), Looked after Children (LAC), school refusers and increasingly those at risk of permanent exclusion.</p> <p>This new provision is providing an alternative to much more expensive face to face tutoring and is enabling the local authority to cope with increasing demands on all alternative education services without incurring additional cost.</p> <p>Surrey Online School purchase places on behalf of schools and internal services as required. In relation to schools this expenditure is fully recouped from the school via termly invoicing. Internal Surrey services buy the places via Surrey Online School at cost to assist with alternative learning provision including preventing exclusions. Currently 40% of students who are on Surrey Online School would otherwise be permanently excluded. This would normally cost the local authority an average cost of £17,500 per student. This represents a large saving based on other provision methods used by these internal services. (£367,500 based on 21 students in 2015-16 who were students on SOS in order to prevent permanent exclusion saving an average £17,500 per student).</p> <p>Surrey Online School ‘spot purchases’ seats on courses in advance and then recoups the money directly from the schools or services. In order to continue current levels of provision and cope with increasing demand we are seeking a longer term solution to procurement of courses and seats for students.</p> <p>This new provision represents a significant overall saving against the previous costs and also opportunities for additional savings in other areas such as hospital school placement fees. This has not been exploited as yet but is a potential source of further savings.</p>
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# EQUALITY IMPACT ASSESSMENT TEMPLATE

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<p><b>What proposals are you assessing?</b></p>	<p>The key proposals being assessed within this EIA are the County Council's intentions to continue to provide and develop online learning opportunities for schools and services as an additional tool to cater for students within alternative provision.</p>
<p><b>Who is affected by the proposals outlined above?</b></p>	<p>In the main, the people who may be affected by the commissioning and procurement intentions are:</p> <ul style="list-style-type: none"> <li>• Surrey schools and PRU's</li> <li>• Young people being considered for or already in alternative provision.</li> <li>• Existing Surrey services providing alternative provision.</li> <li>• Students within disadvantaged groups.</li> <li>• Parents and carers of the above young people.</li> </ul>

## 6. Sources of information

<p><b>Engagement carried out</b></p>
<p>The proposed service has been tested since April 2015 whereby a small group of young people were involved in a trial of online education. Since that trial the service has gradually expanded and has so far provided over 10000 lessons to around 500 pupils both from primary and secondary schools across Surrey as well as Surrey services offering alternative provision.</p> <p>Feedback has been sought at all times from parents, young people and schools.</p> <p>A Surrey Online School Governance Board has been formed and has been consulted throughout the development of Surrey Online School. The Board includes membership from various levels of management within the CSF directorate and includes representatives from safeguarding and finance.</p> <p>The draft specification was shared with potential suppliers in an early engagement event in February 2017.</p> <p>Representatives have been drawn from IMT, Education welfare, Surrey Virtual School for LAC and includes an area lead for pupil support, to participate in the evaluation and moderation process.</p>
<p><b>Data used</b></p>
<ul style="list-style-type: none"> <li>• Surrey Online School Annual Report</li> <li>• Pupil progress and attendance tracking data.</li> <li>• Case studies from young people.</li> <li>• Feedback from schools, parent/carers, services and young people.</li> </ul>

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

# EQUALITY IMPACT ASSESSMENT TEMPLATE

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

Protected characteristic <sup>2</sup>	Potential positive impacts	Potential negative impacts	Evidence
<b>Age</b>	<p>It is expected that the continued provision of Surrey Online School will provide a variety of positive impacts:</p> <ul style="list-style-type: none"> <li>• Improve outcomes for children and young people</li> <li>• Make sure all pupils are in an education setting that best suits them, be that in a mainstream school, specialist school or alternative learning provision, this includes timely progression from alternative learning.</li> <li>• Reduce / eliminate the need for permanent exclusions and reduce fixed term exclusions</li> <li>• Enable all students to achieve their potential</li> <li>• Make sure all students are offered full time education</li> <li>• Make sure all students are safe and feel safe</li> <li>• Ensure every young person progresses post-</li> </ul>	<p>None</p>	<p>Evidence of Impact has been collected from a range of sources including:</p> <ul style="list-style-type: none"> <li>• Feedback from parents, school, services and young people.</li> <li>• Surrey Online School Annual Report.</li> <li>• Individual student case studies.</li> <li>• Tracking of data regarding progress, attendance and outcomes (both current and future).</li> <li>• Financial analysis via budget monitoring.</li> <li>• Behaviour and safeguarding logs.</li> <li>• Exclusions data.</li> </ul> <p>In addition, Commissioning and Procurements will focus on collaborative and partnership working relationship. This can be achieved by regular meetings and reviews. We will be looking for:</p> <ul style="list-style-type: none"> <li>• Agreement on a contract that will deliver core KPIs within budget and in compliance with National Standards and quality measures</li> <li>• Agreement on outcome based results that will enable us to measure the performance</li> </ul>
<b>Disability</b>			
<b>Gender reassignment</b>			
<b>Pregnancy and maternity</b>			
<b>Race</b>			
<b>Religion and belief</b>			
<b>Sex</b>			
<b>Sexual orientation</b>			
<b>Marriage and civil partnerships</b>			



# EQUALITY IMPACT ASSESSMENT TEMPLATE

	<p>16 to suitable further education, training or employment</p> <ul style="list-style-type: none"> <li>• Reduce unnecessary travel for children and young people</li> </ul> <p>Alternative learning is about intervening early and partners taking collective responsibility for disengaged learners – to enable them to learn in the setting that best suits them and supporting them in ways that achieve the following outcomes:</p> <ul style="list-style-type: none"> <li>• Reduce (or eliminate) permanent exclusion at key stages 3 &amp; 4</li> <li>• Reduce permanent exclusions at key stages 1 &amp; 2</li> <li>• Increase attendance</li> <li>• Improve achievement of academic and vocational qualifications</li> <li>• Reduce gap in achievement for children in care</li> <li>• Reduction in pupils missing education</li> <li>• Reduction in NEET (young people not in</li> </ul>		<ul style="list-style-type: none"> <li>• Implementation of a robust Supplier &amp; Contract Management Framework which has an established baseline for service delivery, relationship management, exit planning and contract administration</li> <li>• A specification that is fit for purpose which was jointly drafted by commissioner, service user groups' current and potential providers and Procurement. This is a crucial step in promoting partnership working</li> </ul>
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# EQUALITY IMPACT ASSESSMENT TEMPLATE

	<p>education, employment or training)</p> <ul style="list-style-type: none"><li>• Reduction in substance misuse</li><li>• Reduction in offending and anti-social behaviour</li><li>• Reduction in teenage pregnancy</li><li>• Reduction in child sexual exploitation</li></ul>		
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# EQUALITY IMPACT ASSESSMENT TEMPLATE

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

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence
Age	Practitioners will be required to develop close working arrangement with providers to ensure assessed need is being met and reviews of that need are performed in a timely fashion.	N/A	<p>The contract and specification enables providers to demonstrate how they will operate their businesses in line with best practice recommendations.</p> <p>In addition, Commissioning and Procurements will focus on collaborative and partnership working relationship. This can be achieved by regular meetings and reviews. We will be looking for:</p> <ul style="list-style-type: none"> <li>• Agreement on a contract that will deliver core KPIs within budget and in compliance with National Standards and quality measures.</li> <li>• Agreement on outcome based results that will enable us to measure the performance.</li> <li>• Implementation of a robust Supplier &amp; Contract Management Framework which has an established baseline for service delivery, relationship management, exit planning and contract administration</li> </ul> <p>A specification that is fit for purpose which was jointly drafted by commissioner, service user groups' current and potential providers and Procurement. This is a crucial step in promoting partnership working.</p>
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	

# EQUALITY IMPACT ASSESSMENT TEMPLATE

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## 8. Amendments to the proposals

Change	Reason for change

## 9. Action plan

Potential impact (positive or negative)	Action needed to maximise positive impact or mitigate negative impact	By when	Owner

## 10. Potential negative impacts that cannot be mitigated

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

## 11. Summary of key impacts and actions

<b>Information and engagement underpinning equalities analysis</b>	See above
<b>Key impacts (positive and/or negative) on people with protected characteristics</b>	See above
<b>Changes you have made to the proposal as a result of the EIA</b>	N/A
<b>Key mitigating actions planned to address any outstanding negative impacts</b>	N/A

# EQUALITY IMPACT ASSESSMENT TEMPLATE

<b>Potential negative impacts that cannot be mitigated</b>	N/A
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**SURREY COUNTY COUNCIL**

**CABINET**

**DATE: 14 DECEMBER 2017**

**REPORT OF: MRS MARY LEWIS, CABINET MEMBER FOR EDUCATION**

**LEAD OFFICER: ROSE DURBAN, INTERIM DIRECTOR FOR CHILDREN, SCHOOLS & FAMILIES**

**SUBJECT: SCHOOLS' FORMULA FUNDING 2018-19**



### **SUMMARY OF ISSUE:**

This report sets out the recommended funding formula for Surrey schools in 2018/19 for approval by the Cabinet. All Surrey schools, including academies, are funded from the council's Dedicated Schools Grant (DSG) allocation. Each local authority is required to maintain a local funding formula to allocate DSG funding to individual schools. This funding formula is determined annually, ahead of the council's main budget decisions, in order to meet the Department for Education (DfE) deadline of 19 January 2018. It follows the annual funding consultation with all Surrey schools during October and the recommendations of the Schools Forum on 10 November 2017.

The DfE is to introduce a National Funding Formula (NFF) from 2020/21. During 2018/19 local authorities are expected to manage a smooth transition for schools by amending their local formula in the direction of the NFF. This report recommends transitional arrangements for 2018/19.

The transition to the NFF provides an extra £14m (2.4%) in 2018/19 and once fully implemented in 2020/21, a net increase of approximately £28.5m (4.8%) to Surrey schools. However, after two years with no inflation increases, schools are facing increasing pressures, including rising pay, national insurance and pension costs and funding the impact of the withdrawal of education service grants. Furthermore, the distribution of that funding is not consistent across all Surrey schools. In general, Surrey schools with higher levels of deprivation gain rather less from the NFF as Surrey's local formula currently allocates a higher proportion of funding to schools serving deprived communities.

### **RECOMMENDATIONS:**

It is recommended that:

1. the Schools Forum's recommendations for the formula funding of Surrey schools in 2018/19, as set out in Annex 2, be approved
2. the proposed Surrey formula factors for 2018/19 as set out in Annex 3 are approved
3. authority is delegated to the Assistant Director, Schools & Learning, in consultation with the Leader and the Cabinet Member for Education to

approve amendments to the schools funding formula as appropriate following receipt of the DSG settlement and DfE pupil data in December 2017. This is to ensure that total allocations to schools under this formula remain affordable within the council's DSG settlement.

#### **REASON FOR RECOMMENDATIONS:**

To comply with DfE regulations requiring formal council approval of the local funding formula for Surrey's primary and secondary schools, including academies.

#### **DETAILS:**

##### **Background**

1. All Surrey schools, including academies, are funded from the council's Dedicated Schools Grant (DSG) allocation, with each local authority maintaining a local formula to determine the funding of individual primary and secondary schools. From 2020/21 the Department for Education (DfE) intends to introduce a national funding formula (NFF) for schools. During the next two years, local authorities are asked to manage this transition by adjusting their own local formulae in the direction of the NFF.
2. From 2018/19 Dedicated Schools Grant funding will be provided to the LA in four blocks covering:
  - Schools
  - Schools' Central Services
  - High Needs: special educational needs and disabilities (SEND) and
  - Early Years

The Schools block provides the funding for Surrey schools. Individual schools' budgets are allocated on the basis of a formula currently determined locally, albeit within DfE parameters. Continuing pressures in Surrey's High Needs block has necessitated transfers from both the Early Years and Schools blocks in the past, although no transfer was made in 2017/18, necessitating a savings target of £10m in 2017/18, of which £6m has been achieved to date. From 2018/19 local authorities must seek the approval of the School Forum for any transfer from the Schools block.

##### **Dedicated Schools Grant (DSG)**

3. Schools are funded from Dedicated Schools Grant (DSG). This is a ring-fenced grant that can only be used to fund the services set out below. Funding for 2018/19 will be announced in December 2017. The estimated DSG funding allocations for each block are shown below.
  - Schools £604.6m

All Surrey primary and secondary schools receive their revenue funding from the Schools block, via a funding formula currently determined by



their local authorities. This formula also applies to any academies in the area. The Schools block also funds additional support for growing schools i.e. those schools admitting bulge classes or increasing their published admissions number (PAN).

- Schools Central Services £6.2m

This new block, to be introduced from April 2018 funds local authorities for their strategic Education responsibilities for all schools (including academies). These responsibilities include whole service planning and leadership, school admissions, management of the capital programme, education welfare, and formula funding. In 2017/18 this was part of the Schools Block.

- High Needs SEND £141.6m

The High Needs block caters for pupils with special educational needs and disabilities (SEND). It funds Surrey's special schools, SEND centres in mainstream schools, pupil referral units (PRUs), post 16 SEND provision and education to those pupils with complex or severe needs requiring support in a non-maintained or independent special school (NMI). It provides additional funding to primary and secondary schools for pupils with SEND statements or Education Health Care Plans (EHCPs). It also funds specialist support services (e.g. physical and sensory support, speech & language therapies).

In recent years the DSG allocated by the DfE to High Needs SEND has proven to be insufficient to support the increasing pupil numbers and levels of need. This has necessitated funding transfers from the Early Years and Schools blocks. In 2017/18 following concerns by schools at any further transfers from the Schools block, the Schools Forum agreed to establish a working group to work with the LA to develop savings totalling £10m.

The growing pressures on High Needs SEND budgets have proven to be a national issue necessitating many LAs transferring funds from their Schools blocks. Although Surrey did not transfer funds from Schools to High Needs SEND in 2017/18, instead working in partnership to make savings, 77 (of 150) local authorities transferred a total of £110m from Schools to High Needs SEND.

Following a change in DfE regulations, the approval of the Schools Forum is now required prior to any transfer from the Schools block.

- Early Years £67.7m

The Early Years block funds nursery education for 2-4 year olds in maintained schools, maintained nurseries, academies and private, voluntary and independent (PVI) settings.

4. This report concentrates on Cabinet decisions relating to schools funding required by 19 January 2018 and therefore does not address:

- the pupil premium or sixth form funding as these are central government allocations, distributed via formula mechanisms determined by the DfE.
- funding allocations to Early Years providers, as data on take-up of places is yet to be published and accordingly the January deadline for submission to the DfE does not apply.

### **Schools Forum**

5. The Schools Forum is a statutory body which must be consulted on the allocation of Dedicated Schools Grant (DSG). Membership is prescribed by regulations, and comprises headteachers, governors, academy representatives and 'non-school' representatives from Early Years providers, diocesan bodies, teaching unions, post-16 providers and SEND (Family Voice in Surrey). The Forum has a largely consultative role but with decision making powers in specific areas, including the transfer of funding from the Schools block. Forum members can vote only on issues impacting on their sector. For example, academies cannot vote on issues relating to maintained schools only.

### **Formula Funding**

6. Schools are funded on a formula basis – comprising a number of indicators specified by the DfE. Funding is allocated to schools on the basis of pupil numbers with additional funding provided to address relative needs including the incidence at individual school level of deprivation, low prior pupil attainment and English as an additional language. Each local authority currently sets its own local funding formula within the DfE's parameters.

### **National Funding Formula (NFF)**

7. From 2020/21 the DfE is to introduce a National Funding Formula. This will replace the individual funding formulae of 150 local authorities. For 2018/19 and 2019/20, local authorities will receive the funding allocations for their schools, calculated at school level on the new NFF funding basis, but will be expected to utilise their own local funding formula to allocate the funding in order to manage a smooth transition and avoid unnecessary turbulence.
8. Surrey schools will gain from the introduction of the NFF as funding levels are higher. The NFF provides an extra £14m in 2018/19 and once fully implemented in 2020/21, a net increase of approximately £28.5m. However, the distribution of that funding is not consistent across all Surrey schools. In general, Surrey schools with higher levels of deprivation gain rather less. That is because Surrey's local formula currently allocates a higher proportion of funding to deprivation than the NFF. However, the NFF allocates a higher proportion of Prior Year Attainment funding which benefits many primary schools. (Annex 1 provides details of the allocation of schools' funding across the formula factors.)

### **Consultation with Surrey schools**

9. In September 2017 the DfE published its provisional NFF funding rates for 2018/19. Each local authority is expected to manage the transition to the NFF for its schools by adjusting the local funding formulae towards the NFF in

2018/19. Therefore, during October 2017 all Surrey primary and secondary schools (including academies) were consulted on a number of options for the 2018/19 local funding formula.

10. Following discussions at Schools Forum on 29 September, all the options were calculated on the basis of:
- A Minimum Funding Guarantee (MFG) of zero – i.e. no school would lose funding per pupil in 2018/19. In recent years the MFG has been set by the DfE at -1.5%, meaning schools could lose funding to the level of 1.5% per pupil. In order to fund the MFG, a ceiling on the gains of other schools is usually necessary.
  - The Minimum Pupil Levels (set by the Secretary of State at £3,300 per primary school pupil and £4,600 per secondary pupil in 2018/19), would be applied.

The subsequent consultation with all schools confirmed widespread support for both these proposals.

#### Phasing of the transition to the NFF

11. The consultation proposed options which varied depending on how quickly the new NFF factors were introduced. Every school was provided with an illustration of the potential impact of each option on their funding. Note however these estimates were necessarily based on 2016/17 pupil data whereas the actual funding allocations to be notified to schools in February 2018 will be based on pupil census data to be published by the DfE during December 2017.

- **Option 1: An Even -Paced transition to the NFF**

The LA would allocate funding in 2018/19 based on:

#### 1/3 NFF values + 2/3 Surrey formula values

This option provides a transition at a relatively slow pace and as more funding is allocated to Surrey schools in 2018/19, there is no need for a ceiling on gainers. However this creates temporary gains in some primary schools – as a result of removing the ceiling. These gains are not sustainable as the proportion of NFF factors will increase in future years.

This option was supported by 29.4% of primary schools and 15.4% of secondary schools in the consultation.

- **Option 2: A speedier transition to the NFF**

The LA would allocate funding in 2018/19 based on:

#### 50% NFF values + 50% Surrey formula values

This option provides a faster transition to the NFF but more schools would require the protection of the minimum funding guarantee. These would typically be small schools and those with a relatively high level of

deprivation (as the NFF funds deprivation at a lower rate). A ceiling of 5% on any gainers would be necessary in order to fund the MFG.

This option was supported by 29.4% of primary schools and 33.3% of secondary schools in the consultation.

- **Option 3: Fastest move towards the NFF**

The council would move as far as possible towards the NFF in 2018/19. However, moving all the way is not possible as the full NFF funding is not yet available. This option was calculated based on a maximum affordable weighting for NFF factors of 58%, assuming additional funding of £14m will be received in 2018/19.

58% NFF values + 42% Surrey formula values

This option provides a faster transition to the NFF. However, as more schools would require funding protections, a ceiling of 3.68% on any gainers is necessary. Comments from those schools favouring this option centred around the inevitability of the NFF and the additional funding now provided to ensure that no schools lose funding. As such, there was a desire to move forward swiftly.

This option was supported by 41.2% of primary schools and 51.3% of Surrey secondary schools in the consultation.

12. In discussing the outcome of the schools' consultation on 10 November, Schools Forum members had varying views on the preferred phasing options. However, they acknowledged that all options lead to the same NFF by 2020/21. The Forum recognised the efforts made by many schools to respond to the consultation and they wished to give due regard to those responses. As Option 3 was the most popular option in both the primary and secondary sectors, it was recommended by the Schools Forum to the Cabinet for implementation.
13. On 23 November 2017 the DfE notified local authorities of its intention to amend schools funding regulations to provide further flexibility by permitting LAs to set a minimum funding guarantee (MFG) of up to 0.5%. This had previously been limited to a maximum of 0% in 2018/19. The DfE is also intending to relax other regulations in order to enable a swifter move to the NFF, should LAs wish to adopt this. As further changes to the local formula would require another full consultation with all Surrey schools and the Schools Forum, and in view of the DfE's deadline for submission of the formula – which remains at 19 January 2018 - it was decided, after discussions with the Chair and Vice-Chair of Schools Forum, that the recommendations to the Cabinet shall remain as consulted on with all Surrey schools and as set out in this report. A further review and a full consultation will be undertaken during autumn 2018, prior to setting the 2019/20 formula.

### **Pressures in High Needs SEND**

14. Pressures in the High Needs SEND block continue to increase, due largely to demographic growth, enhanced entitlements to SEND provision for young people aged 16-25 and funding levels that do not fully recognise

these pressures. Savings of between £8m - £9m have already been achieved in 2017/18 through a number of measures developed in partnership with the High Needs Working Group – a group that includes headteacher representatives from Schools Forum. However, a rise of over 1,000 children and young people with Education Health Care Plans in the last year has created an increase in demand for all types of provision.

15. In light of rising pressures in High Needs budgets, schools views were sought regarding a transfer of £3m from the Schools block to High Needs SEND. This is the maximum percentage transfer available without the approval of the Secretary of State. This would reduce the additional funding available for primary and secondary schools in 2018/19 from £14m to £11m. Options 1 and 2 were re-worked to show the impact of the transfer to produce two further options (4 and 5). The lower funding increase would not permit a faster move to the NFF than proposed in Option 5.
16. The proposal to transfer funds from the Schools block to High Needs SEND was opposed by 50.6% of primary schools and 70.7% of secondary schools responding to the consultation. Special schools are funded from the High Needs SEND block and voted 92.9% in favour. (Appendix 2). The Schools Forum have decision making powers on this issue and voted not to transfer funds from the Schools block to High Needs SEND. However, the Forum is keen to work with the local authority to identify savings in SEND costs across all sectors and has committed to supporting the local authority in addressing the High Needs budget pressures. The Schools Forum has agreed to carry forward any deficits from 2017/18 within the High Needs DSG budget and to continue the High Needs Working Group with a slightly extended membership to address these issues.
17. The Schools Forum acknowledged that savings of between £12m - £15m are likely to be required for 2018/19 in addition to those already planned. The scale of savings is such that it requires a fundamental reworking of the way in which services are delivered, involving a wider range of colleagues. The working group will work on delivering sustainable solutions and ways of involving both children and young people, and health and social care partners will be considered. Work will need to have regard to other change programmes, including the transforming care programme (joint with health and social care), the sustainable transformation plans, and the wider review of learning difficulties provision across all age groups.

## **OTHER CHANGES TO THE SCHOOLS FUNDING FORMULA 2018/19**

### **Minor Changes necessitated by the new National Funding Formula**

18. Minor changes to the Surrey funding formula in 2018/19 are necessary, largely to ensure a smooth transition to the NFF. These cover:
  - Proposed changes to top-up funding in SEN centres  
The DfE is to change the way in which SEN centres in schools are funded. The local authority has proposed amendments to minimise any negative impacts of these changes on schools.
  - Ceasing the Reception uplift

The proposal is to cease the Reception uplift to schools with pupils joining between October and January each year as it is not permitted in the NFF and in practice most schools do not receive any additional funding due to the protection mechanisms already in place via the minimum funding guarantee (MFG) and the ceiling.

- Retaining a Looked After Children (LAC) factor in the Surrey funding formula in 2018/19 but reducing its value by £400 to recognise the increase of £400 in pupil premium funding for LAC. The DfE will no longer include a LAC factor once the NFF is fully implemented.
- Technical changes to the definition of the Level 2 'notional SEN' budget resulting from changes by the DfE in the deprivation indices to be used in the NFF.

These proposals were supported by schools and the Schools Forum and are recommended to the Cabinet.

## OTHER PROPOSALS IN THE SCHOOLS' CONSULTATION

19. In recent years the Schools Forum, supported by schools, has approved the central retention of funds from schools' budgets in specific instances as set out below. Following changes to government regulations ahead of the introduction of the National Funding Formula, this funding must now be allocated to schools. Schools were consulted on the proposed mechanisms by which this funding would be distributed.

- **Distribution of Confederation funding**

Funding of £0.6m has historically been top-sliced from schools and allocated directly to confederations and partnerships, under combined services powers, with the annual approval of the Schools Forum. As this funding no longer meets the DfE's revised combined services criteria, it is proposed to delegate the funding to individual primary schools using a combination of pupil number and deprivation factors as these provide the best link to the former direct allocations. Schools can then opt to continue to support confederations in their area should they so wish.

Schools Forum recommendation: That the former confederation funding should be delegated to primary schools using a mixture of pupil numbers, FSM6 and IDACI (deprivation data);

- **Delegation of school improvement funding**

In recent years DSG funding has been allocated by the Schools Forum, under combined services powers, to support the local authority's school improvement activities. This was an annual agreement between the Schools Forum and the local authority in which £430,000 was provided in 2017/18. As this arrangement no longer meets the revised DfE criteria for combined services, this funding will be delegated to schools in 2018/19. It is proposed that this is allocated on the basis of pupil numbers, weighted to maintain the current secondary: primary funding ratios.

In a separate arrangement, under de-delegation powers, maintained primary school representatives have opted to de-delegate £1.0m to support the LA's school improvement activities in primary schools in 2018/19. Secondary maintained schools do not contribute to central school improvement funding. The LA is not permitted to de-delegate sums from academies and special schools.

Schools Forum recommendation: That DSG funding previously targeted to school improvement be allocated to all schools on a per pupil basis, maintaining the current secondary: primary funding ratios.

- **Delegation of surplus Primary schools' contingency**

Maintained primary schools contribute to a contingency for unforeseeable and unavoidable expenditure which could not reasonably be met by a school from its normal funding. The decision to retain the contingency is made by the maintained primary representatives on the Schools Forum annually. Secondary schools no longer hold a contingency.

The nature of such costs is unpredictable and the contingency is monitored with funds returned to those schools having contributed if balances rise. The LA proposes returning £330,000 to primary schools in 2018/19 via an allocation based on individual maintained schools' October 2014 and October 2015 pupil numbers as this reflects the relative contributions made by individual schools. This mechanism was supported by 90.3% of primary schools responding to the consultation.

Schools Forum recommendation: That the sum of £330,000 arising from a surplus on the primary risks contingency be returned to primary schools.

20. A summary of the Schools Forum's recommendations to Cabinet is set out in Annex 2.

### **Fine-tuning of schools' formula following DSG settlement**

21. At this stage, proposed formula values can only be provisional as DSG funding will be based on pupil numbers and characteristics collected in the October 2017 pupil census – data which is unavailable to local authorities until late December 2017. The DfE therefore enables local authorities to fine-tune these values by 19 January 2018, to ensure the formula is affordable within the funding settlement.
22. Fine-tuning of the formula at that time will be considered by the Assistant Director, Schools & Learning, in consultation with the Cabinet Member for Education and the Leader of the County Council.

<b><u>CONSULTATION:</u></b>
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23. Following the DfE's September 2017 updated guidance on the introduction of the National Funding Formula, options for the phasing of the transition from the local Surrey funding formula were discussed at the Schools Forum on 29 September and later with the Cabinet Member. A Schools Funding Consultation was distributed to all schools during October 2017. A total of 209 schools submitted responses, representing 53.6% of schools. Schools'

collective responses were discussed at the Surrey Schools Forum on 10 November 2017. The recommendations of the Schools Forum are set out in this report.

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

24. Schools are funded by Dedicated Schools Grant (DSG). Primary and Secondary schools are funded from the Schools block within DSG, with the High Needs block funding special schools. The proposals in this report recognise and address continuing demographic and inflationary pressures in the High Needs block. Agreement has previously been reached with the Schools Forum to carry forward to 2018/19 any overspends on High Needs. There is a clear need and a firm commitment for partnership working between schools, Schools Forum members and the local authority to identify savings and traded options. Where traded options for council services are proposed, there is a potential risk of redundancies, which would fall on council budgets, if services could not be successfully traded.

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

25. Schools are expected to operate within the funding provided. Where an individual maintained school faces financial problems, the local authority can approve a licensed deficit and will develop a recovery plan for repayment in a specified term – usually from one to three years. If a maintained school became financially unviable then the council would be required to step in to address issues. This could involve a review of the school's management and/or a review of wider educational provision in the area. Schools are subject to regular monitoring and the local funding formula is reviewed on an annual basis to assess scope for potential amendments within DfE controls.
26. As at 1 November 2017, a total of 131 schools have converted to academy status (85 primary, 40 secondary and 6 special) and there are 4 free schools in Surrey. Responsibility for the financial viability of academies and free schools lies with the Government's Education & Skills Funding Agency (ESFA) rather than the county council.

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

27. The Government plans to introduce a National Funding Formula (NFF) in 2020/21. Once fully implemented this should increase the funding to Surrey's primary and secondary schools by approximately £28.5m, although schools - at a national and local level – highlight that cost pressures will absorb the funding increases.
28. During 2018/19 the additional funding is estimated at £14m and the government expects local authorities to manage the transition to the NFF by allocating this funding on a fair basis to its schools. In setting the minimum funding guarantee at zero, the LA is ensuring that no individual school will lose funding during 2018/19 (assuming no significant drop in pupil numbers). By adopting the minimum per pupil funding level announced by the Secretary of State, the council is also meeting the expectations of headteachers and school business managers. All schools and the Schools Forum have been



consulted on their preferred pace of transition and accordingly this report recommends the fast transition supported by schools.

29. High Needs SEND budgets are under significant pressure following increases in pupil numbers, pupil needs and legislative changes. The Schools Forum has agreed to continue to work with council officers and members to recommend a number of savings in high needs budgets to avoid any further transfers from the Schools block. The potential shortfall in high needs funding in 2018/19 is estimated at £12m - £15m and the scale of the budget challenges will necessitate a fundamental review of SEN provision with potentially widespread implications. The involvement of a wider range of stakeholders in the High Needs Working group should contribute to robust and sustainable savings recommendations. Future sustainability must be the key focus as High Needs block funding is likely to reduce in future years as temporary funding protections are to be reviewed within five years.
30. Savings could include further reductions in SEN support – some of which may be mitigated if trading arrangements are established - and with vigorous management of increasing pressures.

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

31. The proposals comply with the Department for Education Regulation requirements and legislation and have been arrived at following consultation with Schools Forum. There are no significant legal implications arising from this report.
32. Cabinet should give due regard to the responses to the consultation before considering the recommendations put before Cabinet.
33. The public sector equality duty (Section 149 of the Equality Act 2010) applies to the decision to be made by Cabinet in this report. There is a requirement when deciding upon the recommendations to have due regard to the need to advance equality of opportunity for people with protected characteristics, foster good relations between such groups, and eliminate any unlawful discrimination. These matters are dealt with in the equalities paragraphs of the report and in the attached equalities impact assessment.

#### **Equalities and Diversity**

34. Equality Impact Assessments (EIA) have been completed and set out in Annex 4.

#### **Corporate Parenting/Looked After Children Implications:**

35. Additional funding is provided to all schools with looked after children. Although changes to unit rates are proposed, these are matched by increases in pupil premium rates. Funding levels will therefore be maintained.

<b>WHAT HAPPENS NEXT:</b>
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The next steps are as follows:

Schools' Funding Formula

36. The DfE will provide local authorities with updated pupil data at school level during December 2017 and an indication of likely DSG funding. The council may then make fine-tuning adjustments to its schools' funding formula to ensure it is deliverable within the funding constraints, by 19 January 2018.
37. Surrey maintained schools will receive their individual schools budgets from the council by 28 February 2018. Academies will be notified of their funding separately by the Education and Skills Funding Agency (ESFA). This will be based on the council's funding formula as set out in this report.

High Needs SEND

38. The Schools Forum has committed to work with local authority officers and elected members to identify further sustainable savings in High Needs budgets. The membership of the High Needs Working Group is to be expanded and a schedule of meetings, targets and deadlines will be established.

**Contact Officer:**

Liz Mills, Assistant Director – Schools & Learning. Tel: 020 8541 9907

**Consulted:**

Lynn McGrady, Finance Manager, Funding & Planning  
 Paula Chowdhury, Strategic Finance Manager, Children, Schools & Families  
 The Surrey Schools Forum  
 All Surrey schools – via the Schools Funding Reform Consultation, issued October 2017

**Annexes:**

Annex 1 Allocation of Schools Funding Across Formula Factors  
 Annex 2 Schools Forum Recommendations to Cabinet  
 Annex 3 Proposed Surrey Schools Funding Formula Factors 2018/19  
 Annex 4 Equalities Impact Assessment

**Sources/background papers:**

The National Funding Formula for Schools and High Needs. Policy document.  
 Department for Education, Sept 2017  
 20189/19 Schools revenue funding. Operational Guide. DfE Sept 2017.  
 The School & Early Years Finance (England) Regulations 2017  
 The Education Act 2002  
 The Education Act 2011  
 The Schools Standards & Framework Act 1998  
 Schools Forum – Minutes of meeting on 10 November 2017  
 Schools' Funding Consultation: Proposals for Changes. Surrey County Council,  
 October 2017

## ALLOCATION OF SCHOOLS FUNDING ACROSS FORMULA FACTORS

The table below lists the main formula factors used in the schools' funding formula; the amounts allocated to Surrey schools under the local formula in 2017/18; the estimated allocations under the Schools Forum's recommended option and the sums anticipated once the National Funding Formula is fully implemented in 2020/21.

	Allocated to Surrey schools	Recommended Allocation to Surrey schools	National Funding Formula
	2017/18	2018/19	When fully implemented in 2020/21
	£m	£m	£m
Basic Entitlement	453.8	470.3	480.4
Deprivation funding	45.0	33.7	25.2
Lump sum (flat rate)	50.4	45.1	41.3
Low prior attainment (SEND indicator)	19.5	34.2	42.3
Looked after children	0.2	0.1	0.0
English as an Additional Language	2.7	4.3	5.4
Split site funding	0.7	0.7	0.7
Rates, rent and other premises factors	7.1	7.1	7.1
Pupil mobility	0.3	0.2	0.2
Sparsity (new factor)	-	-	0.1
Additional funding to reach minimum per pupil level (MPPL) (new factor)	-	0.7	1.9
Minimum Funding Guarantee	-	0.1	6.4
<b>Total</b>	<b>579.9</b>	<b>596.5</b>	<b>611.0</b>

Once fully implemented in 2020/21, it is estimated that an additional £28.5m will be allocated to Surrey schools through the National Funding Formula. In phasing in the NFF from 2018/19, an additional £14m is anticipated. This sum will be confirmed in the December DSG Settlement.

The figures above also include the impact of a change in the DfE funding mechanism for SEN centres from 2018/19, whereby SEN centre pupils will be accounted for in the Schools block. They were previously included within the High Needs block and a transfer of £2.6m has been made by the DfE for this purpose.

## **SCHOOLS FORUM RECOMMENDATIONS TO THE CABINET**

At its meeting on 10 November 2017, the Schools Forum agreed that the following recommendations for the funding of Surrey schools in 2018/19 be made to the Surrey County Council Cabinet:

1. The minimum funding guarantee (MFG) for schools should be set at zero
2. The council should implement the Minimum Per Pupil Level of £3,300 per primary pupil and £4,600 per secondary pupil in Surrey
3. The council should implement a fast transition to the National Funding Formula, as set out as Option 3 in the autumn 2017 Schools Funding Consultation. This is currently estimated at 58% NFF factors and 42% Surrey factors.
4. All minor formula changes necessitated by the move towards the National Funding Formula are implemented
5. Sums previously distributed to primary school confederations should be distributed to primary schools using pupil numbers on roll, Free Schools Meals (FSM6) and IDACI factors, as these most closely match the current funding distribution.
6. Former school improvement funding no longer permitted to be maintained centrally under combined services powers should be distributed to schools using the mechanisms set out in the consultation – i.e a sum per pupil, retaining the existing secondary : primary ratio (1.3023) and Key Stage 4: Key Stage 3 funding ratio (1.23488)
7. The surplus on the delegated primary schools' contingency be distributed to primary schools reflecting the origin of the funds.

## PROPOSED SURREY SCHOOLS' FUNDING FORMULA FACTORS 2018/19

The table lists the proposed values of the Surrey formula factors for 2018/19:

	2018/19 Provisional Values		2017/18 Values	
	Primary £	Secondary £	Primary £	Secondary £
<b>Basic entitlement per pupil</b>				
• Key stages 1 & 2	<b>2,845.08</b>	-	2,772.40	-
• Key stage 3	-	<b>3,916.64</b>	-	3,699.47
• Key stage 4	-	<b>4,601.99</b>	-	4,568.40
<b>Deprivation:</b>				
Per pupil on free schl meals	<b>1,963.96</b>	<b>1384.59</b>	4,009.67	2,640.01
Per "Ever 6" FSM pupil	<b>328.74</b>	<b>477.90</b>	0	0
Per pupil in IDACI* band F	<b>121.76</b>	<b>546.49</b>		874.57
Per pupil in IDACI band E	<b>146.11</b>	<b>904.65</b>		1577.34
Per pupil in IDACI band D	<b>219.16</b>	<b>980.74</b>		1577.34
Per pupil in IDACI band C	<b>237.43</b>	<b>1008.14</b>		1577.34
Per pupil in IDACI band B	<b>255.69</b>	<b>1032.49</b>		1577.34
Per pupil in IDACI band A	<b>332.38</b>	<b>1160.34</b>		1577.34
<b>Lump sum per school</b>	<b>124,072</b>	<b>140,992</b>	135,000	175,000
<b>Low prior attainment:</b>				
Per low attainer based on Foundation Stage Profile	<b>1002.12</b>		857.89	
Per secondary pupil scoring below level 4 in either maths or English at key stage 2		<b>1400.52</b>		1080.12
<b>Per Looked After Child</b>	<b>396.17</b>	<b>396.17</b>	796.17	796.17
<b>English as an Additional Language:</b>				
Per pupil with EAL in school system less than 3years	<b>430.25</b>	<b>1127.84</b>	275.95	672.95
<b>Pupil mobility:</b>				
Per mobile child above 10% of roll	<b>629.00</b>	<b>774.00</b>	629.00	774.00

\* IDACI Income deprivation affecting children index

In addition, schools will also receive funding for rates at actual costs. A small minority of schools will also receive funding for split sites or exceptional rents. These are calculated individually for each school, based on actual costs.

The provisional amounts above may be amended once the outcome of the 2017 pupil census is known, to ensure they are still affordable within the available funding.

## 1. Topic of assessment

<b>EIA title:</b>	Changes to local schools formula funding: 2018/19 Transitional measures towards implementation in Surrey schools of the DfE's national funding formula (NFF) for schools
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<b>EIA author:</b>	David Green Senior Principal Accountant (Schools Funding)
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## 2. Approval

	Name	Date approved
<b>Approved by<sup>1</sup></b>		

## 3. Quality control

<b>Version number</b>	1 <sup>st</sup> draft	<b>EIA completed</b>	
<b>Date saved</b>	20 Nov 2017	<b>EIA published</b>	

## 4. EIA team

Name	Job title (if applicable)	Organisation	Role
David Green	Senior Principal Accountant	Surrey County Council CSF Finance	

<sup>1</sup> Refer to earlier guidance for details on getting approval for your EIA.

# Equality Impact Assessment

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## 5. Explaining the matter being assessed

<p><b>What policy, function or service is being introduced or reviewed?</b></p>	<p>The DfE is introducing a national funding formula ((NFF) for schools, which will mean changes to the funding of individual Surrey schools. The DfE expects the LA to make changes to its local school funding formula over the next two years, in order to converge on the.NFF by 2020/21. This will affect the way in which Surrey schools are funded in 2018/19 (and indeed in 2019/20)</p>
<p><b>What proposals are you assessing?</b></p>	<p>Surrey’s primary and secondary schools are funded by a formula, which distributes approximately £580m in 2017/18. Changes to this formula are being proposed in order to converge on the DfE’s proposed national funding formula by 2020/21, in line with DfE expectations: The total funding allocated to schools in 2018/19 will be £14m higher in 2018/19 than in 2017/18 (excluding technical adjustments)</p> <p>In 2018/19 we are proposing to use a combination of 58% of NFF formula factors and 42% of existing Surrey formula factors, but transitional “floor protection” funding at 0% will mean that no school sees a reduction in average funding per pupil. We are also proposing to implement minimum average funding per pupil of £3,300,per primary pupil and £4,600 per secondary pupil Those schools whose average funding per pupil increases as a result of the change will see those gains restricted to around 4% per pupil, in order to ensure affordability, except where higher increases are necessary in order to deliver the minimum.</p> <p>In general the NFF distributes more funding based on low prior attainment (low incidence SEND) and children with English as an Additional Language than its Surrey predecessor, but distributes less funding on deprivation.</p> <p>The proposals are transitional ie the issue is how fast we move to the NFF, rather than whether we move to it. The proposals affect the way in which funding is distributed to schools and not the total sum distributed to schools.</p> <p>We also considered two other options, which involved a slower transition towards the national funding formula These are set out in the report to Cabinet (14 Dec 2017)</p> <p>.</p>
<p><b>Who is affected by the proposals outlined above?</b></p>	<p>The proposals will affect the budgets of Surrey maintained primary and secondary schools and primary and secondary academies . Thus it will potentially affect pupils, staff, parents and carers at those schools As funding is delegated to schools, the impact on individuals will be determined by decisions made by individual schools</p>



# Equality Impact Assessment

## 6. Sources of information

Engagement carried out
<p>The proposal has been shared with the elected Schools Forum (which includes representatives of schools/academies and of parent groups) and with all schools in a three week consultation . The consultation paper was also published on the council's website. The proposed option was the most popular of three options shared with schools. 209 schools (53.6%) responded to the consultation.</p>
Data used
<ul style="list-style-type: none"><li data-bbox="86 539 1366 763">Initial data analysis is largely taken from the School Census We have only limited data on the incidence of specific equality priority groups in individual schools. We have modelled the impact of the redistribution using data on SEND incidence, deprivation, EAL and ethnicity. We concluded that none of the three options considered consistently disadvantages any of these groups relative to any of the other options.</li></ul> <p data-bbox="172 797 1366 1093">Setting the minimum funding guarantee at zero (the highest allowable level), rather than at a reduction of 1.5% per pupil, will benefit those schools whose current funding levels exceed the proposed formula and which thus receive minimum funding guarantee. The median incidence of SEND is appreciably higher in schools on the minimum than in schools as a whole (as is the incidence of non White/non British ethnicity in primary schools on the minimum) and thus using the highest allowable level for minimum funding guarantee protection is likely to benefit schools with a higher incidence of priority groups).</p> <p data-bbox="172 1126 1366 1317">Implementing the Minimum per pupil funding levels generally benefits schools with low levels of additional need, but this will have to happen anyway in 2020/21 and the overall impact on other schools of implementation from 2018;/19 (and thus the potential for avoidable impact on priority groups) is small, at only 0.1% of delegated funding.</p> <p data-bbox="172 1328 193 1350">..</p>

# Equality Impact Assessment

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

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

Protected characteristic <sup>2</sup>	Potential positive impacts	Potential negative impacts	Evidence
Age	Minimal	Minimal.	Only affects school pupils aged 4-15
Disability	Small	Small	There is some link between the incidence of SEND and disability, although this is more likely to affect high cost SEND, which is funded separately outside the school funding formula There is little statistical evidence that any of the three options considered create a stronger link between funding and SEND than any of the others.
Gender reassignment	Unlikely		Schools and school pupils
Pregnancy and maternity	N/a (school pupils)	N/a (school pupils)	
Race	Minimal	Minimal	There is no allowable formula factor for ethnicity Modelling funding against ethnicity data suggests that there is little consistent difference between the options considered
Religion and belief	N/a	N/a	Again this would depend on choices made by particular areas and schools No data
Sex	N/a	N/a	Formula factors are gender neutral
Sexual orientation	Unlikely	Unlikely	No data available

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

## Equality Impact Assessment

<b>Marriage and civil partnerships</b>	N/a	N/a	School pupils 4-15
<b>Carers<sup>3</sup></b>			No data available While we have no data on the number of children in each school who are carers, it should be noted that the NFF distributes less funding on deprivation than the old Surrey formula. It may be expected that carers might be in families with relatively low incomes and thus to be disadvantaged by a reduction in deprivation funding. Against this, no school sees reduced average funding per pupil and many of the most deprived schools see no increase in funding under any of the three options considered.

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

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<b>Protected characteristic</b>	<b>Potential positive impacts</b>	<b>Potential negative impacts</b>	<b>Evidence</b>
<b>Age</b>			This is an issue for individual schools. None of the proposals involve a reduction in per pupil funding for any school., although it is accepted that a cash freeze per pupil is actually a real terms reduction and that for many schools the increases in funding under the NFF transition may still not be sufficient to cover pay and price inflation. It will be up to schools to ensure that in any staffing reductions they have regard to protected characteristics.
<b>Disability</b>			
<b>Gender reassignment</b>			

<sup>3</sup> Carers are not a protected characteristic under the Public Sector Equality Duty, however we need to consider the potential impact on this group to ensure that there is no associative discrimination (i.e. discrimination against them because they are associated with people with protected characteristics). The definition of carers developed by Carers UK is that 'carers look after family; partners or friends in need of help because they are ill, frail or have a disability. The care they provide is unpaid. This includes adults looking after other adults, parent carers looking after disabled children and young carers under 18 years of age.'

# Equality Impact Assessment

<b>Pregnancy and maternity</b>			
<b>Race</b>			
<b>Religion and belief</b>			
<b>Sex</b>			
<b>Sexual orientation</b>			
<b>Marriage and civil partnerships</b>			
<b>Carers</b>			

# Equality Impact Assessment

## 8. Amendments to the proposals

Change	Reason for change
The consultation and analysis has not so far identified any need to change the proposals	

## 9. Action plan

Potential impact (positive or negative)	Action needed to maximise positive impact or mitigate negative impact	By when	Owner
No significant impact identified at this stage-but impact will be kept under review			

## 10. Potential negative impacts that cannot be mitigated

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

## 11. Summary of key impacts and actions

<b>Information and engagement underpinning equalities analysis</b>	Consultation with Schools Forum and schools Publication of the consultation proposals.
<b>Key impacts (positive and/or negative) on people with protected characteristics</b>	None identified at present but risk recognised
<b>Changes you have made to the proposal as a result of the EIA</b>	N/a

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<b>Key mitigating actions planned to address any outstanding negative impacts</b>	N/a
<b>Potential negative impacts that cannot be mitigated</b>	N/a

# Equality Impact Assessment

## Minor Proposals (Q6-9/11/12 of Annex 2 of Cabinet Report)

### Justification for not undertaking a full Equalities Impact Assessment of these proposals

#### Background

In 2020/21, the DfE expects to introduce a school level national funding formula, which will distribute funding directly to individual schools. The DfE has published that formula and local authorities are expected to change their local school funding arrangements over the next two years to converge on that national formula (See main Cabinet report).

A number of minor changes to local funding arrangements are being proposed in order to move towards the national formula or to minimise the local impact of the national changes. Additionally, a refund of surplus school specific contingency funding to primary schools is proposed.

#### Consultation Proposal C1 /Annex 2 Q6 Proposed Changes to the funding of top up in SEN centres (in mainstream schools)

This is largely a technical proposal intended to offset the impact of technical changes being made by DfE to the funding of SEN centres and thus maintain stability of funding for those centres. As such it will preserve the current level of funding for children in these centres and thus should have no impact on priority groups.

#### Consultation Proposal C2 /Annex 2 Q7 To cease the reception uplift (for year R in primary schools)

The reception uplift is additional funding given to schools admitting additional pupils to the reception year between October and January. It will not be allowed from April 2020 and so the proposal concerns whether to cease it now or two years later. In principle reception uplift could benefit schools with vulnerable pupils, and some priority groups may be expected to have higher mobility and thus to benefit from such a factor. In practice the way in which this factor interacts with other factors in the formula means that it cannot support schools consistently as intended. DfE refused a request to improve the local operation of the factor in Surrey last year. We have concluded that, as the factor cannot be made to operate as intended, ceasing it will have no consistent impact on equality priority groups..

#### Consultation Proposal C3/Annex 2 Q8 Changes to the formula funding of looked after children

Surrey has a local formula factor for looked after children but this will no longer be allowed from April 2020. This proposal is to reduce the value of the local factor from April 2018 to reflect the increase in the Pupil Premium Plus for looked after children from that date, so that the total level of funding for looked after children remains the same in 2018/19.as in 2017/18. While it is true that funding for looked after children would have increased in 2018/19 had the local factor remained the same, it is considered that there is little useful purpose in increasing the level of funding for this group only to reduce it two years later when the full "hard" NFF is introduced.

#### Consultation Proposal C4/Annex 2 Q9 Changes to the definition of the level 2 notional SEN budget

This is a technical change. The notional SEN budget is defined in terms of deprivation and low prior attainment factors and the definition of these factors is changing as part of the move to the NFF. The definition of the level 2 notional SEN budget has been changed for consistency with the main funding formula. The notional SEN budget is a sum earmarked within an individual school's budget and thus the proposed change does not affect the amount of formula funding received by any individual school.

The proposed change may affect the amount of additional SEN funding received by individual schools but no change is proposed to the total amount of that funding.

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## **Consultation Proposal D2 /Annex 2 Q11 Method of delegation of residual former combined services School Improvement funding**

This proposal is to delegate £430,000 which in 2017/18 was held centrally to fund additional school improvement funding, on the basis of pupil numbers. The budget no longer meets the criteria for central funding and so the issue is how it is delegated and not whether it is delegated. This is the remainder of £1.292m previously held for this purpose, of which £862,000 was delegated in 2017/18 and the basis of delegation is the same as proposed in 2017/18. An equalities impact assessment was undertaken prior to the 2017/18 delegation, comparing distribution on the basis of pupil numbers (as preferred by Schools Forum ) with distribution partly on the basis of deprivation and SEN indicators. The analysis concluded that those schools with OFSTED rankings of Requires Improvement and below at that time (which would thus have benefited most from central school improvement budgets had they been retained) generally had higher than average incidence of SEN and deprivation (and thus potentially of priority groups) than the average ,but that the financial impact of the proposed change was small and that Surrey already allocated higher levels of funding on deprivation than many similar LAs. That impact analysis has been reviewed and is considered still valid as the total sum involved is too small to justify more targeted means of distribution.

## **Proposal D3/Annex 2 Q12 Redistribution of surplus de-delegated primary school specific contingency to maintained (or formerly maintained) primary schools**

The surplus school specific contingency which has accumulated over the last few years, originated from funds de-delegated from maintained primary schools. It is proposed that the surplus should be refunded to those schools which contributed to the funds initially, in proportion to their contributions. This maintains the credibility of the contingency process, in that funds are only taken from schools to the extent that they are required.

To distribute the funds in any other way would be to use them for a purpose other than that for which they were originally taken.



## 1. Topic of assessment

<b>EIA title:</b>	Changes to local schools formula funding: 2018/19 Delegation of former confederation funding to individual primary schools) (ref proposal D1 of schools funding consultation paper/Q10 of annex 2 to Cabinet report,)
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<b>EIA author:</b>	David Green Senior Principal Accountant (Schools Funding)
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## 2. Approval

	Name	Date approved
<b>Approved by<sup>4</sup></b>		

## 3. Quality control

<b>Version number</b>	1 <sup>st</sup> draft	<b>EIA completed</b>	
<b>Date saved</b>	20 Nov 2017	<b>EIA published</b>	

## 4. EIA team

Name	Job title (if applicable)	Organisation	Role
David Green	Senior Principal Accountant	Surrey County Council CSF Finance	

<sup>4</sup> Refer to earlier guidance for details on getting approval for your EIA.

# Equality Impact Assessment

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## 5. Explaining the matter being assessed

<p><b>What policy, function or service is being introduced or reviewed?</b></p>	<p>Funding previously devolved directly to area confederations of schools is to be delegated instead to individual primary schools. This funding must be delegated because it no longer satisfies the DfE “combined services” criteria for central funding. The LA has a choice of how the funding is delegated to individual schools and it is that choice which is being reviewed, not the decision to delegate.</p>
<p><b>What proposals are you assessing?</b></p>	<p>£657,000 of Surrey’s Dedicated Schools Grant funding is currently allocated directly to confederations of schools on behalf of primary schools, using a formula based 40% on pupil numbers, 30% on deprivation using free school meals and 30% on deprivation using the IDACI index which is a measure of area deprivation. (ie a child is deemed deprived if there is a high level of deprivation in the area in which the child lives)</p> <p>In delegating this funding to primary schools we may only use factors approved by the DfE for inclusion in the delegated formula. We are proposing to continue to allocate 60% of funding based on deprivation, but to change the method to use 55% Ever 6 Free School Meals (FSM6) which is the preferred DfE method of measuring pupil deprivation and 5% IDACI which is the preferred DfE method of measuring area deprivation. IDACI would be used in the same way as in the DfE’s National funding formula ie six different funding bands. Several methods were considered and the proposed method was the method which created least movement of funding between confederation areas. The corresponding funding for secondary schools was delegated in 2013/14.and thus the newly delegated funding would be distributed only to primary schools.</p>
<p><b>Who is affected by the proposals outlined above?</b></p>	<p>As we are no longer able to allocate funding direct to confederations, they will now be wholly dependent for their income on the willingness of individual schools to contribute to their costs. That is a consequence of government funding policy over which we have no control This will affect staff directly employed by confederations and children and families benefiting from the services which confederations provide. The nature of the activities of confederations varies from area to area and over time and thus the impact will vary from area to area depending on the present services and on the willingness of schools to contribute to their costs. The LA cannot eliminate this risk, but has tried to mitigate the risk by minimising the change in funding within each local area, so that the funding is still available to be used for confederations if schools wish to continue to support them.</p> <p>The proposal does not change the total funding available to all schools, but only the distribution among schools (subject to some technicalities concerning academies, which again are beyond the LA’s control)</p> <p>Ultimately the impact on individuals will depend on how individual schools choose to use the funding and on how confederation</p>

# Equality Impact Assessment

	management committees respond to choices of individual schools
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## 6. Sources of information

Engagement carried out
The proposal has been shared with the elected Schools Forum (which includes representatives of schools/academies and of parent groups) and with all schools in a consultation paper, which was also published on the council's website to allow wider consideration. The proposed distribution method was supported by the majority of schools which responded and by the Schools Forum
Data used
<ul style="list-style-type: none"><li>Initial data analysis is largely taken from the School Census We have limited data on the incidence of specific equality priority groups in individual schools.</li></ul>

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

# Equality Impact Assessment

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

Protected characteristic <sup>5</sup>	Potential positive impacts	Potential negative impacts	Evidence
Age	Unlikely	Unlikely	The funding is currently allocated on behalf of primary schools and is being distributed to primary schools There would only be an impact on age if schools in an area chose to target specific services benefiting particular age groups (eg pre school)
Disability	Small	Small	Again this would depend on choices made by particular areas and schools
Gender reassignment	Unlikely		Again this would depend on choices made by particular areas and schools
Pregnancy and maternity	N/a (school pupils)	N/a (school pupils)	
Race	Minimal	Minimal	The distribution method does not involve any significant movement of funding to or from confederation areas with higher incidence of non British or non white pupils
Religion and belief	N/a	N/a	Again this would depend on choices made by particular areas and schools
Sex	N/a	N/a	
Sexual orientation	Unlikely	Unlikely	No data available
Marriage and civil partnerships	N/a	N/a	School pupils 4-15
Carers <sup>6</sup>			No data available

<sup>5</sup> More information on the definitions of these groups can be found [here](#).

<sup>6</sup> Carers are not a protected characteristic under the Public Sector Equality Duty, however we need to consider the potential impact on this group to ensure that there is no associative discrimination (i.e. discrimination against them because they are associated with people with protected characteristics). The definition of carers developed by Carers UK is that 'carers look after family; partners or friends in need of help because they are ill, frail or have a disability. The care they provide is unpaid. This includes adults looking after other adults, parent carers looking after disabled children and young carers under 18 years of age.'

# Equality Impact Assessment

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

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence
Age			<p>While it is quite likely that there will be job losses as a result of these changes, which may impact disproportionately on older staff or on those with higher barriers to future employment, the issue to be considered is whether the basis of distribution of funding disproportionately affects those staff. There is no reason to suggest that it should have that effect.</p>
Disability			
Gender reassignment			
Pregnancy and maternity			
Race			
Religion and belief			
Sex			
Sexual orientation			
Marriage and civil partnerships			
Carers			

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# Equality Impact Assessment

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## 8. Amendments to the proposals

Change	Reason for change
No equalities issues were identified in feedback to the consultation	

## 9. Action plan

Potential impact (positive or negative)	Action needed to maximise positive impact or mitigate negative impact	By when	Owner
No significant impact identified at schools consultation stage			

## 10. Potential negative impacts that cannot be mitigated

Potential negative impact	Protected characteristic(s) that could be affected
The main potential negative effect is that of a reduction in scale of confederation activities, potentially affecting priority groups, if schools prefer to spend the delegated funding on their own core activities rather than to support the confederations' work. In practice there is little that we can do about this, as explained above, and this risk will arise however we choose to delegate the funds.	

## 11. Summary of key impacts and actions

<b>Information and engagement underpinning equalities analysis</b>	Consultation with schools and with Schools Forum
<b>Key impacts (positive and/or negative) on people with protected characteristics</b>	None identified at present but risk recognised

# Equality Impact Assessment

<b>Changes you have made to the proposal as a result of the EIA</b>	N/a
<b>Key mitigating actions planned to address any outstanding negative impacts</b>	N/a
<b>Potential negative impacts that cannot be mitigated</b>	N/a

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**SURREY COUNTY COUNCIL**

**CABINET**

**DATE: 14 DECEMBER 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 NOVEMBER 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 November 2017 (month eight).

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 annexes to this report give 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 eighth month of 2017/18 (30 November 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 November 2017. The forecast is based upon year to date income and expenditure and financial year end projections using information available as at 30 November 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.
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. The council has a duty to ensure its expenditure does not exceed resources available. During 2017/18, the council had to plan to deliver already stretching service reduction targets of £104m, of which it identified plans for £95m of service reductions to balance the 2017/18 budget and move towards a sustainable budget for future years. All services must continue to take all

reasonable action to keep costs down and optimise income (e.g. through minimising spending, managing vacancies wherever possible etc.).

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.

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

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

None

**SURREY COUNTY COUNCIL**

**CABINET**

**DATE: 14 DECEMBER 2017**

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

**LEAD OFFICER: JOHN STEBBINGS – CHIEF PROPERTY OFFICER**

**SUBJECT: JOINT VENTURE DEVELOPMENT PARTNER – CONTRACT AWARD**



### **PART 1**

#### **SUMMARY OF ISSUE:**

This report provides an update on activities undertaken in response to Central Government's proposals to tackle the nationwide housing crisis, by unlocking sites for the construction of mixed use development schemes. Through utilising its own land and buildings, Surrey County Council (SCC) has the opportunity to unlock public land for redevelopment use, whilst also creating assets with income generating potential. In order to deliver this opportunity at scale and pace the Council has completed a procurement process for an external partner to deliver these benefits through a Joint Venture (JV).

This report highlights details of the procurement process and in conjunction with the Part 2 report, demonstrates why the JV contract award will deliver best value to our residents.

Due to the commercial sensitivity of the contract award, the financial and commercial details are covered in the Part 2 report.

#### **RECOMMENDATIONS:**

It is recommended that Cabinet approve:

- 1) delegation to the Cabinet Member for Property and Business Services; Acting Chief Executive and Chief Property Officer to finalise and enter into:
  - a. the JV contract documentation, as set out in the Part 2 report, with Places for People Group (PfP);
  - b. conclude contract requirements for the provision of an operating lease within the parameters set out within the Part 2 report;
- 2) the Investment Board:
  - a. commission the JV to undertake development opportunities and option analysis for the initial prioritised sites to be agreed by Shareholder Board when setting the business plan, with future development opportunities following the same process;
  - b. formulating and presenting recommendations back to Cabinet for final approval of any development proposal or alternative future uses for

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the sites; and

- c. reviewing additional potential sites and commissioning feasibility proposals or options analysis for development proposals or alternative future uses of the sites;
- 3) Cabinet is asked to note that authority is delegated to the Shareholder Board (SB) to:
- a. appoint nominated representatives to the JV Strategy Board;
  - b. appoint two nominated Council officers to be representatives of the Council on the Joint Venture Board to oversee and deliver the day to day activities of the joint venture vehicle;
  - c. approve the Annual Business Plan, Annual Accounts and other applicable control and management member matters of the JV entity; and its terms of reference have been amended accordingly.

#### **REASON FOR RECOMMENDATIONS:**

These recommendations enable SCC to assist in enhancing economic prosperity within the County, through the delivery of mixed use development schemes, and potentially securing a long term revenue stream to the Council.

Entering into the proposed JV will provide SCC with an ability to secure the following objectives:

- 1) establish a delivery model, which can act as an agent for economic growth and social activity, delivering housing and mixed use developments;
- 2) create a focus for skills & training development and local employment opportunities;
- 3) utilise its assets, ensuring efficiencies, site optimisation and achieving best value and allowing a pipeline of sites to be made available to the JV partner to ensure economies of scale and scope to the programme of activities;
- 4) support delivery of key components of the Investment Strategy;
- 5) secure a significant, pre-committed and long term partner able to bring capital and expertise to the region;
- 6) support and benefit from wider collaborative opportunities through offering the vehicle to those public sector partners seeking a development delivery vehicle that satisfies their own corporate asset related objectives.

#### **DETAILS:**

##### **Background**

1. Housebuilding is falling significantly short of demand and needs to increase across the country. Through using its own land and buildings the Council has the ability to unlock sites for development, maximise the use of its land, to create economic prosperity and sustainable investment opportunities.
2. The Investment Strategy, agreed by Cabinet in 2013, determined that the Council would:

- create a diversified and balanced portfolio of property investments to manage risk and secure an ongoing annual income return to the Council;
  - use its Revolving Infrastructure Funds to invest in assets that have the potential to support economic growth and;
  - retain assets where it can be demonstrated that, subject to additional investment if necessary, it will enhance income;
  - seek to secure alternative sources of funding, thereby reducing reliance on government grants and Council tax increases in the future.
3. The Investment Advisory Board (IAB) evaluated a number of options to look at development opportunities for the Council's surplus assets which would align with the third aspect as listed above. The outcome of which supported Orbis Property Services in commencing a market engagement exercise to find a development partner.
  4. Orbis Property Services sought development consultancy and valuation advice from the Knight Frank Public Sector Team, a leading property consultancy, and Bevan Brittan LLP (BB) lawyers were appointed to advise on the JV proposal and contract documentation.
  5. Following these appointments additional soft market engagement sessions were held from May to September 2016 with a number of parties to test the parameters for a joint venture vehicle.
  6. The exercise invited a mix of land promoters, developers, contractors and investors to a briefing event, with further work and interviews confirming that the core interest was in a total service and a JV approach for a portfolio of assets – with acknowledgement that any partnering arrangement would require an OJEU procurement process.
  7. A Property Development Partnership Board was established as the core project sponsors. The recommended and preferred option remained the establishment of a longer term JV arrangement.
  8. At Sourcing Governance Meeting (SGM) consent was sought, on 5th January 2017, to conduct a formal procurement exercise to secure the appointment of a JV partner through a competitive dialogue process for both professional services and works.
  9. A JV agreement would add pace, capacity, private sector expertise and funding, where required, to bring identified sites forward through options appraisals and business case activities and then enable their onward delivery to provide revenue or capital receipt streams to be secured.
  10. After an initial selection exercise and bidding process, five parties were invited to enter into a competitive dialogue process to provide solutions based on the Authority's requirement.
  11. Technical, commercial and legal sessions were undertaken with all bidders through to summer 2017. An Invitation to Submit Final Tenders (ITSFT) was released with final bids requested and received on 31st July 2017.

12. Bidders were evaluated on their ability to select, manage, and grow the supply chain and on the risk profile for construction contracts and pricing, as well as demonstrating value for money.
13. The evaluation was undertaken during August and September 2017, and this has resulted in a recommendation to appoint Places for People Group. The procurement process is set out in paragraphs 8 to 13 and the commercial bid evaluation details are covered in the Part 2 paper.

#### **What is to be created?**

14. The creation of a joint venture between PfP and SCC is the preferred approach, as it offers direct participation and engagement with the private sector giving proportionate control and direction. SCC and PfP will appoint directors, but as partners there will be a list of Reserved Matters.
15. The JV will take the form of a Limited Liability Partnership ('LLP').
16. An LLP is a partnership in which some or all partners have limited liabilities. It therefore exhibits elements of partnerships and corporations. In an LLP, each partner is not responsible or liable for another partner's misconduct or negligence.
17. The LLP is liable for all its debts, and the default position of the contract will be that PfP will be obliged to seek or provide the development funding.
18. As equal partners; in a 50/50 joint venture, the risks, rewards and controls will be shared. The length of contract is for 15 years, plus the option of a 5 year extension, to reflect the development cycle from feasibility to delivery including sales and marketing.
19. Through the governance arrangements and Key Performance Indicators (KPI's) agreed by both parties, SCC and PfP will have termination options over the duration of the contact.

#### **Outcomes of the JV**

20. The JV is being formed to support economic growth, utilising the Council's assets to deliver mixed use developments, as well as helping to drive SCC's wider strategic objectives. Deliverability, sustainability and quality will be important factors in considering sites and schemes for development.
21. Both the JV and SCC will seek to promote developments that create opportunities within the first phase of schemes across all eleven districts and boroughs.
22. Additional objectives that the JV will be expected to achieve are:
  - to bring sites forward in a timely manner, responding to market demand and undertake site developments, where appropriate;
  - to bring forward the development of sites, which are considered more difficult to develop at a comparable rate to sites with minimal obstacles to develop;



- to support SCC in pursuit of its wider objectives by identifying and helping deliver favourable solutions that balance financial, economic and social returns;
- to develop the opportunities provided by Third Parties by increasing capacity, without having an impact on SCC or SCC's strategic objectives;
- to drive efficiencies and effectiveness of SCC's asset base;
- to secure and demonstrate value for money on all JV activities;

#### **Other public sector partners**

23. It is proposed that the JV contract structure is made available to additional participating authorities as noted on the OJEU concession notice. This includes Surrey's District and Borough Councils, Police and Health authorities along with organisations outside of SCC's geographical boundary.
24. Those participating authorities who may wish to use the JV may create their own JV as a "subsidiary" to the main JV owned by SCC and PfP. This would enable SCC to retain a nominal equity stake in any subsidiary with PfP's equity share and control remaining undiluted.
25. This also allows partners both within Surrey, and beyond, to utilise their own assets and purchase services from the JV.

#### **Decision making and governance**

26. SCC will have two distinct roles in the contractual arrangements;
- a) as a Member (defined as SCC organisation) – SCC will make decisions pursuant to the JV Agreement by way of its nominated management board members.
  - b) as a Client – SCC will also be the client for the development of those schemes it offers to the JV. The relationship and the process for development is set out in the Site Commissioning Agreement (SCA) referred to in the Part 2 paper. Under this process SCC, as the client authority will be confirming and approving the development of each site, or basket of sites, based on business cases approved by Cabinet.

27. An overview of SCC's decision making process is listed below:

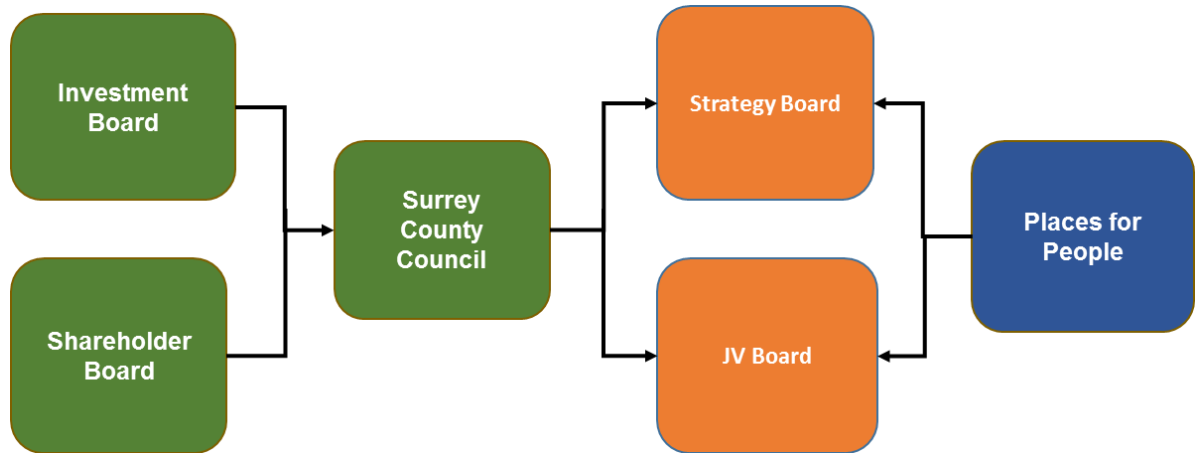
Investment Board	Shareholder Board
<ul style="list-style-type: none"> <li>• Receive the recommended options appraisal for each site or basket of sites from the JV.</li> <li>• Agree the option for each site and approve its associated actions – this may include the disposal of the site, its development and following development, the sale or retention of completed units and recommendation to Cabinet on proposed solutions.</li> <li>• Recommend to Cabinet any associated finance requirements and the provision of loans to the JV by SCC, where it is beneficial to do so.</li> <li>• Monitor the performance of the JV and achievement of agreed milestones.</li> <li>• Review and consider the performance of the JV in terms of its impact on the Investment Strategy and the Revolving Fund and report back to Cabinet as part of the investment strategy annual report.</li> </ul>	<ul style="list-style-type: none"> <li>• Receive and consider year-end financial accounts and approve proposed distribution of surplus.</li> <li>• Approve annual business plan.</li> <li>• Appoint / remove management board members (similar to Directors).</li> <li>• Approve changes to the Members Agreement (similar to Articles of Association) and any other reserved matter.</li> </ul>

28. The JV governance structure is formed by two boards;

- a) a Strategy Board made up of officers and elected members of the Council alongside senior personnel from PfP will form part of the governance structure of the JV. This will ensure SCC's elected members are kept up to date with progress and performance of the JV whilst providing feedback and direction to the JV Board.
- b) a Joint Venture Board will be made up of an equal number of representatives from PfP and SCC. This board will be responsible for overseeing the delivery of the day to day activities, delivery of Business Plan and JV objectives.

## Governance Structure:

29.



## Business Plan

30. The Members' Agreement will contain and set out the principles of the Business Plan, which will be adopted and agreed between both parties. The Business Plan will set out and demonstrate the development strategy for how the JV will deliver SCC's requirements. The Business Plan will be submitted to the Shareholder Board for approval.

## Scope of works provided by the JV

31. The range of services and activities will include, but not be limited to:

- option appraisals and business case presentation;
- land promotion services, including planning;
- development management services;
- arranging development finance
- design and construction activities;
- marketing, sales and letting services for developed property, including maintenance;
- asset management services.

32. The focus is on developing surplus assets primarily for housing as a means of enhancing economic growth within the County, generating more jobs and improving living standards.

## Benefits of a JV

33. SCC has identified a requirement for a partner to deliver at scale and pace a number of possible developments. PFP provides the JV with the people, support services and functions required for successful delivery and operation over the lifecycle of the JV. A core objective of the JV is to accelerate development and economic objectives and therefore SCC requires PFP to assist with the appropriate resources, management and skills to do so.

34. There will be contracts for supply chain entities to deliver costed services with the measurement of funding and performance activities.

#### **How will the services of the JV be paid?**

35. The JV will require general working capital to meet its everyday running costs that are not scheme specific. A working capital loan will be provided by PfP and an assessment of the necessary general working capital will be in the JV's Business Plan for the years 1 to 5. There is the potential for SCC to provide funding assistance through a debt/funding agreement, at a commercial rate of return, at SCC's discretion.
36. On a scheme by scheme basis, the JV will have working capital to initially undertake the land promotion activities and secure planning. Thereafter, there will be additional working capital requirements, as well as funding for the development programme as it progresses. The JV will be expected to conduct business activities at its risk.
37. If it wishes, SCC can purchase additional services from the JV, such as standalone planning promotion activities, disposals etc. for sites that are not to be developed by the JV. SCC will pay a fee to do so calculated as a percentage or a range of percentages dependant on size, scale and complexity of the scheme and, which specific service SCC requests.

#### **How will the JV be paid for its services to third parties?**

38. Third Parties wishing to purchase services and use the JV will be free to do so, subject to satisfying themselves of their procurement position.
39. Third Parties may seek two types of engagement with the JV: the first may be a simple request to provide land promotion services, including planning. The second may be more substantial where the Third Party wants the JV to develop sites on their behalf.

#### **Initial JV Programme**

40. The Shareholder Board as part its role in approving the annual business plan will approve the first 12-15 priority developments based on recommendations that will set out timeframes, resource requirements, cost and income considerations, and the proposed next steps.
41. SCC is continually reviewing and identifying strategic operational opportunities as part of their Strategic Asset Management Plan (SAMP) of the estate portfolio. Ongoing service review work focusses on demographics plotted against local need and key growth areas. In turn, this work will bring additional value through the partnership to SCC.
42. PfP will look to assist SCC to identify opportunities within the operational estate with a view to improving the financial and operational outcomes that would provide a fit for purpose estate that is resilient, and able to improve the Council's service offer to residents.

## CONSULTATION:

43. A joint letter from the Leader of the Council and Chief Executive in October 2016 outlining the JV, programme of work and benefits went to third party organisations, including Surrey's District & Borough Councils, along with other public sector organisations across the South-East.

## RISK MANAGEMENT AND IMPLICATIONS:

### Corporate risk

44. In progressing these arrangements SCC will be participating in additional risks through development activity. By entering into a JV with an established national partner who has significant experience in developing, constructing and managing completed assets across the country the Council will mitigate and manage these risks.
45. IB will evaluate the options for each scheme on the basis of a robust business case that will consider a range of scenarios. The scenarios will take into account current and future market trends.
46. To manage the performance of the JV there will be an open book approach and provision of monthly management accounts and annual audited statutory financial reports. The performance of the JV will be measured through an agreed set of KPI's which will be reviewed by the Strategy Board.
47. SCC is committed to facilitating regeneration initiatives and the JV will look at wider programmes to work with public sector partners to assist in delivering comprehensive initiatives to the benefit of Surrey residents. An ability by the JV and Orbis Property Team to create a joined up approach to drive the programme is key.

### Procurement

48. There is a potential risk from unsuccessful bidders that may wish to challenge against the contract award however by following an EU compliant procurement process these risks have been mitigated.
49. Throughout the procurement process all clarification questions were answered, logged and distributed to all bidding contractors via the Surrey portal with the exception of specific commercial information requests from bidders.
50. All communication with the bidders and exchange of documentation was carried out within the Surrey's SE Shared services e-Sourcing Portal, to meet the EU treaty principles of transparency creating a clear audit trail compliance.
51. The protocol of the process was set out in the Selection Questionnaire and was followed, meeting EU treaty principles of running an open, fair and transparent process.
52. Bidders were tested on their methodology, approach and ability to provide services in line with SCC's anticipated requirements. Bidders were evaluated on:

- Quality - carrying an overall weighting of 60%; split in to four sections;
  - i. Business Plan (19%)
  - ii. Options exercise (21%);
  - iii. Delivering the Value Chain (12%);
  - iv. Asset Management & Interim Income (8%);
- Financial submissions - 30% weighting;
- Legal - 10% weighting.

53. This comprised a blend of questions which required Bidders to demonstrate elements such as; how relevant decisions will be taken; how options will be identified and assessed; how outcomes will be justified; how risks will be identified, managed and mitigated; and how the JV will be accountable for the relevant activities. SCC wanted to test these areas to ensure the appointed partner has the relevant skills and experience capable of delivering the scope of works required by the Council.
54. Through the qualitative process bidders were given briefs on three test sites and asked to demonstrate their methodology; including site logistics and design, performance measures, technical and resourcing abilities. Whilst also clearly setting out their optimisation of return in line with SCC's core objectives.
55. Prospective partners were asked to demonstrate their experience, expertise and ability to flex capacity without incurring disproportionate costs, through leveraging their integrated supply chains.

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

56. An objective of the JV is to utilise the Council's identified assets to deliver an ongoing income stream or an enhanced capital receipt. The aim is to offset the impact of the reduction in government grants by growing income streams from a residential portfolio and mixed use schemes over the longer term and to protect service provision, while minimising the burden on the local council tax payer.
57. SCC reserves the right to provide working capital to the JV alongside PfP. This is dependent on SCC's appetite to risk, evaluated on a site by site basis. The default position is that working capital required for development activities will be loaned to the JV 100% by PfP which will be repaid from the JV revenues before distribution of profit.
58. If the Council opts to fund investments it will do so through its reserves, capital receipts and prudential borrowing; under the Council's powers. Any borrowing required would need to be made in accordance with the conditions of the Prudential Code, which includes the Council approving any changes required to the prudential indicators. The Code requires borrowing to be affordable, sustainable and provide value for money. The return on any investment would therefore need to be in excess of the capital financing costs of the borrowing, which consist of the interest payable and the statutory Minimum Revenue Provision (MRP) that sets aside funds for the repayment of the borrowing.

59. All sites to be developed under the JV will require a robust business case to guarantee that sites are providing value for money. Each site or basket of sites will undergo options appraisal in order to evaluate development of the site(s) and ensure the return on investment and/or uplift in value is secured.
60. The Part 2 paper explains the commercial methodology.

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

61. The Investment Strategy and the creation of a joint venture development company will have a positive financial impact and alter the risk profile of the Council. The proposal will enable the council's surplus sites to be developed, increasing the number of development projects that are underway at any one time. Development risks will however be mitigated by the engagement of an experienced partner. The proposal will contribute to the achievement of the income target of £10m expressed in the Investment Strategy Review approved by Cabinet in March 2017. Consideration will be given on how to reflect the progress being made toward this target as part of the Medium Term Financial Planning refresh.
62. The proposal recommended in this paper sets out the framework and methodology for the engagement of Places for People as a joint venture partner and as a supplier to the joint venture. The governance arrangements require that each development proposal is made on the basis of a robust business case, supported by the Investment Board and approved by Cabinet. A range of options will be tested for each of the council's assets and full and due proper consideration will be given to the balance between risk and reward.
63. The Department for Communities and Local Government (DCLG) has recently published a consultation on its proposed changes to Investment & Minimum Revenue Provisions guidance. If fully implemented these proposals could have an impact upon the financial appraisals for each development scheme. Councils are currently seeking clarity on the guidance as there are inconsistencies in the proposals however this clarity should be forthcoming well in advance of any individual development business cases being presented to Cabinet for approval.
64. The representatives of the Council on the joint venture board will have authorisation to undertake the day-to-day decision-making of the company in accordance with the approved business plan and approved site development plans.
65. The joint venture will be arranged as a Limited Liability Partnership (LLP). This is beneficial since a LLP is "transparent for tax" meaning that tax is paid in accordance with each member's tax status and therefore no corporation tax will be payable on development profits since SCC is a non-tax paying entity. A LLP is also transparent for reporting purposes meaning that a 50% share of all profits and losses will be reported in the council's group accounts. It is expected that, due to the nature of the activities being undertaken, that a loss will be reported for at least the first 3 years of operation since there will be significant development spend in advance of delivering any profits. This loss will however not impact upon the council's own financial position since it will be held at arm's length in the LLP.

66. The arrangements mean that the development costs will not be borne by the Council since they will be recouped from the sale of residential units once developed. The LLP's cash flow requirements will be provided by the initial working capital loan provided by PfP. The council is able to provide development finance to the company and will do so if it is financially beneficial. Any loan provided will be required to be on an arm's length transparent basis commensurate with prevailing market conditions. The detailed financial structuring of each development will be considered as part of the options appraisal and be based upon specialist advice.

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

67. Under Section 2(1) of the Local Authorities (Land) Act 1963 a local authority has extensive development powers and may, for the benefit or improvement of their area, erect, extend, alter or re-elect any building and construct or carry out works on land, The General Power of Competence in Section 1 of the Localism Act 2011 allows the Council to do anything which an individual may do, anywhere in the United Kingdom or elsewhere, subject to some limitations and restrictions. Taken together, these powers enable the Council to enter into a Limited Liability Partnership joint venture to undertake residential development so long as the primary aim in doing so is in fulfilment of a public function and not for a commercial purpose.
68. The Council appointed Bevan Brittan LLP as external legal advisors to facilitate the procurement and creation of the joint venture. To ensure its selection of a partner was open, transparent and reflected the best value for money the Council could achieve, it followed an EU procurement compliant process under the Concession Contracts Regulations 2016.
69. Once a development has been completed the Council may dispose of land or individual units to any purchaser under Section 123 of the Local Government Act 1972. In doing so, the Council must ensure that it obtains the best value reasonably obtainable.
70. The Council will exercise any member decisions of the LLP through its existing governance arrangements for the Shareholder Board. The reserved matters over which the Council and PfP must reach agreement on are set out in Schedule 4 of the Members' Agreement. In the event of agreement not being reached there are significant deadlock provisions built into the Members' Agreement to facilitate resolution.
71. The Council will be acting as the equivalent of shareholder, director, client, funder and public authority in its interactions with the joint venture. The relevant members and officers will need to be cognisant of the different roles and responsibilities they will be assuming as part of the governance arrangements. The separation of decision making between the management of the joint venture and the Council as shareholder/client will be of particular importance. Legal Services will provide advice and guidance to ensure robust decision making at every stage.
72. In entering into the joint venture Cabinet Members will want to satisfy themselves that it represents an appropriate use of the Council's assets. Members should note that no obligation exists within the contractual framework to provide sites for development by the joint venture and so future changes in the Council's requirements will not be prejudiced.



### **Equalities and Diversity**

73. There are no equalities and diversity issues for the Council in undertaking this proposal.

### **Climate change/carbon emissions implications**

74. The intention will be for all developments to be designed and built to the latest Building Regulations and take into account the Home Quality Mark developed by the Building Research Establishment Environmental Assessment Method.

### **WHAT HAPPENS NEXT:**

75. Cabinet Member for Property and Business Services; Acting Chief Executive; Chief Property Officer are to:

- i. authorise legal services to enter into a contract with Places for People;
- ii. approve the detailed arrangements in order to set up a Limited Liability Partnership (LLP) and the Joint Venture Board with PfP.

76. Shareholder Board to appoint nominated representatives to the LLP Strategy and Joint Venture Board and approve its Annual Business Plan.

Contact Officer:

Peter Hopkins, Lead Asset Strategy Manager  
Tel: 020 8213 2787

Sources/background papers:

1. Strengthening the Council's Approach to Innovation: Models of Delivery (Cabinet March 2013)
2. Investment Strategy (Cabinet July 2013)

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**SURREY COUNTY COUNCIL****CABINET****DATE: 14 DECEMBER 2017****REPORT OF: MR TIM OLIVER, CABINET MEMBER FOR PROPERTY AND BUSINESS SERVICES****MR COLIN KEMP, CABINET MEMBER FOR HIGHWAYS****LEAD LUCY MONIE, HEAD OF HIGHWAYS & TRANSPORT****OFFICER: ROSS DUGUID, ACTING ASSISTANT DIRECTOR OF PROCUREMENT AND COMMISSIONING****SUBJECT: AWARD OF FRAMEWORK AGREEMENT FOR THE PROVISION OF ADVERTISING SERVICES FOR STATUTORY NOTICES****SUMMARY OF ISSUE:**

This report seeks approval for the Council to award a framework agreement to TMP Worldwide for the provision of Advertising Services for Statutory Notices to commence on 1 March 2018.

The advertisement of Statutory Notices in relation to orders under the Road Traffic Regulation Act 1984 is governed by the Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996 and the Road Traffic (Temporary Restrictions) Procedure Regulations 1992. Under these Regulations the Council has a statutory duty as the Traffic Authority to publish two notices in the press for both permanent and temporary Traffic Orders.

This report outlines the procurement process undertaken, including the results of the tender evaluation. When considered in conjunction with the Part 2 report, it demonstrates why the recommended framework award will deliver value for money, quality and consistency across the Council's Statutory Notices.

Due to the commercial sensitivity involved in the framework award process, the names of the bidders and their financial details have been circulated as a Part 2 report.

**RECOMMENDATIONS:**

It is recommended that:

The framework agreement is awarded to TMP Worldwide for three years from 1 March 2018 with an option to extend for one period of one year.

Over the full term of the framework, the anticipated value is £1.4m (approximately £368,000 per annum).

**REASON FOR RECOMMENDATIONS:**

The Council has a contract for Advertising of Statutory Notices, which is due to expire on 28 February 2018 and needs to be replaced.

The Council conducted an Official Journal of the European Union (OJEU) tender process, in compliance with the requirements of the Public Contracts Regulations 2015 and the Council's Procurement Standing Orders.

A thorough evaluation process has identified awarding the framework to TMP Worldwide will provide the Council with the best value for money.

## **DETAILS:**

### **Business Case**

1. The advertisement of Statutory Notices in relation to orders under the Road Traffic Regulation Act 1984 is governed by the Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996 and the Road Traffic (Temporary Restrictions) Procedure Regulations 1992. Under these regulations the Council has a statutory duty as the Traffic Authority to publish two notices in the press for both permanent and temporary Traffic Orders. Extracts from the regulations are attached to this report in Appendix I - Road Traffic Regulation Act 1984.

### **Legal Advice**

2. The requirement to publish Statutory Notices in paper publications has been reviewed with Highways against more cost effective options, such as using a digital technology platform e.g. the Council's website. Advice has also been sought from Orbis Public Law regarding alternative methods. The requirement is that the advertising regulations need to be followed to the letter.
3. Other local authorities (for example, East Sussex County Council, Brighton & Hove City Council and Hampshire County Council) have confirmed that they also publish notices in the appropriate paper publications.
4. Therefore, the Council has an ongoing requirement for the co-ordination of advert placement for Statutory Notices and general advertising requirements, including (but not limited to) formatting, proof reading and booking of media space. This requirement needs to be delivered after the expiry of the existing contract at the end of February 2018.

### **Background and Options**

5. After a full and detailed options analysis, several procurement routes were considered in the Strategic Sourcing Plan and presented to the Sourcing Governance Board on 25 July 2017 prior to commencing the procurement activity. These were as follows:
  - a. Conduct an OJEU tender for Statutory Notices Advertising – this was the recommended and approved route for the reasons stated under paragraph 9 below;
  - b. Conduct a mini-competition under the ESPO Advertising Solutions Framework – this option was discounted because the Council wanted to give a wider range of local suppliers the opportunity to bid for the framework agreement and as the current contract has worked really well, conducting an OJEU tender allowed the Council to ensure the

- requirements previously specified could be covered as a minimum for further improvement;
- c. Go directly to newspapers to advertise notices - this option was discounted because the Council would miss out on the following benefits of using an agency: shorter timescales; the ability to group notices to improve economies of scale; typesetting services to reduce errors; proof reading; additional time spent by the Highways team merging the notices to save on costs; and long established relationships with newspapers and favourable rates. Additionally, this route would have been approximately 38% more expensive than the current provision;
  - d. Do nothing – this option was discounted because Orbis Public Law advised that the Council is required by law to publish Statutory Notices. The Council's spend is over the EU Threshold therefore is legally obliged to go to the market.
6. Subsequent to obtaining authority from the Sourcing Governance Board, Procurement and Highways Officers conducted an open OJEU tender process, following advertisement of the opportunity in the OJEU on 21 August 2017. This was deemed the most appropriate route and selected because:
- a. The Council could seek to achieve efficiencies, improve the quality of the service and obtain a best value and innovative fully managed solution by giving suppliers an opportunity to compete;
  - b. The Council could tailor the tender to their requirements and ensure other Orbis Partners and Districts and Boroughs would have the ability to access the framework agreement;
  - c. Social value considerations and the Social Value Charter could be incorporated within the tender. None of the existing frameworks had included this element and were therefore non-compliant for the Council's purposes.
7. When drafting the tender documents, Procurement and Legal Services agreed that a framework agreement would be most appropriate for Advertising Services for Statutory Notices as the nature of the requirements are ad hoc and volumes could not be guaranteed. In addition, a framework agreement would allow other authorities, including Orbis partners and Districts and Boroughs to be named on the OJEU notice and therefore able to use the framework at their discretion.
8. The tender specification sought the following benefits from the successful Bidder:

- a. Efficient and accurate advertisement of Statutory Notices;
- b. Flexibility of deadlines to ensure adverts are placed by the required date of publication;
- c. A good knowledge of and relationships with national and local publications in which the Council place Statutory Notices;
- d. To develop an understanding of the services the Council provides, in order to produce effective advertisements;
- e. Ability to promptly supply certified copies of advertisements with invoices;
- f. Work with the Council to develop consistent practices for all Statutory Notices;
- g. Demonstrate best Value for Money and deliver ongoing cashable and non-cashable efficiency savings;
- h. Ensure that quality of service is maintained and improved;
- i. Provide a single point of contact for managers;
- j. Provide accurate electronic invoices and necessary information to Council departments so they can manage the finance of advertising effectively;
- k. Deliver a streamlined electronic process for managers;
- l. Provide real time Management Information on usage and spend.

### **Tender Process**

9. The Council conducted a tender process via an open tender procedure following advertisement of the opportunity in the OJEU on 21 August 2017. Eleven suppliers expressed an interest in the tender opportunity, out of which, three suppliers submitted responses to the invitation to tender. These were evaluated against the criteria and weightings described in the Part 2 report.
10. A procurement and project team was set up to include representatives from Highways.
11. The tender evaluation was scored on two components with the following weightings: quality questionnaire (60%) and price schedule (40%).

### **Key Implications**

12. The framework agreement is for the period from 1 March 2018 to 28 February 2022 (including one further one year extension period).
13. The framework agreement sets out the terms and conditions under which specific purchases known as “call-offs” can be made on behalf of the Council during the term of the framework agreement.
14. Performance will be monitored through a series of robust key performance indicators and reviewed at contract management meetings.
15. The management responsibility for the framework agreement lies with the Highways Service and will be managed in line with the contract management strategy and plan as laid out in the framework documentation which also provides for review of performance and costs, including efficiency savings from identified continuous improvements in performance.

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

16. The framework agreement has been prepared jointly by Orbis Procurement, Orbis Public Law and representatives from Highways.
17. Key risks associated with the framework have been identified, along with mitigation activities.
18. The incumbent supplier has confirmed that the Transfer of Undertakings (Protection of Employment) Regulations 1981 will not apply to any of their employees for this service.
19. The framework terms and conditions include various termination clauses including a termination for convenience clause, which will allow the Council to terminate the framework for any reason should priorities/requirements change.
20. TMP Worldwide provided complete and compliant invitation to tender submissions and passed the mandatory and optional exclusion questions including financial checks.

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

21. Full details of the framework value and financial implications are set out in the Part 2 report. The total anticipated framework value is £1.4m (approximately £368,000 per annum).
22. Bidders provided pricing against a price schedule and the successful bidder offered the most economically advantageous tender both in terms of price and quality. A saving of approximately 8% is anticipated against the current contract and the framework will be monitored through the term to measure actual savings delivered.
23. It is anticipated that the framework agreement will also deliver efficiency savings and Social Value benefits, further details are set out in the Part 2 report.
24. The framework agreement sets out clear performance objectives and key performance indicators stating reporting requirements and the service levels to be delivered under the framework along with benchmarking/market testing to be conducted by the Council/supplier.

### **Section 151 Officer Commentary**

25. The Section 151 Officer can confirm that the costs of the proposed framework agreement for Statutory Notices Advertising Services are within the budget envelope for these services included within the Medium Term Financial Plan, and represent a saving against current costs as set out in this paper.
26. 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 meet its statutory responsibilities, and will do so at a reduced cost compared to

current arrangements. 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**

27. A thorough evaluation was done of suppliers' bids and the tender process was conducted correctly via the Official Journal of the European Union. The recommended supplier has been selected in accordance with Public Contract Regulations 2015 and the Council's Procurement Standing Orders. The recommended supplier will provide the best value for money and also provide social value benefits to Surrey.
28. The advertising procedures, relating to permanent and temporary Traffic Orders under the Road Traffic Regulation Act 1984, are governed by the Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996 and the Road Traffic (Temporary Restrictions) Procedure Regulations 1992. Under these regulations the Council has a statutory duty as the Traffic Authority to publish two notices in the press for both permanent and temporary Traffic Orders. In relation to permanent orders, traffic authorities are also required to take such other steps as they consider appropriate for ensuring that adequate publicity about the order is given to persons likely to be affected by its provisions, such steps including publication in the London Gazette.

#### **Equalities and Diversity**

29. There is no requirement for an Equality Impact Assessment (EIA) as there are no implications for any public sector equalities duty due to the nature of the services being procured. However, all suppliers are required to comply with the Equalities Act 2010 and any relevant codes issued by the Equality and Humans Commission. In addition, the successful bidder was required to agree to the Framework Terms and Conditions which included provisions for the Equalities Act 2010 in order to deliver services which would help the Council meet its statutory duties. The successful bidder accepted the terms and conditions.

#### **WHAT HAPPENS NEXT:**

30. The timetable for implementation is as follows:

<b>Action</b>	<b>Date</b>
Cabinet decision to award (including 5 day 'call in' period)	27 December 2017
'Alcatel' Standstill Period	2 January 2018 to 12 January 2018
Contract Signature	19 January 2018
Contract Commencement Date	1 March 2018

31. The Council has an obligation to allow unsuccessful bidders the opportunity to challenge the proposed framework award. This period is referred to as the 'Alcatel' standstill period.



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**Contact Officer:**

Laura Hughes, Procurement Manager, 07815 548 950

**Consulted:**

Orbis Procurement

Orbis Public Law

Highways Team

## Appendix I - Road Traffic Regulation Act 1984

Below are extracts from the regulations stating the requirement to publish the two notices (one prior to the Order being made and another after the Order has been sealed and made, but prior to its operation):

### **The Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996**

#### Publication of proposals

7. (1) An order making authority shall, before making an order,—
- (a) publish at least once a notice (in these Regulations called a “notice of proposals”) containing the particulars specified in Parts I and II of Schedule 1 in a newspaper circulating in the area in which any road or other place to which the order relates is situated;
  - (b) n/a
  - (c) Take such other steps as it may consider appropriate for ensuring that adequate publicity about the order is given to persons likely to be affected by its provisions and, without prejudice to the generality of this subparagraph, such steps may include.....publication of a notice in the London Gazette

#### Making an order and bringing it into force

16. (3) No provision of an order shall come into force before the date on which the order making authority intend to publish a notice of making as respects the order.

17. (2) The order making authority shall, within 14 days of the making of the order-

- (a) publish in a newspaper circulating in the area in which any road or place to which the order relates is situated, a notice (in these Regulations called a “notice of making”)
  - (i) stating that the order has been made; and
  - (ii) containing the particulars specified in Parts I and III of Schedule 1;
- (3) n/a

- (4) The order making authority shall take such other steps of the kinds referred to in regulation 7(1)(c) (*see above*) as it considers appropriate for ensuring that adequate publicity is given to the making of the order.

### **The Road Traffic (Temporary Restrictions) Procedure Regulations 1992**

#### Procedure for making a temporary order

3. (1) Subject to the following provisions of this Part, this regulation makes provision for the procedure to be followed in connection with the making of an order under section 14 of the 1984 Act.

(2) Not less than 7 days before making an order, the traffic authority shall publish notice of their intention to make the order in one or more newspapers circulating in the area in which any road to which the order relates is situated.

(3) The notice mentioned in paragraph (2) above shall state —

- (a) the reason or purpose mentioned in section 14(1) of the 1984 Act for the making of the order;
- (b) the effect of the order and, where applicable, the alternative route or routes available for traffic; and
- (c) the date on which the order would come into force and its maximum duration.

(5) Within 14 days after making the order the traffic authority shall publish a notice of the making of the order in one or more newspapers circulating in the area in which any road to which the order relates is situated.

(6) The notice mentioned in paragraph (5) above shall state —

- (a) the reason or purpose mentioned in section 14(1) of the 1984 Act for the making of the order;
- (b) the effect of the order and, where applicable, the alternative route or routes available for traffic; and
- (c) the date on which the order will come into force and its maximum duration.

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**SURREY COUNTY COUNCIL****CABINET****DATE: 14 DECEMBER 2017****REPORT OF: MR MIKE GOODMAN, CABINET MEMBER FOR ENVIRONMENT AND TRANSPORT****LEAD OFFICER: JASON RUSSELL, DEPUTY DIRECTOR, ENVIRONMENT & INFRASTRUCTURE****SUBJECT: PAY & CONSERVE, CAR PARK CHARGING ON THE COUNTRYSIDE ESTATE****SUMMARY OF ISSUE:**

Surrey County Council owns 6,500 acres of the Surrey countryside, all of which is open to the public. Ranging from the healthland of Ockham and Wisley Commons to the downland and woodland of Norbury Park and a network of 3,400 kilometres of Rights of Way, Surrey's Countryside is an integral part of what makes Surrey a wonderful place to live. Since 2002, the County Council has contracted with Surrey Wildlife Trust (SWT) to manage 6,500 acres of the Countryside Estate and a further 3,500 acres of land management under access agreements, in order to deliver biodiversity, landscape and access benefits. The County Council's vision is for a financially sustainable Estate which is protected and enhanced for future generations.

Ongoing pressure on local government funding has meant the County Council has had to find savings in this and many other areas and since 2014 has, in the face of severe funding pressures, been working with SWT to identify new ways of generating income in order to ensure the financial sustainability of the countryside estate. In that period, the value of the contract payment to SWT has fallen from £953,000 per annum to £575,000 with a plan to reduce that figure to £0 by 2020/21. As well as environmental grants that support SWT's work, income is derived from property on the estate and trading and other activities such as events, location filming and weddings.

In line with a strategy pursued by many other landowners, the option of charging for car parking has been investigated as a potential source of income to support the county council's vision. This paper sets out a proposed approach to car park charging. The proposal is based on public consultation carried out during Autumn 2017.

**BACKGROUND**

1. In addition to the Countryside Estate, the County Council's countryside function includes our statutory responsibility to manage the Rights of Way Network, the management of the Basingstoke Canal as well as support for a number of local countryside partnership and the Surrey Hills Area of Natural Beauty. The

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County Council also administers the Rural Development Programme for England: LEADER (Liaison Entre Actions de Developpement de l'Economie Rurale) fund to support the rural economy and seeks funding to deliver improvements in the countryside.

2. The County Council works with SWT who are contracted to look after the estate on our behalf. SWT makes sure that paths can be safely used, dangerous trees and branches are made safe, sensitive habitats and species are protected and litter is removed. They also make sure residents can get to the countryside, which normally means providing somewhere for them to park. The contract is managed and monitored through a set of KPIs to ensure effective performance.
  3. The current management cost of the SWT-managed Countryside Estate is £2.1million per annum of which the County Council contributes £575,000 directly in a contract payment, with a further 27% in income from the property on the Estate and 28% from trading and other activities associated with the Estate. The remainder is funded through environmental grants (16%) from external sources.
  4. Overall, the County Council's funding for its countryside functions has reduced from £2.6m in 2014/15 to £1.6m in 2017/18 with an MTFP savings target to move to an annual budget of £1m by 2020/21. This is as a result of the ongoing reductions in local government funding and the increase in demand pressures on statutory services, in particular social care and school place provision.
  5. In order to ensure the financial sustainability of the countryside can be secured, Surrey County Council has been working closely with SWT since 2014 to develop and deliver a business plan for the estate. The plan is updated annually and includes a range of activities that can generate income to support our overall vision. The plan is scrutinised by the County Council's Environment & Infrastructure Select Committee. This includes activities such as development of a woodfuel business, securing funding from other sources such as the Local Enterprise Partnerships and charitable trusts and income generating activities such as events and location filming.
  6. In addition, in common with many other landowners such as the National Trust and Park Authorities, the opportunity to generate income from the introduction of car park charges has been investigated. There are over 30 car parks across the Estate, which range from formalised car parks with the capacity for 190 cars to informal car parks with just a few spaces. The County Council undertook a public consultation to gather views from residents and local organisations about the concept of charging for parking in order to support the management of the estate. The consultation ran from September to November 2017 for a period of six weeks. A total of 1,258 responses were received, the majority from residents with additional responses from 7 organisations.
  7. This paper sets out the results of that consultation and a proposed approach to the introduction of car park charges at the busiest countryside sites, namely:
    - Chobham Common (6 car parks)
    - Whitmoor Common (2 car parks)
    - Norbury Park (3 car parks)
    - Ockham Common (3 car parks)
    - Rodborough Common (1 car park)
-

8. On 29 November 2017 a report was taken to the Environment and Infrastructure Select Committee asking them to consider the output from the consultation, comment on the proposed options and provide a view on the preferred option.

#### **RECOMMENDATIONS:**

It is recommended that:

- i. Charging is introduced at the 5 busiest sites, as detailed in paragraph 7 above.
- ii. Income from car park charging is ring-fenced for the benefit of the Surrey Countryside.
- iii. The initial decision on setting tariffs is agreed as set out in paragraph 27 below and thereafter forms part of the annual review process for fees and charges.

#### **REASON FOR RECOMMENDATIONS:**

9. In order to ensure a secure future for the Countryside Estate in the stewardship of the County Council and Surrey Wildlife Trust, a steady revenue stream is critical. Surrey Wildlife Trust is working with the County Council to develop a range of opportunities to produce that income and help to protect and enhance the Countryside Estate.
10. The Countryside Estate is greatly valued by the public, however it is coming under increasing pressure from reducing budgets. The best way to protect and enhance the countryside for the future is to make the Estate self-funding. Paying for parking is an accepted cost of going to the countryside, demonstrated by the many sites that charge and are still very busy.
11. Without funding, the countryside will become more inaccessible, overgrown and littered. A small car park on the countryside estate needs regular collection of rubbish and litter collection, cutting back of the trees and bushes round the edges, and making dangerous trees safe. There are additional costs when repairs are needed after vandalism of information signs and benches, when barriers need replacing, or when re-surfacing and other infrastructure work is needed in the car park and along waymarked trails leading from it. Income from car park charges can help address these issues and support our vision to improve the biodiversity, landscape and access to this valuable asset
12. The results of the consultation show us that the public would prefer not to pay to use the car parks but without income the result would be a deterioration in the quality of the estate and in access to the estate, such as the closure of car parks. Of the payment options available, cash would be the most acceptable to the public. However there are high operational costs and the risk of theft and vandalism as a result other authorities and charities are currently reviewing this method of charging. The next most popular payment option was by card (some 95% of adults in the UK now have bank cards).
13. Many countryside car parks in Surrey and other rural areas make charges. Following financial assessment, the analysis of the Pay and Conserve Public

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Consultation and recommendations from the Environment and Infrastructure Select Committee, it is felt that the most appropriate way of generating the necessary income is to introduce charging at the 5 busiest sites with card-only Pay and Display machines plus the option to pay by mobile phone or to purchase an annual parking permit.

#### **DETAILS:**

#### **Pay and Conserve Consultation**

14. The Pay and Conserve consultation ran for a six-week period between September and November 2017. During that time, a mixture of digital, social and printed media was used, as well as printed media displays in car parks, district and borough council offices and libraries, in order to raise awareness and encourage participation.
15. The aim of the consultation was to give all residents an opportunity to comment on the possibility of car park charging, with a particular focus on residents in those areas most closely affected. The survey aimed to understand more about how people currently use sites, what they felt about paying to park, including how a scheme might be operated, and what the impacts of parking charges might be, for example on displacement parking. The full details of the consultation are set out in Annex 1 to this report.
16. During the period, a total of 1,258 individuals and organisations submitted their comments, the majority via a survey available online and in hard copy. Most of the responses were made by individuals in addition to 2 angling clubs, 1 local society and 4 Parish Councils.
17. The majority of people responding to the consultation, just under 85%, drive to sites, with 26% travelling for less than 10 minutes and 52% travelling between 10 and 30 minutes, with almost half staying between one and two hours. Most people visit to go walking, often with one other adult. A smaller number visit with children.
18. Perhaps not surprisingly, the vast majority of respondents do not support the introduction of car park charges, with half saying they would seek free parking elsewhere or avoid coming. When asked to express a preference, 74.6% of respondents did not want to pay for parking, with 15.6% supporting charging in all car parks as their first preference and 10.3% charging in some as their first preference. There was a very strong view that less well used car parks should not be closed to reduce overall management costs.
19. In terms of parking operation, cash payment was the most popular, with 59% of respondents, followed by card payment with 46% prepared to pay via this method. Only 33% of respondents were supportive of payment by phone.
20. The survey gave people the opportunity to add any other comments. Some of the issues identified included the risk of deterring people from visiting the countryside, impacting negatively on health and wellbeing and the ability of less well-off people to access the countryside. There were concerns about paying to access common land, and that residents were already paying through council tax. Comments in support of car park charging included that it was the fairest means to fund the management of sites and that funds raised should be ring-fenced for countryside management. The table below provides further details on these themes and the County Council's response.



<b>Key themes</b>	<b>SCC response</b>
Concern that the income from charging will be used for other SCC services	Subject to Cabinet approval the income will be ring fenced for the countryside and noticeboards will be put in the car parks with information to explain to visitors where the money is being spent.
There is a concern that volunteers will be charged	It is proposed to make arrangements for volunteers to park for free when they are volunteering
SCC should lobby Central Government to improve the central public investment in the countryside.	The Cabinet Member for Environment and Transport will continue to engage with the Secretary of State and other relevant ministers. The Secretary of State has been briefed on the issue of car park charging and other issues that threaten the future of the countryside.
The introduction of charging is seen as an form of additional taxation on the public that use the sites	The budgets for countryside management are being squeezed as the pressure on the overall County Council budget increases. This is unlikely to change in the next few years and therefore we need to find a way of making the budgets for countryside more resilient to these pressures. The best way of doing this is to generate an income from the countryside estate that can be ring fenced for the countryside budget. However it is not proposed to introduce car parking charges at all car parks on the countryside estate.
There is a negative impact of charging for those on a low income	We are aware this could be an issue, however this proposal would not introduce charging at all car parks. Surrey offers a wealth of greenspaces that can be accessed without charges. Charging could encourage positive environmental changes such as car sharing.
That the introduction of car park charging will have a negative impact on the health and wellbeing of users of the sites	The County Council and Surrey Wildlife Trust are aware of this point and have sought and received advice from other organisations that already charge for parking. There is a potential issue for people who cannot or will not pay, however this does not appear to translate into a lower number of people using the car park.
SWT members should not have to pay for car parking	Further investigation will be made to see if there could be more benefit for Surrey Wildlife Trust members.

### **The Proposed Approach**

21. SCC and SWT have been working closely together over a period of years to explore how to secure the financial sustainability of the Countryside Estate, both to maintain but also to enable ongoing improvements to the biodiversity,

landscape and access for the benefit of our residents and the natural environment.

22. A number of options are being developed to support this ambition, with car parking charges playing a key role in securing a sustainable income stream whilst ensuring that those that benefit more from the countryside make a contribution towards its maintenance and improvement. This is in line with many other landowners, including the National Trust, other local authorities and National Park Authorities.
23. The work to date has focused on the 5 most visited sites within the Countryside Estate that are owned by SCC and managed by SWT under a lease agreement. The five sites are:
- Chobham Common (6 car parks)
  - Whitmoor Common (2 car parks)
  - Norbury Park (3 car parks)
  - Ockham Common (3 car parks)
  - Rodborough Common (1 car park)
24. Collectively, there are 15 car parks that serve the five sites and monitoring figures suggest that there are 446,000 cars visiting the sites annually. The largest of these car parks accommodates some 20,000 vehicles per month with the smallest accommodating less than 1,000 in a month.
25. Based on usage data and assumed parking charges, a number of options have been explored which seek to balance value for money with public acceptability. More information on this is set out in the Business Case below.
26. In developing the options, comparable sites were considered. The table below sets out details of a number of local sites that charge for parking and the current tariffs in place.

<b>Length of stay</b>	<b>Box Hill (National Trust)</b>	<b>Frensham Little Pond (National Trust)</b>	<b>Alice Holt Forest (Forestry Commission)</b>	<b>The Lookout (Bracknell Forest Council)</b>	<b>Queen Elizabeth CP (Hants CC)</b>
Up to 1 hr	£1.50	£1.50	£1.80	£2	£1.80
Up to 2 hrs	£1.50	£1.50	£3	£2	£1.80
Up to 3 hrs	£4	£4	£4.50	£2	£3.50
Up to 4 hrs	£4	£4	£6	£2	£3.50
Up to 5 hrs	£4	£4	£8	£4	£3.50
>5 hours	£6	£6	£8	£4	£3.50

27. For the Surrey Countryside Estate, the proposed tariff is set out below, with an annual permit available at a cost of £60 which would be valid at all car parks at the 5 sites.

Up to 1 hour - £1.30  
Up to 2 hours – £2.60  
Up to 3 hours – £3.90  
Over 3 hours - £5.00

## Business Case

28. In order to develop the business case, five options were modelled, as follows:

Option 1: Do nothing – no charges are introduced at any of the sites.

Option 2: Voluntary Donation – a voluntary donation scheme is introduced at the sites.

Option 3: Cash payment – charging is introduced with the option to pay by cash, card or phone. Annual permit also available.

Option 4: Phone payment – charging is introduced with the option to pay by phone only. Annual permit also available.

Option 5: Card payment – charging is introduced with the option to pay by card or phone. Annual permit also available.

29. For each of the options, an assessment of the benefits and disbenefits were considered as set out below. The costs and income associated with each of the options is set out in paragraph 30 below.

### Option 1 No change

If no charges were made for car parking there would be no income generated to cover the cost of running the Countryside Estate.

The consequence of this option are:

- a) Car parks would continue to be free to use and available to all to access the sites. There would be no issue with displacement parking.
- b) As funding reduces, money would not be available to maintain car parks and the sites. This could lead to the closure of the car parks or the removal of other access facilities at the most popular sites on the Countryside Estate, resulting in falling visitor satisfaction and additional risks associated with the maintenance of car park surfaces and safe use of car parks and trails.
- c) This could lead to more insurance claims if the condition of the car parks deteriorates.
- d) This approach would mean there would be no funding available to invest in protecting and enhancing the countryside.

### Option 2 Introduce a voluntary donation in the busiest car parks.

Income would be collected via mobile phone payment, such as RingGo or similar, (i.e. no honesty boxes or payment machines). Soft enforcement would be in place with messages encouraging visitors to make a donation of a suggested amount.

The consequence of this option are:

- a) Car parks would be open to all, with the option to make a contribution. There would be no issue with displacement parking.
- b) Compliance, based on work by the National Trust, would be likely to be approximately 25%. Potentially this could be lower as this is County Council land, rather than land owned by a popular charity. It should be noted that Dartmoor National Park calculated that they received on average 15p per car via their voluntary donations and are now introducing a mandatory charge.
- c) Income from car park charging would make a minimal contribution to the Estate becoming self-funding and is projected to result in a funding shortfall, resulting in a reduction in levels of maintenance in car parks and at sites.

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This could lead to the closure of car parks and other impacts as set out in option 1 above.

- d) This approach would mean that there would be no funding available to invest in protecting and enhancing the countryside.

### **Option 3 Introduce car parking charges on the five busiest sites using cash and card collection**

Income would be collected via a mix of Pay and Display machines, accepting cash, cards and mobile phone payment. The smaller and least used car parks would offer card or phone payment only. An annual parking permit would be available for use at all 5 sites.

The consequences of this option are:

- a) Funding would be generated to support the ongoing maintenance and management of the countryside estate and enable the County Council to continue to improve the biodiversity, landscape and amenity value of the estate for future generations.
- b) The introduction of car park charges may deter some people from visiting the sites and displacement parking would need to be monitored and could be a problem in residential areas around the car parks.
- c) The costs of cash collection are significant and there are risks associated with having cash on sites, particularly in isolated rural areas, particularly in relation to theft and vandalism which could result in periods of time where meters are not operational and therefore income is lost.

### **Option 4 Introduce car parking charges across the five busiest sites using meterless payment methods only.**

Income will be collected via mobile phone payment and an annual parking permit scheme only (i.e. no Pay & Display machine).

The consequences of this option are:

- a) Funding would be generated to support the ongoing maintenance and management of the countryside estate and enable the County Council to continue to improve the biodiversity, landscape and amenity value of the estate for future generations.
- b) The introduction of car park charges may deter some people from visiting the sites and displacement parking would need to be monitored and could be a problem in residential areas around the car parks.
- c) Capital investment costs would be minimised as no meters would be required, with the focus being on clear signage.
- d) Annual costs would be minimised because this option removes the need for cash collection at sites and a banking service. All transactions are based on mobile based payment and an annual parking pass scheme using an online facility.
- e) No cash meters will reduce theft and vandalism, a common issue for isolated rural car parks.

### **Option 5 Introduce car park charging at the five busiest car parks using non-cash parking machines and pay by phone.**

Income will be collected via a mix of card-only Pay and Display machines, a pay by phone option and use of an annual parking permit.

The consequences of this option are:

- a) Funding would be generated to support the ongoing maintenance and management of the countryside estate and enable the County Council to continue to improve the biodiversity, landscape and amenity value of the estate for future generations.

- b) The introduction of car park charges may deter some people from visiting the sites and displacement parking would need to be monitored and could be a problem in residential areas around the car parks.
- c) The operational costs would be lower than with a cash option due to the fact that cash collection is not required.
- d) The fact that meters will not contain cash removes the risk of theft and significantly reduces the risk of vandalism.

30. The business case modelling was based on the proposed tariff as set out in paragraph 27 above. The modelling focused on options 3, 4 and 5 on the basis that option 1 would not generate any income and based on information from elsewhere, income from option 2 is likely to be minimal and unpredictable.

	Option 3: cash, card & phone <sup>1</sup>	Option 4: phone only <sup>1</sup>	Option 5: card & phone <sup>1</sup>
	£000s	£000s	£000s
Capital investment required in year 1 <sup>2</sup>	382	229	362
Total revenue <sup>3</sup>	6,816	6,830	6,816
Expenditure (including debt repayments)	5,633 <sup>4</sup>	3,074	3,675
<b>Net revenue<sup>3</sup></b>	<b>1,183</b>	<b>3,756</b>	<b>3,141</b>
<b>Average per annum net revenue</b>	<b>79</b>	<b>250</b>	<b>209</b>
Project NPV at 5.5%	546	2,057	1,693
Project IRR	19%	80%	48%
Project payback period	6 years	2 years	3 years

#### Notes

<sup>1</sup>Each option also includes the option to purchase an annual parking permit.

<sup>2</sup>Capital investment includes all costs associated with security, meters, signage and measures to mitigate displacement.

<sup>3</sup>Total revenue and net revenue figures are over 15 years.

<sup>4</sup>Expenditure for option 3 includes assumptions around level of vandalism per annum, based on data from other rural sites. It is assumed that 5 machines vandalised each year would cost £31k pa in replacement costs and lost income

#### Preferred Option Analysis

31. In order to assess the options to develop a preferred option the following criteria were considered:

- **The contribution to the financial sustainability of the countryside** – the extent to which the option could support the vision to protect and enhance the countryside for current and future generations.
- **Public acceptability** – the extent to which the option was likely to be acceptable to the public, based on the feedback from the consultation and experience from elsewhere.

32. Option 1 does not generate any income and, whilst in the medium term there may be other opportunities to generate income from other sources, the ability to generate sufficient income to offset funding reductions is limited. As such, this option would not support the financial sustainability of the countryside estate. Similarly with option 2, whilst some income may be generated, evidence from elsewhere suggests this is likely to be very low and is unlikely to make any meaningful contribution to the financial sustainability of the countryside estate.
33. Options 3, 4 and 5 all provide a positive business case, with net revenue making a positive contribution to the maintenance of the carparks and the wider estate. Option 4 (phone & permit only) provides the best return on investment. A cashless system with no meters on site will require a lower capital investment and incur lower annual running costs. The second most favourable return is provided by option 5, which also includes an option to pay by card, resulting in higher capital and running costs. The capital costs associated with option 3 are similar to those of option 5 but the running costs associated with option 3 are significantly higher due to the costs of cash collection and the risk of being subject to a high level of vandalism, theft and loss of income that results from having cash at the sites. As a result, the level of income generated for investment in maintaining the Surrey countryside is projected to be significantly lower with option 3 than either option 4 or 5.

### **Public Acceptability**

34. The results of the consultation show us that options 1 and 2 would clearly be the most preferable, as both would mean that people would not need to pay for parking. However, this would result in deterioration in the quality of the estate and in access to the estate, such as the closure of car parks, which would result in much lower amenity value and impacts on biodiversity and landscape value. A number of respondents to the consultation recognised the need for funding to pay for the countryside and emphasised the importance of the money raised being ring-fenced for protection and enhancement of the countryside.
35. Of the options that include charges (options 3, 4 and 5) option 3 the cash system, would be the most acceptable to the public as the consultation showed that 59% preferred to pay by cash. The next most popular payment option was by card at 46%. The consultation results showed that the least preferred payment option was the pay by phone only option.

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### **PREFERRED OPTION**

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36. Taking account of the assessments above, option 5 (card & phone payment plus annual permit) offers a system that balances financial return and public acceptability. Whilst in purely financial terms, option 4 would be preferable, the consultation made clear that many people would not be happy with a scheme where payment by phone or annual permit were the only options. As such, option 5 offers the additional option to pay using a card (around 95% of adults in the UK have a debit or credit card), but removes the very significant risks and costs associated with a scheme that includes cash payments.
37. The proposed scheme will have the following features:
- **Enforcement** – enforcement will be carried out as an extension to existing enforcement activity run by the County Council. This

arrangement provides flexibility in order to provide the client with the level and type of enforcement deemed appropriate for the sites.

- **Introduction** – the introduction of the charging will be combined with information for visitors, both to provide early warning of the charges and how the system will work and to provide information for visitors about how the income is being reinvested in Surrey's countryside. Wardens will be present during the early phase to answer questions and provide support. Information boards at the sites will provide more information on how the income from car parking is being reinvested in supporting the Surrey countryside.
- **Mitigation** – measures to mitigate the impacts of displacement parking will be critical. The County Council's parking team are advising on mitigation measures. As far as possible, measures will be appropriate and sympathetic to the local environment. Monitoring of displacement parking will be part of the early implementation plan and funding is built into the project to support rapid implementation of further mitigation once the scheme is implemented should the need arise.
- **Exemptions** – visitors to the car parks will be exempt from paying for parking if they are volunteering at the site or are blue badge holders.

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

38. The following risks have been identified as part of development of the project.

Risk Identified	Risk Management Actions
Negative publicity from the users of the car parks as a result of introduction of charging	Clear communication with users of the site about the reasons for the introducing charging, including how income from this is being used to protect the countryside. Seeking Cabinet approval to ensure that all money raised from car park charges is reinvested in protecting and enhancing the countryside.
Negative impact on those on low incomes	Whilst there are a number of rural car parks in Surrey that now charge for parking, there remain many green spaces in Surrey that can still be accessed by car without having to pay for parking, both in rural Surrey and in more urban areas. The cost of implementing a means tested payment system would be prohibitive but we will continue to monitor to identify if there is any evidence of people on low incomes being excluded from accessing green space.
Displacement parking on roadside verges	Advice has been sought with the SCC Parking Team and maps have been produced identifying the areas likely to be affected. Where necessary displacement parking measures will be implemented that are practical and sympathetic to the environment prior to any charges being implemented.

Vandalism, theft and loss of income	By implementing a cashless system the likelihood of this is significantly reduced.
Income levels that are significantly lower than projected, resulting in a reduced level of income to invest in the countryside	The business case has been modelled based on a set of assumptions, recognising that SCC has limited historic data about rural carpark income. For example, the model has assumed levels of decline, certainly initially, in levels of car park use.
Lack of capacity to effectively deliver the project	The County Council and SWT are working closely together to develop the project including assigning project management capacity to ensure that the scheme is effectively delivered.

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

39. The table in paragraph 30 above sets out the capital investment required to install the necessary equipment and signs. The table sets out the projected annual average income (after allowing for the revenue implications of capital borrowing) and the project payback period for the three options that have been modelled. Generating this income will allow SWT to help manage the planned reduction in local government funding and move the countryside estate towards a self-financing position and therefore continue to protect that part of the service from further pressure on local government funding. This will also help the service to meet the savings outlined in the Medium Term Financial Plan while continuing to manage the Estate.

### **Section 151 Officer Commentary**

40. 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.

41. This report sets out how the introduction of car parking charges on the countryside estate can help the council to deliver its Medium Term Financial Plan by moving the Countryside Estate further towards a self-funding position. The financial implications of introducing charges are set out in paragraphs 30 – 33 and 39. The preferred option does not produce the highest financial benefit but is considered by the service to present the best balance between financial benefits and public acceptability. Cabinet should also note that the exact level of income will be dependent on visitor numbers, would could vary from the level assumed.

42. The Council's Investment Panel are due to scrutinise the proposal on 12<sup>th</sup> December 2017, and should it be necessary following the scrutiny the Section 151 Officer will update this advice.



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

43. The Council, as landowner, is able to introduce charges for car parking on the chosen sites. The intention is that the arrangements will be managed on behalf of the Council by SWT under its existing lease.
44. The public sector equality duty applies to this decision. This means that, in deciding on the recommendations, members must have due regard to the need to advance equality of opportunity to people with protected characteristics, foster good relationships between such groups and eliminate any unlawful discrimination, which includes considering any disproportionate impact on any particular protected group. An Equalities Impact Assessment has been completed for the project and is annexed to this report, which members should take into account in making their decision.

### **Equalities and Diversity**

45. An Equalities Impact Assessment has been carried out for the project and is included in annex 2 to this paper. A summary of the impacts and key actions is set out below.

<b>Information and engagement underpinning equalities analysis</b>	Liaison Group Meetings, feedback from the public, stakeholders and interest groups.
<b>Key impacts (positive and/or negative) on people with protected characteristics</b>	Charging for parking may discourage people from using the site and therefore missing out on the health and wellbeing benefits of accessing the countryside but by not charging in all locations this provides an alternative for those who do not want to or cannot afford to pay.  The elderly may be less likely to own a mobile phone.  Investment in better infrastructure such as improved trails and surfaces will benefit people with mobility issues.
<b>Changes you have made to the proposal as a result of the EIA</b>	Preferred option to offer card as well as phone payment, recognising that some equalities groups may be less likely to feel comfortable using a pay by phone option.
<b>Key mitigating actions planned to address any outstanding negative impacts</b>	N/A
<b>Potential negative impacts that cannot be mitigated</b>	The imposition of a charge, necessary for the financial sustainability of the site, may stop some people from visiting the sites where car park charging is implemented but this does not differentially impact any equalities group.

## **Environmental sustainability implications**

46. Nature and landscape conservation and associated access facilities must draw on a budget for revenue costs and periodic capital works. It is considered reasonable for car parking charging to contribute to this budget; the alternative being for these costs to fall on the council tax payer generally or for landscape and habitats to come under threat through lack of management.
47. An independent ecological consultant has been appointed to carry out a Habitat Regulations Assessment Report (Stage 1) to screen for likely significant effects on Natura 2000 sites (Thames Basin Heaths SPA) that may arise as a result of introducing car park charging. This consultant will also prepare the Appropriate Assessment Report (Stage 2) that may be required by Natural England for this project and develop mitigation measures for the implementation of car park charging.

## **Public Health implications**

48. The County Council and Surrey Wildlife Trust work together to ensure that the Countryside Estate is open and accessible for the public to come and enjoy the countryside for health and wellbeing.
49. Without funding, the countryside will become inaccessible, overgrown and littered. A small car park on the countryside estate needs regular collection of rubbish and cutting back of the trees and bushes round the edges, and making dangerous trees safe. There are additional costs when repairs are needed after vandalism of information signs and benches, when barriers need replacing, or when re-surfacing and other infrastructure work is needed in the car park and along waymarked trails leading from it.
50. There is a risk of the public not visiting these sites as a result of car park charges, but there is little or no evidence from other local authorities and landowners to suggest that this is the case. We will also look at providing better access to sites by cycle and on foot as part of the future improvements that the income will make possible.

## **WHAT HAPPENS NEXT:**

Project Milestones:

<b>Activity</b>	<b>Month / Year</b>
Formal and informal consultation	July - Nov 2017
Project and business case development	Sept – Nov 2017
Securing necessary approvals	Nov – Feb 2018
Procurement and implementation	Feb - July 2018

### **Contact Officer:**

Lisa Creaye-Griffin. Countryside Manager, Environment and Infrastructure  
0208 541 9404

**Consulted:**

SCC Residents  
SCC Members  
District and Borough Members  
Secretary of State  
Liaison Groups  
Natural England  
SCC Highways Parking Team

**Annexes:**

Annex 1 - Analysis of the Pay & Conserve Consultation  
Annex 2 – Equalities Impact Assessment

**Sources/background papers:**

- Pay & Conserve Consultation
  - Environment & Infrastructure Select Committee Report – Pay & Conserve, Car Park Charging on the Countryside Estate. November 17
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## ANNEX 1

# Pay & Conserve Consultation Analysis

## Contents

- 1. Introduction**
- 2. Total Responses**
- 3. Frequency of visit, access and stay length**
- 4. Visitor numbers and parking locations**
- 5. How respondents use the sites they visit**
- 6. Problems and issues impacting visitor experience**
- 7. Views any on potential charging arrangements**
- 8. View on the option to close less well used sites in order to reduce the management costs**
- 9. Any other comments**
- 10. Full table of preference responses**
- 11. Table summary of letters and emails**
- 12. Equalities and other monitoring information**
- 13. Post code areas**

### 1. Introduction

The Pay & Conserve Consultation was launched on the 25<sup>th</sup> September and ran for 6 weeks. The purpose was to ensure that Surrey residents who use the countryside car parks, or want to use them in the future, have the opportunity to feed into the consultation. The consultation was for all Surrey Residents with a particular focus on residents living in the most impacted areas, Surrey Heath, Guildford and Mole Valley. A mixture of Digital, social and printed media were used with printed media displayed in the car parks, district and borough council offices and libraries.

This paper shows the number of responses received and summarises the responses to the SurreySays consultation.

Written responses via letter and email have been captured separately.

It should be noted that multiple choice questions did not have any restrictions on the number of entries. This means that respondents could select as many options as they felt applied.

### 2. Total Responses

Online, via SurreySays – 1234

Hard Copy – 8

Letters - 2

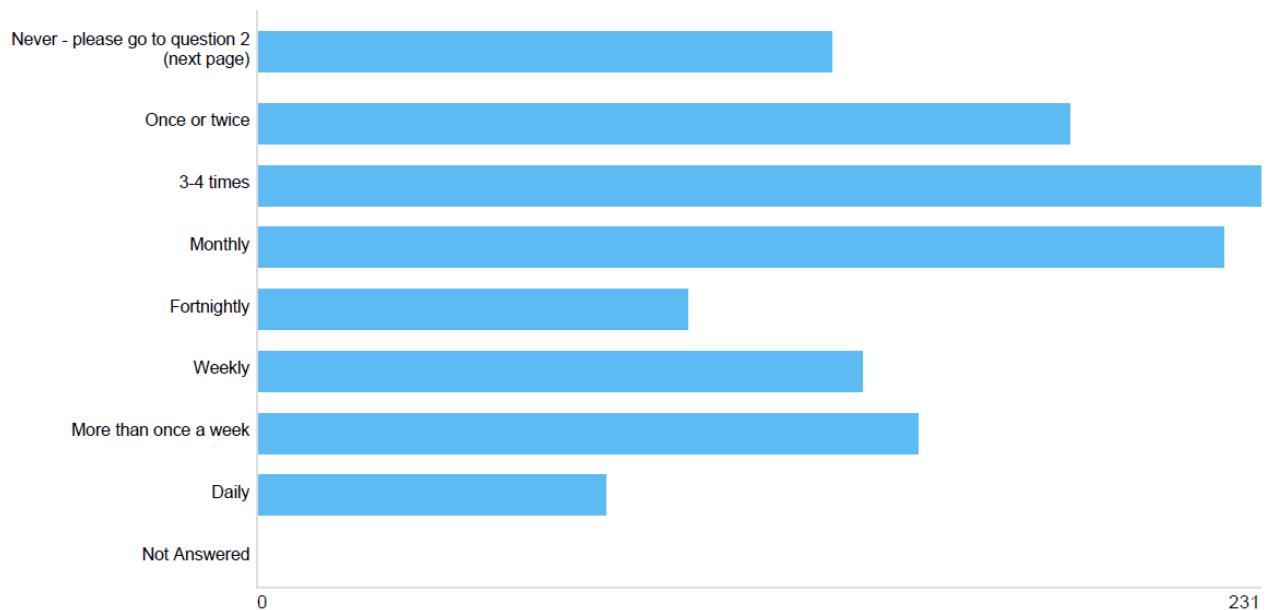
Emails – 13

Letters and emails were received from:

- Chobham, Ockham, West Horsley and Worplesdon Parish Councils
- The Chobham & District Angling Club
- The Chobham Society
- Members of the public

### 3. Frequency of visit, access and stay length

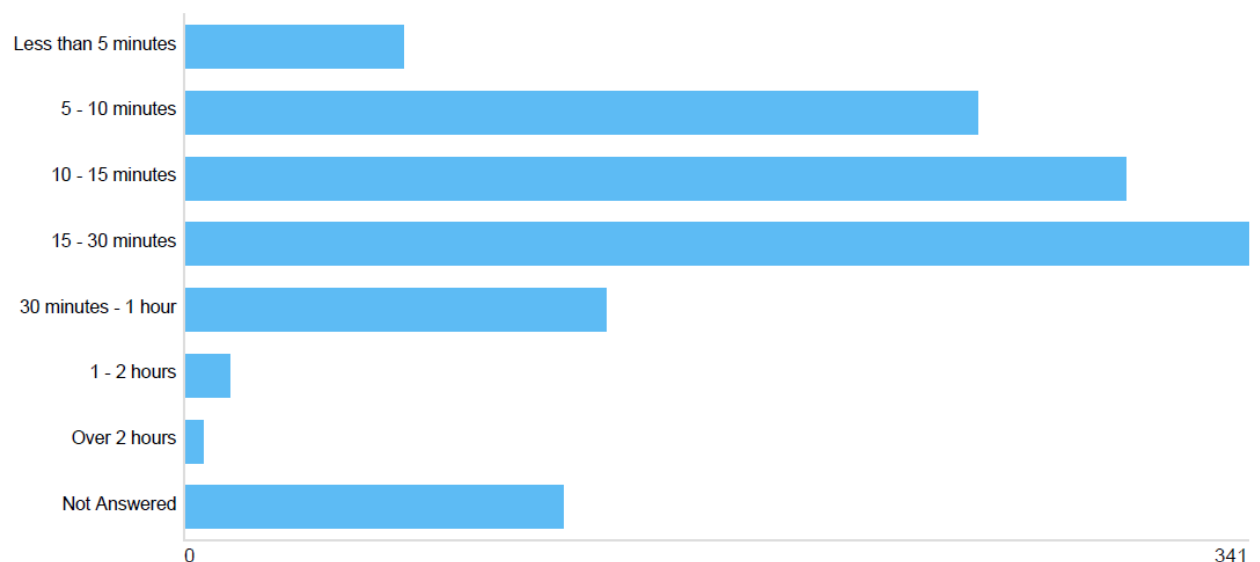
The table below shows the frequency of respondents visiting any of the sites in the consultation



#### a. How people are accessing the sites

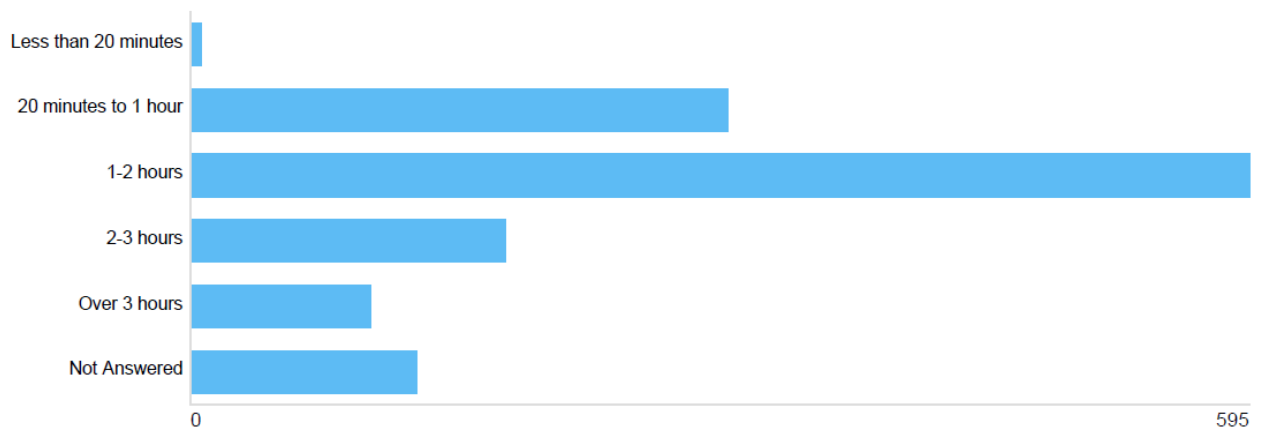
When asked how people got to the sites covered by the consultation, just under 85% of respondents stated they visit by car. Less than 7% said they did not drive.

The table below shows how long it takes people to get to the sites



Just over 26% of respondents travel for less than 10 minutes.  
 Just under 52% of respondents travel for between 10 – 30 minutes.  
 Only around 12% of respondents travel for more than 30 minutes.

**b. The table below shows stay length**



Nearly 50% of respondents to this question stay between 1-2 hours.  
Around 70% of respondents to this question stay less than 2 hours.

**4. Visitor numbers and parking locations**

**a. The table below shows where respondents said they have visited in the last 12 months**

Site	Visited	Not visited	Not answered
Wisley & Ockham Commons	551	541	150
Chobham Common	551	538	153
Norbury Park	421	665	156
Whitmoor Common	333	753	156
Rodborough Common	172	882	188

**b. The tables below shows where people park their cars when visiting each site**

**Chobham Common**

Option	Total
Jubilee Mount car park	120
Roundabout car park	273
Staple Hill car park	225
Monument car park	127
Fishpool car park	118
Longcross car park	162
Not Answered	706

**Norbury Park**

Option	Total
Fetcham car park	127
Young Street car park	198
Bocketts Farm car park	252
Crabtree Lane car park	118
Not Answered	834

### Rodborough Common

There were no responses to this question. This is likely because there is only one car park at Rodborough Common.

### Whitmoor Common

Option	Total
Salt Box Road car park	279
Britten's Pond car park	116
Not Answered	927

### Wisley & Ockham Commons

Option	Total
Boldermere car park	271
Pond car park	316
Wren's Nest car park	189
Not Answered	713

- c. The table below shows where people would park should any charging regime be introduced

Category	Count
I would keep parking where I usually do	225
I would seek free parking elsewhere within walking distance	633
I would avoid coming	665
I would keep parking where I usually do but visit less often	203

- d. Other comments of general locations

The table reflects the general locations where people may choose to park.

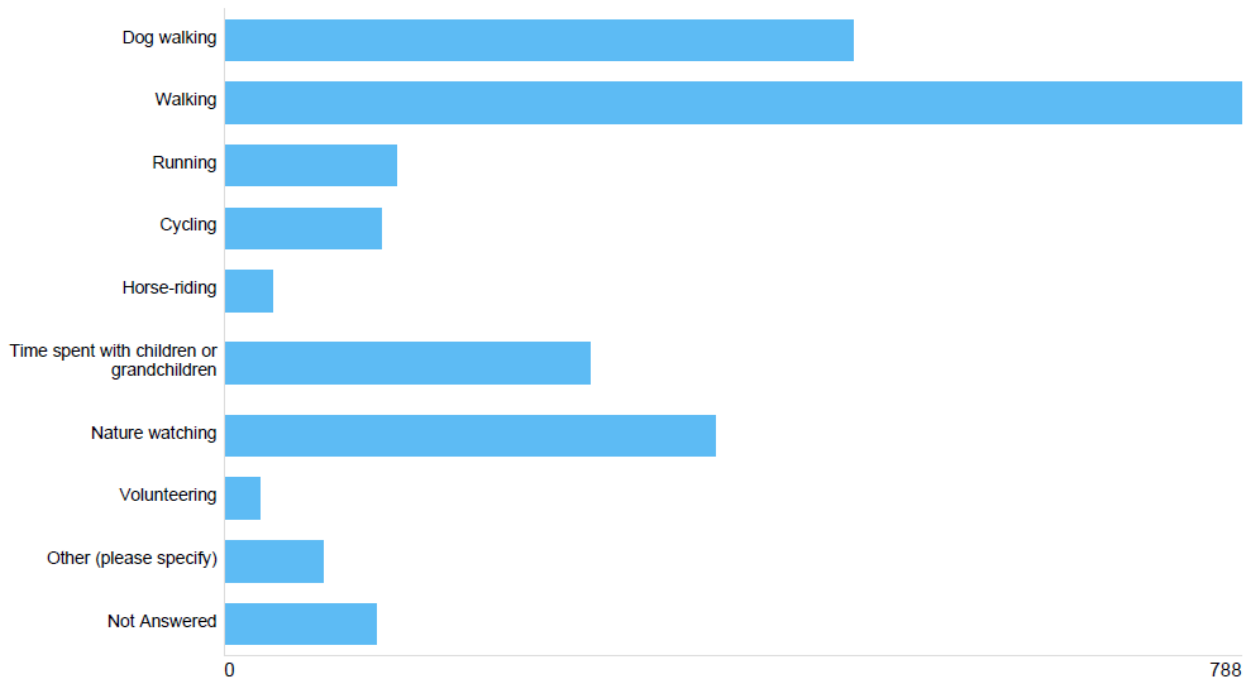
Category	Count
Don't know	20
Any other free car park	54
Laybys	24
National Trust sites	44
Residential streets or road side	130
The car park, but will not pay	6
Walk instead of using the car	14

Full analysis of all the locations mentioned in responses, including specific locations such as Box Hill, is ongoing as a requirement for the Habitat Regulations.



5. How respondents use the sites they visit

a. The table below shows how respondents are spending their time at the sites in question

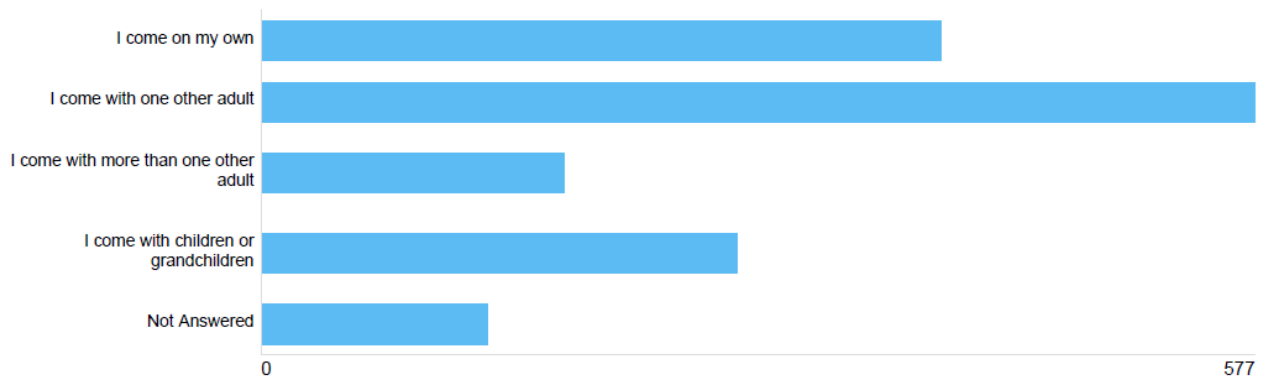


b. Where people stated 'Other' these are summarised below

Conservation work / volunteering	Fishing	Model airplane flying	Photography	Other
17	5	8	4	10

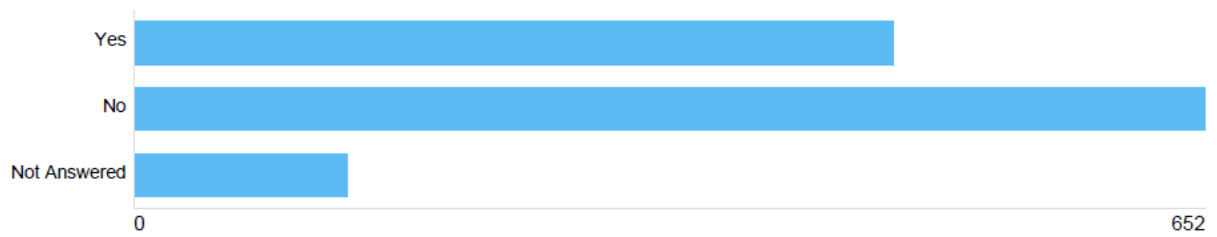
'Other' included running, orienteering, amateur archery and just being outdoors.

c. The table below shows if respondents are visiting alone or with others

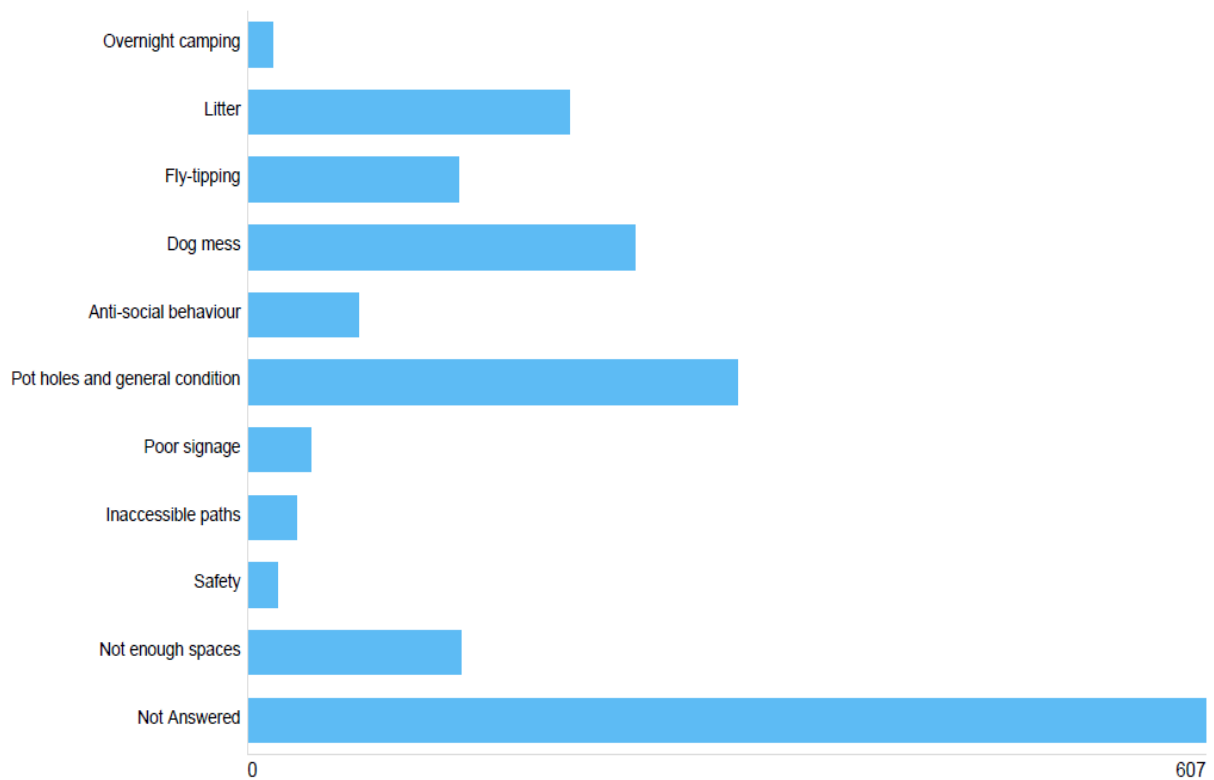


d. A question was specifically asked to identify the numbers of dog walkers.

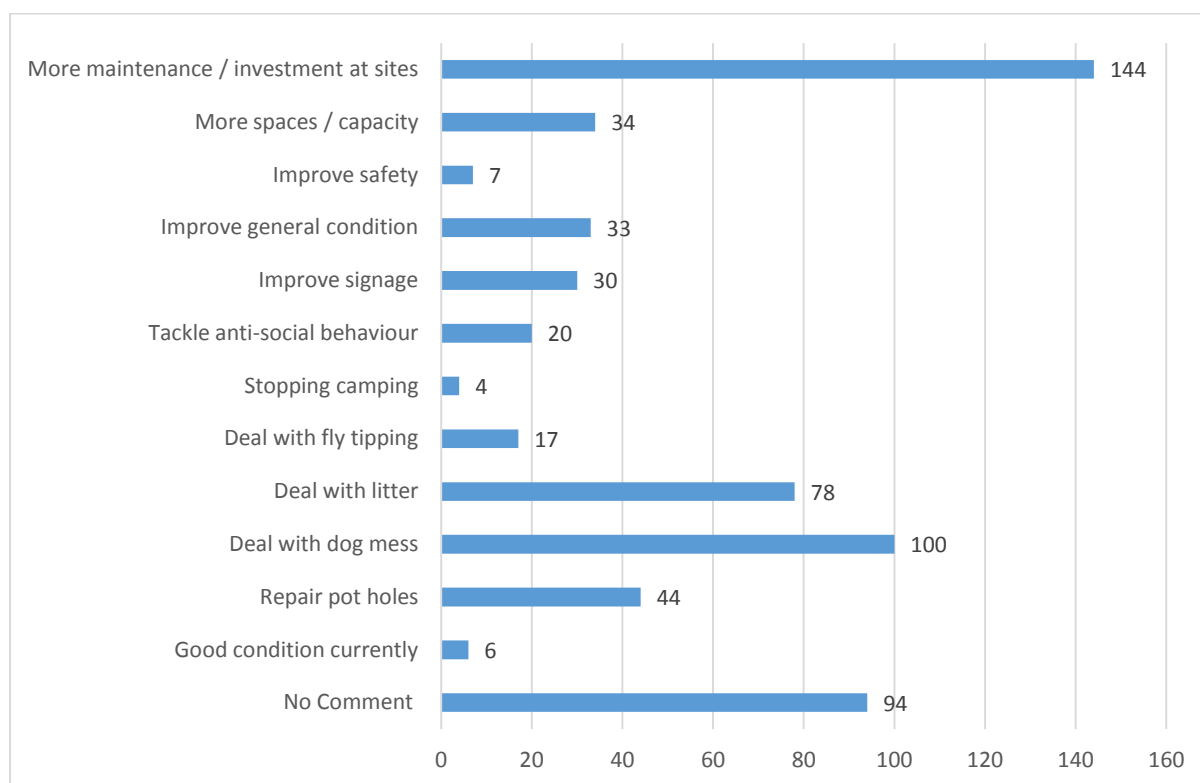
The table below shows that 461 respondents said they visit with a dog or dogs.



6. Problems and issues impacting visitor experience



- a. People were then asked what could be done about these issues. The responses are summarised below



Notes:

- Categories were derived from the comments being made
- There are more comments than responses because many people made comments that covered multiple categories
- 528 people responded to this question, including 94 people who left no comment

Analysis of comments

Category	Comment focus
<b>No comment</b>	Comments were when people did not leave a comment or simply did not comment regarding a solution to the issues.
<b>Good condition currently</b>	Comments focused on being satisfied with the current condition of the areas.
<b>Repair Pot Holes</b>	Comments focused on filling the current pot holes for a smoother surface for car users and dog walkers.
<b>Deal with dog mess</b>	Comments focused on introducing a penalty fine for those who leave their dogs mess or do not use the bins provided. Some comments raised the idea of introducing a charge for professional dog walkers. Comments also included banning dogs from being walked in the area due to constant dog mess left behind.
<b>Deal with litter</b>	Comments focused on having more bins in the car park and around the area to hopefully encourage dog owners to use the bins instead of leaving the waste behind. Comments also focused on having more bins in the car park as there

	<p>is a lot of litter left in the car park.</p> <p>Comments also included having regular bin checks to ensure they don't over fill and cause more litter.</p>
<b>Dealing with fly tipping</b>	<p>Comments focused on having a Ranger/CCTV in the area to catch fly tippers and also the presence of cameras will deter people from fly-tipping.</p> <p>Comments mentioned using signage to also deter people from fly tipping.</p>
<b>Stopping camping</b>	<p>Comments focused on using signs on camping and litter to inform those who plan to stay to take their rubbish with them.</p> <p>Comments focused on having the police/CCTV to stop people from using the car park as a camping site.</p>
<b>Tackle anti-Social behaviour</b>	<p>Comments focused on having a Ranger/Police to regularly check the car park for those who partake in anti-social behaviour.</p> <p>Comments focused on introducing car parking chargers to deter those from anti-social activities.</p> <p>Comments included closing the car park at night.</p>
<b>Improve signage</b>	<p>Comments focused on using signs to educate the public on litter/dog waste.</p> <p>Comments included using signs to deter people from fly tipping.</p>
<b>Improve general site condition</b>	<p>Comments focused on the general poor condition of the sites e.g. footpaths, bridges etc as well as the car parks.</p> <p>Comments mentioned that bridges were unstable for horses to pass over.</p>
<b>Improve safety</b>	<p>Comments focused on it being dangerous in the car park at night as they are unlit.</p> <p>Comments involved the issue of cars parking at the main gate, which could cause an obstruction for emergency access.</p> <p>Comments related to the poor condition of the bridges as it is a health and safety issue if the bridge was to collapse whilst a horse rider was passing.</p>
<b>More spaces / capacity</b>	<p>Comments focused on having the spaces marked out to improve parking behaviour and create more spaces.</p>
<b>More maintenance at the sites, a greater visible presence and investment in CCTV</b>	<p>Comments focused on implementing fines and use CCTV to deter people from littering / anti-social behaviour etc.</p> <p>Comments focused on having a Ranger / Someone to maintain the land regularly.</p> <p>Comments focused on greater use of volunteers to help maintain the land.</p> <p>Comments related to SWTs role and how it could be changed to benefit the land.</p>

- b. Respondents took the opportunity to comment about the implementation of charging. These comments are captured below.

	Oppose Charging	Support Charging	Other
<b>Number</b>	18	12	16
<b>Sample Comments</b>	<p>“Get more volunteers to maintain the sites rather than charge for parking. It will put a lot of people off.”</p> <p>“If you charge in these car parks you are discouraging people from walking regularly due to cost”</p>	<p>“I think a paid option for parking is acceptable - we all enjoy the grounds and should put towards its upkeep”</p> <p>“I totally agree with the proposal to charge for parking. Why should we not pay for our beautiful countryside?”</p>	<p>“Charges should be per visit not time related.”</p> <p>“If you charge for parking then you have to resurface the car park and put more dog bins there”</p>

c. Sample comments

**No comment:**

- “Unsure”
- “n/a”

**Good Condition:**

- “They seem to be well maintained.”
- “The sites we visit seem to be generally in good condition.”
- “The car park is nearly always clean and tidy.”

**Pot Holes:**

- “Car park surfaces could be monitored and repaired more frequently to prevent small potholes etc turning into larger, and more expensive to repair, problems.”

**Dog Mess/Owners:**

- “Prosecute those who don't clean up after their dogs.”
- “Stop dog walkers”
- “Dog owners to be respectful and put mess in bins”

**Litter/Bins:**

- “Put a litter bin in the car park.”
- “Put more bins up and actually empty them”

**Fly-tipping:**

- “Fly tipping is most prevalent when perpetrators think they can get away with it. Ranger presence and CCTV are strong deterrents.”

**Camping:**

- “There have been instances this year of camping, fires lit and barbeque rubbish which have been reported to the police and SWT.”
- “More signage warnings for overnight campers and littering would suffice”

**Anti-Social Behaviour:**

- “I would suggest that the car parks are closed off at night.”

- “But the problem with any measures to deal with this and other problems like littering, fly tipping, dog mess, is enforcement- not sure how you can enforce parking charges or fines without using all the revenue made to pay a warden! Perhaps CCTV would help?”

**Poor Signage:**

- “Signage regarding fly tipping”
- “Signage in car park, stating that dog fouling is illegal & informing of a meaningful financial penalty.”

**Poor Condition:**

- “To encourage more walkers, the paths need to be finished off”

**Safety:**

- “People park across the main gate. Which if there was a fire. Fire engines would not be able to pass through.”
- “The car park is not safe it is in pitch black.”

**Spaces/Capacity:**

- “Spaces could be formally marked out &/or reclaim some of the adjacent land to add more spaces.”
- “Enlarging the car park might be difficult, but marked bays with simple white lines would improve parking behaviour and allow more cars to park in the existing space.”

**More maintenance at the sites, a greater visible presence and investment in CCTV:**

- “Ranger presence and CCTV are strong deterrents.”
- “Volunteers in the area to do clean up days to cut back bushes”

7. Views any on potential charging arrangements

Respondents were asked to rank in terms of preference a potential approach to charging at these locations.

**a. The table below shows the first preference response**

Charge in all - 1st preference		Charge in some - 1st preference		Charge in none - 1st preference	
193	15.6%	127	10.3%	921	74.6%

Simplistically, this result shows an overall negative response towards charging.

The full table of preference responses is in section 10 at the end of this paper.

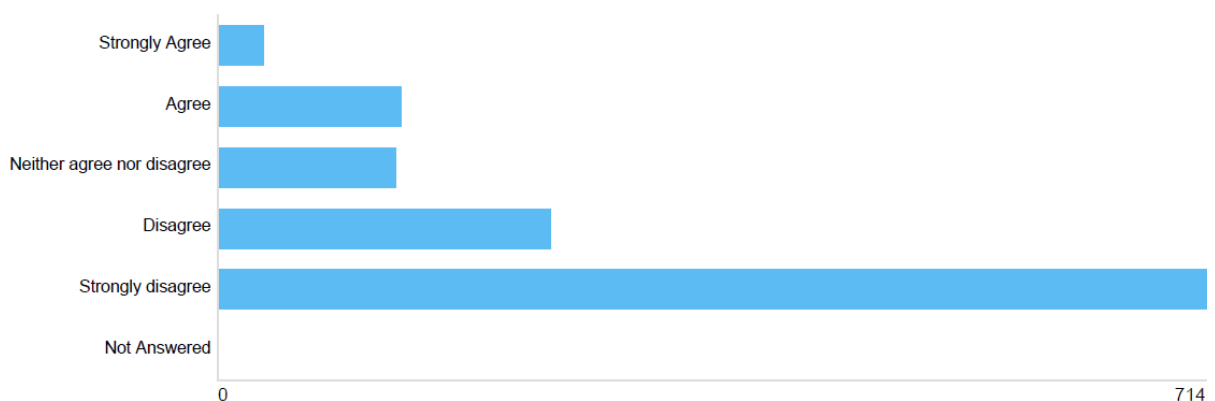
**b. The next questions covered how people may prefer to pay, should charging be introduced**

Option	Response (count)	Response (as a % of the total responses)
Pay by cash	726	59
Pay by card	571	46
Pay by phone	410	33
Buy an annual parking pass	446	36

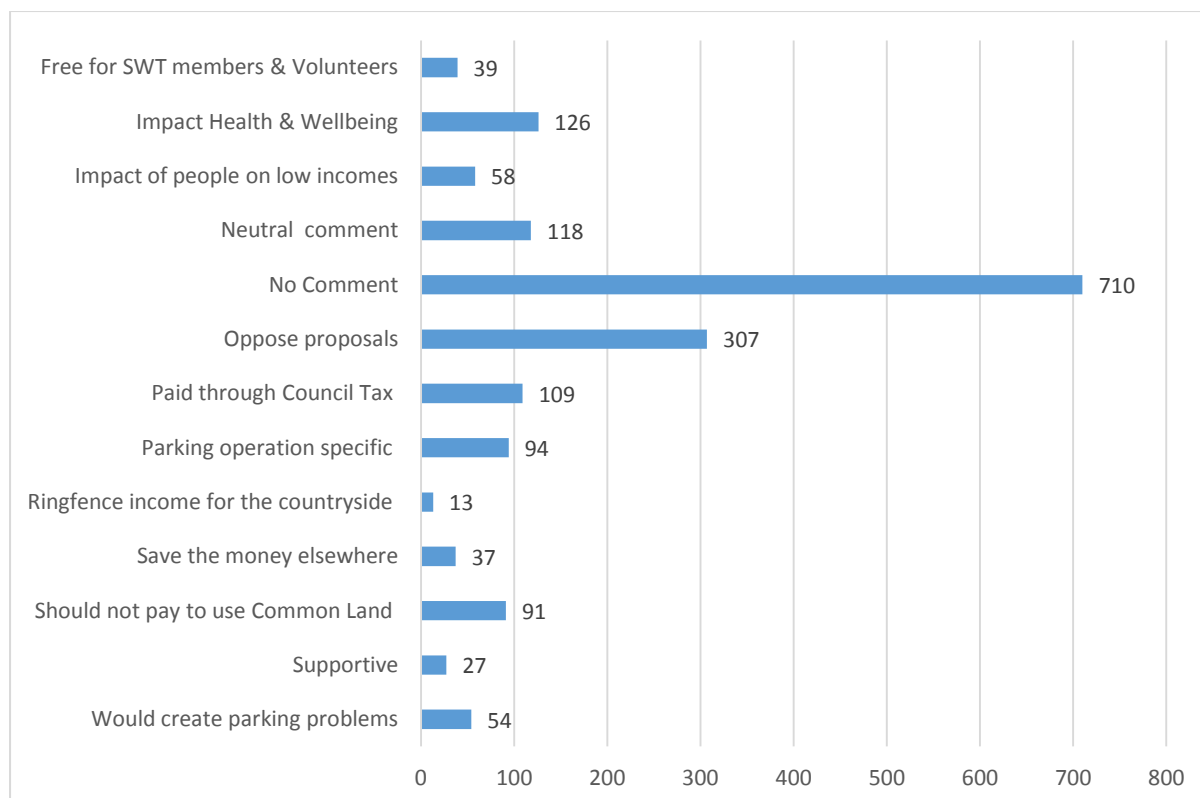
**c. People were then asked if there were any payment methods they would not want to use**

Option	Response (count)	Response (as a % of the total responses)
Pay by cash	272	22
Pay by card	363	29
Pay by phone	697	56
Buy an annual parking pass	703	57

8. People were asked how they felt about the potential option to close less well used sites in order to reduce the management costs and therefore protect the sites with more visitors



9. People were asked if they any other comments they wanted to provide. The responses are summarised below



Note –

- The categories were derived from the comments being made
- There are more comments than responses because many people made comments that covered multiple categories

### Analysis & Comments

Category	Comment focus
<b>Free for SWT members &amp; Volunteers</b>	Some people stated that SWT members are already paying, in effect, through their membership. Also that people volunteering to help the site should not be charged for giving up their time
<b>Impact Health &amp; Wellbeing</b>	These comments linked closely to those about the cost of visiting the countryside and the potentially reduction in the amount of time spent in the open air. Other comments focused on the physical and mental health benefits of being in the countryside. Also that this should be encouraged and that changing would deter people from visiting
<b>Impact on people on low incomes</b>	The main basis for comments was the affordability of people being able to visit the countryside
<b>Neutral comment</b>	These comments focused on where people who are not happy about the proposals, but accept them if it keeps sites open. Some comments were not specific to the proposals. For example, there were comments that the county council should work more with Government around appropriate funding for



	<p>the countryside. Also that more sustainable transport options should be available to access the countryside.</p> <p>Other comments made stated that people would support charging, but only if the sites were improved to include toilets, café etc</p>
<b>No Comment</b>	Comment field was left blank or people felt they had already answered
<b>Oppose proposals</b>	These comments are where people has stated they do not support the proposals, that they would never pay and they would not visit as a result of charging being introduced
<b>Paid through Council Tax</b>	<p>Comments were focused on how council tax should be used to fund the management of the countryside.</p> <p>Some comments suggested raising council tax specifically to fund the countryside, as it is a resource for all.</p> <p>Also included, are comments where people stated this is another form of taxation.</p>
<b>Parking operation specific</b>	<p>Comments focused on how any charging arrangement might work. For example:</p> <ul style="list-style-type: none"> <li>• Schemes similar to the National Trust</li> <li>• Cheaper weekdays / More expensive weekends &amp; bank holidays</li> <li>• A donation or other voluntary scheme</li> <li>• Free parking for Surrey residents or 'locals'</li> </ul>
<b>Ringfence income for the countryside</b>	Some people stated that they accept that funding would be ringfenced for countryside management
<b>Save the money elsewhere or close least used car parks to keep others free</b>	<p>Comments mainly stated that other savings and efficiencies should be made to fund these activities and keep the car parks free.</p> <p>Some people stated that an alternative to charging would be to close the least used car parks and return these to a natural state.</p>
<b>Should not pay to use Common Land</b>	These comments focused on the specific designation of the land as Common and therefore should be free to access
<b>Supportive</b>	These comments covered, for example, charging being the fairest means to fund the management of the sites.
<b>Would create parking problems</b>	<p>Comments were made that:</p> <ul style="list-style-type: none"> <li>• If car parks are closed it will mean there would not be any places available at busy times</li> <li>• If charging is introduced people will park on residential roads or grass verges</li> </ul>

Whilst many people did not state their specific objection to the proposals, many comments about the topics listed above were negative. These were about the potential impact on specific groups, the local area or the countryside as a whole.

### a. Sample comments

#### Free for SWT members & Volunteers:

- “if this proposal goes ahead and if one of the purposes of charging is to raise funds to pay Surrey Wildlife Trust to manage the sites, then how about offering free parking to members of the SWT? This would encourage an increase in annual paid subscriptions to the SWT.”
- “Maybe introduce free/special rate for members of SWT or for their volunteers.”

#### Impact Health & Wellbeing:

- “This is a ridiculous proposal given you are meant to be encouraging a healthy lifestyle”
- “Access to the countryside for all is beneficial for physical health and for mental health.”

#### Impact on people on low incomes:

- “Charging to access a public common is nonsense. It will exclude poor people from the common”
- “It will hit poorer families the hardest as a walk over the common is a free, lovely, healthy way for families to enjoy a trip out.”
- “Imposing car park charges is regressive and will hit those least able to pay the hardest.”

#### Neutral comment:

- “Generally speaking I'm in favour of charging for parking so long as it doesn't feel like we're being ripped off and paying for it is easy (contactless payment being the best option imo). I would like to see the first 30mins free and then a charge of no more than 50p-£1 per hour, anything more will discourage people from using the beautiful countryside we have on our doorsteps.”
- “the answers to these questions are hypothetical pending some indication of the likely cost”

#### No Comment:

- “See my comments in earlier section.”

#### Oppose proposals:

- “No one should pay to enjoy the countryside”
- “What does Surrey County Council actually do for these car parks, nothing. Stop trying to make money out of us surrey residents”
- “It's deplorable that you are even considering this.”
- “Why does everybody always have to charge for using somewhere that should be free to enjoy.”
- “I fundamentally disagree with any form of charging to access the countryside!”

#### Paid through Council Tax:

- “I believe that costs associated with the land SCC owns for the benefit of the community ought to be funded via the Council Tax. If that Tax does not raise enough, as I appreciate that it currently does not, then the Tax should be raised. If that is not possible because of Central Government constraints, then the service should be reduced and it should be made clear to users that this is being done as a result of the central government's policy”
- “SCC should have held the Council Tax Referendum. That would have provided a clear mandate for either increasing Council Tax or making cuts/introducing charges. Instead we have this messy scratching around for views.”

**Parking operation specific:**

- “If charges are the only way forward make all car parks member only with annual membership which can be paid in one instalment or with monthly direct debit payments to make it more affordable for people to pay.”
- “How will this be "policed" at the car parks. If not no one will bother. Ticket machines nightmare when they fail. Managing by phones also problematic. The system has to be fair to all park users taking into account ages as well”
- “Pay by phone would be my least favourite option - I know lots of walkers avoid these sites after frustrating experiences with lack of signal/difficult to use systems. Do you have any statistics on how well honesty box type arrangements work? Would this allow you to have a low cost way of collecting contributions or have organisations like National Parks found they have low success rates? I always use honesty boxes but I don't know if that is true of everyone?”

**Ringfence income for the countryside:**

- “People won't mind paying to park if you emphasise thanks & what their money is helping to do”
- “All revenue from parking charges MUST go direct to Surrey Wildlife Trust. Members of the public would be far more open to paying for parking if they knew that all the revenue went to manage and maintain the wildlife habitats we go there to enjoy.”

**Save the money elsewhere:**

- “Find your cuts elsewhere such as management pay. Access to the countryside is free exercise for an obese society. Link countryside to health and promote walking. Recognise your obligations to protected places”
- “Funding should be found elsewhere to continue to provide these services (eg. cancel the 400k to Watts Gallery).”
- “if Surrey Wildlife need to raise more money they should breed more animals and sell the meat”

**Should not pay to use Common Land:**

- “The countryside is free and should remain so in order to encourage visitors.”
- “Countryside access should be free and encouraged not taxed”
- “I think the idea of charging to park on common land is outrageous.”
- “This is common land which should remain freely open for all residents. I do not agree with charging at all.”

**Supportive:**

- “A sensible charge for an annual ticket, the profits from which going to maintain the commons seems reasonable.”
- “What a wonderful idea. The Crown Estate charges very high costs for parking and has wonderful facilities as a result. We should all be encouraging greener forms of transport and it feels a real step forward to start converting some car parks back to nature.”

**Would create parking problems:**

- “It will just lead to illegal and inconsiderate parking elsewhere.”
- “People will park on the road thereby causing obstructions.”
- “My concern is that closing least used car parks and additionally charging for parking will cause some members of the public to park on the roads or verges and in dangerous places. These are the reasons why I have said charge for some car parks. I would agree to charging all car parks if there is a way of preventing selfish members of the public from parking in dangerous positions or disturbing/inconveniencing other member of the public.”

## 10. Full table of preference responses

Charge in all - 1st preference		Charge in some - 1st preference		Charge in none - 1st preference	
193	15.6%	127	10.3%	921	74.6%
Charge in all - 2nd preference		Charge in some - 2nd preference		Charge in none - 2nd preference	
117	9.5%	983	79.7%	135	10.9%
Charge in all - 3rd preference		Charge in some - 3rd preference		Charge in none - 3rd preference	
926	75.0%	127	10.3%	183	14.8%

## 11. Summary of letters and emails

### a. Correspondence from stakeholder groups

Stakeholder groups	Points covered
<b>Chobham &amp; District Angling Club</b>	<ul style="list-style-type: none"> <li>• Charges would place an unfair burden on members, who already pay for the right to use Fishpool</li> <li>• The club also helps with maintenance of the lake and volunteers with the Surrey Wildlife Trust</li> <li>• None of the car parks at Chobham Common are served by any public transport</li> </ul>
<b>Chobham Parish Council</b>	<ul style="list-style-type: none"> <li>• The consultation is flawed and should be invalid because there is no option to only object to charging</li> </ul>
<b>Ockham Parish Council</b>	<ul style="list-style-type: none"> <li>• Understanding of the councils financial situation</li> <li>• Questioning the feasibility and enforcement at the sites because of</li> <li>• There is no detail of charging charges or how and when they would be applied. Would Ockham residents be issued with free permits?</li> <li>• There has been vandalism at these sites in the past</li> <li>• Imposing charges will not deal with the current issues of anti-social behaviour and may exacerbate them</li> </ul>
<b>The Chobham Society</b>	<ul style="list-style-type: none"> <li>• Surrey residents already pay for upkeep through Council Tax</li> <li>• The public have a right to access the common and charging is seen as a barrier in the same way as fencing</li> <li>• Will result in the urbanisation of the countryside</li> <li>• There is no information about charging levies, which any amount would deter people from visiting</li> <li>• It is likely that there will be an appeal against charging. Has this cost been considered?</li> <li>• The consultation is flawed</li> </ul>
<b>West Horsley Parish Council</b>	<ul style="list-style-type: none"> <li>• Once charging is established, it will spread</li> <li>• Access to commons is beneficial for health and wellbeing, charging goes against this</li> <li>• Will result in the urbanisation of the countryside</li> <li>• If charging is introduced car parks need to be better maintained</li> <li>• Charging will increase the cost to the council through enforcement cost</li> </ul>
<b>Worplesdon Parish Council</b>	<ul style="list-style-type: none"> <li>• Car parks are already well used</li> <li>• Need to introduce parking restrictions or parking problems on verges will get worse</li> <li>• Must be a guarantee of funding ring-fenced for improvements at the specific commons, or at least the countryside</li> <li>• The questionnaire seems loaded</li> </ul>

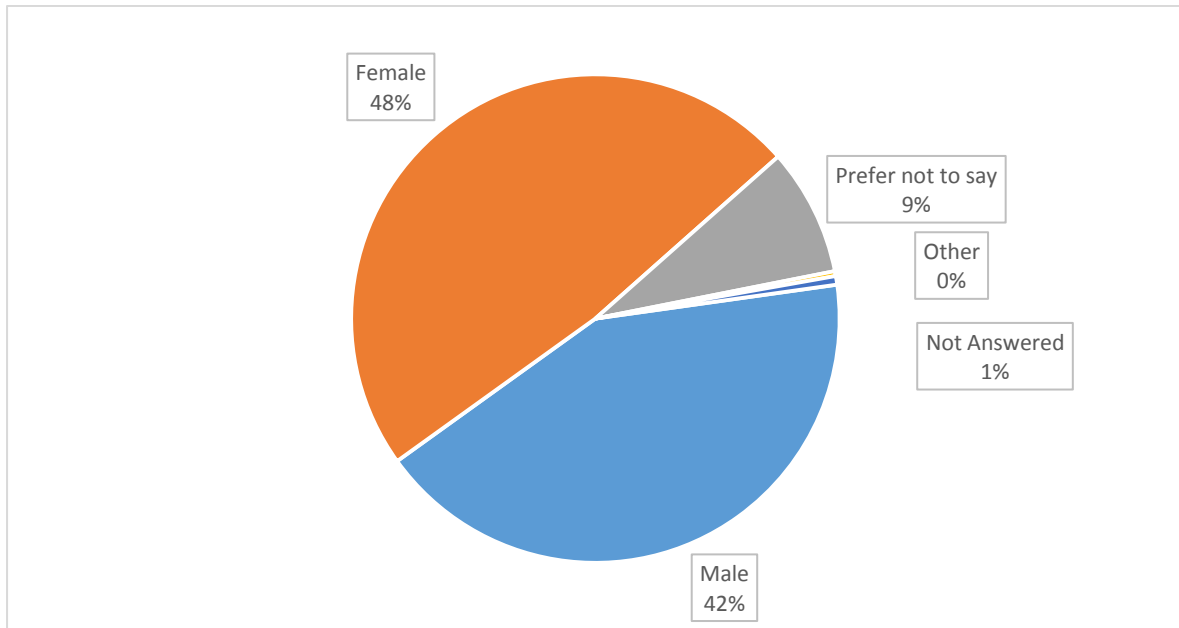
## b. Correspondence from members of the public

### Points covered across all the correspondence:

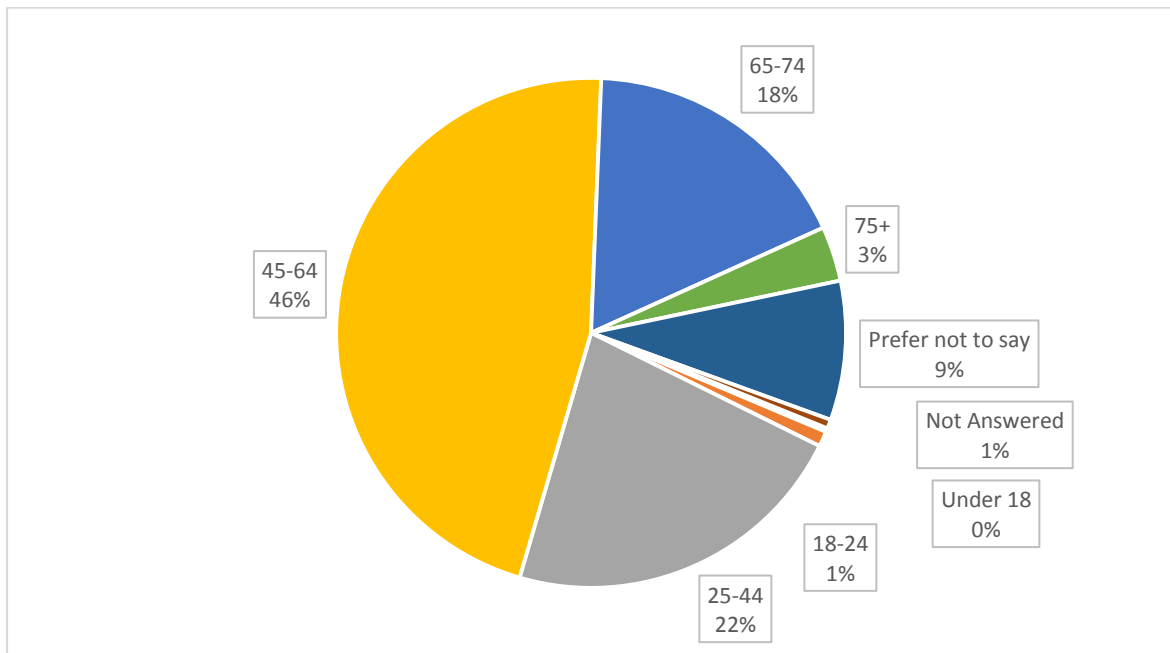
- Strongly object / proposals should be scrapped
- The consultation questionnaire is leading
- Chobham Common is too far to walk for most people in the village
- Many people are struggling to pay for cost of living already, charging will increase that pressure
- Commons are necessary for people's health
- Will cause people to park in residential roads, laybys and verges
- The council is spending money on other projects and then claiming it needs to charge because of lack of funds
- Access to Common Land is a public right
- There are no facilities at all these sites, toilets etc, so charging seems unnecessary
- The council seem to not want to protect the countryside and instead monetise it
- The cost of this consultation should have been used to fund the countryside
- There is no safe pedestrian access to Whitmoor Common
- A National Trust style scheme would make sense
- Any and all money raised must go to the countryside
- We already pay for services and being asked to pay again
- Charging volunteers would be outrageous
- Many people use the countryside, but charges only effect motorists. It would be fairer to increase Council Tax

12. Equalities and other monitoring information

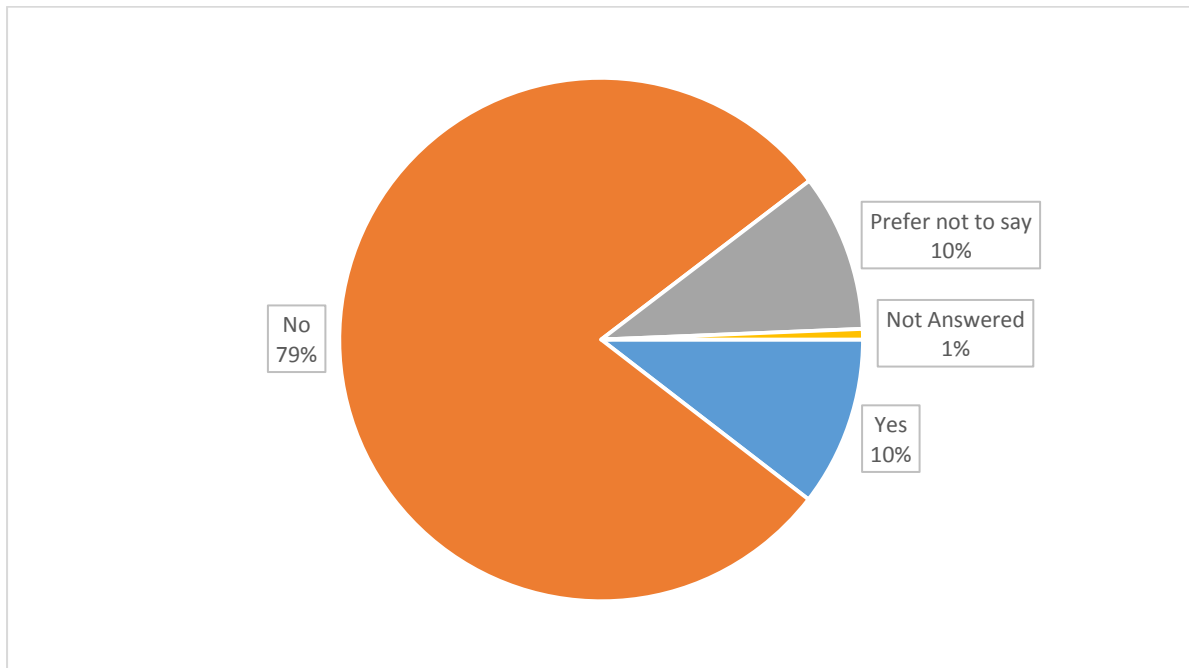
**a. Gender**



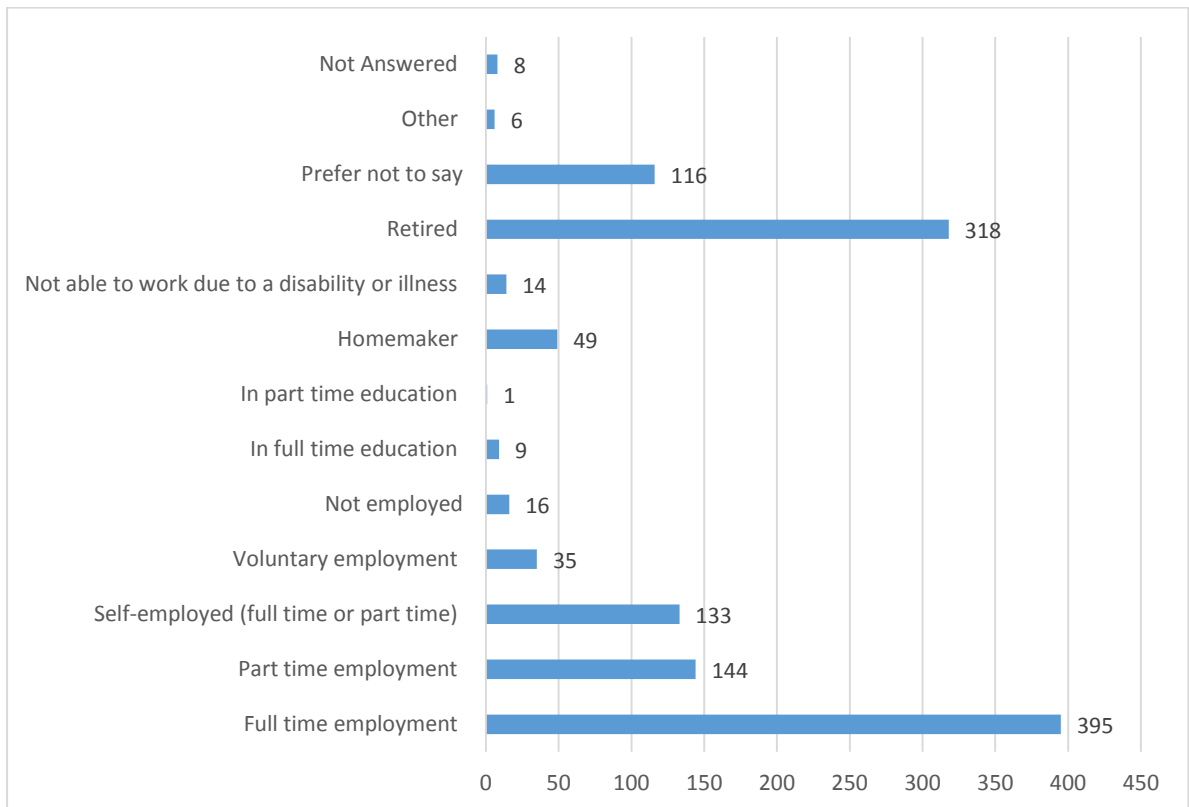
**b. Age**



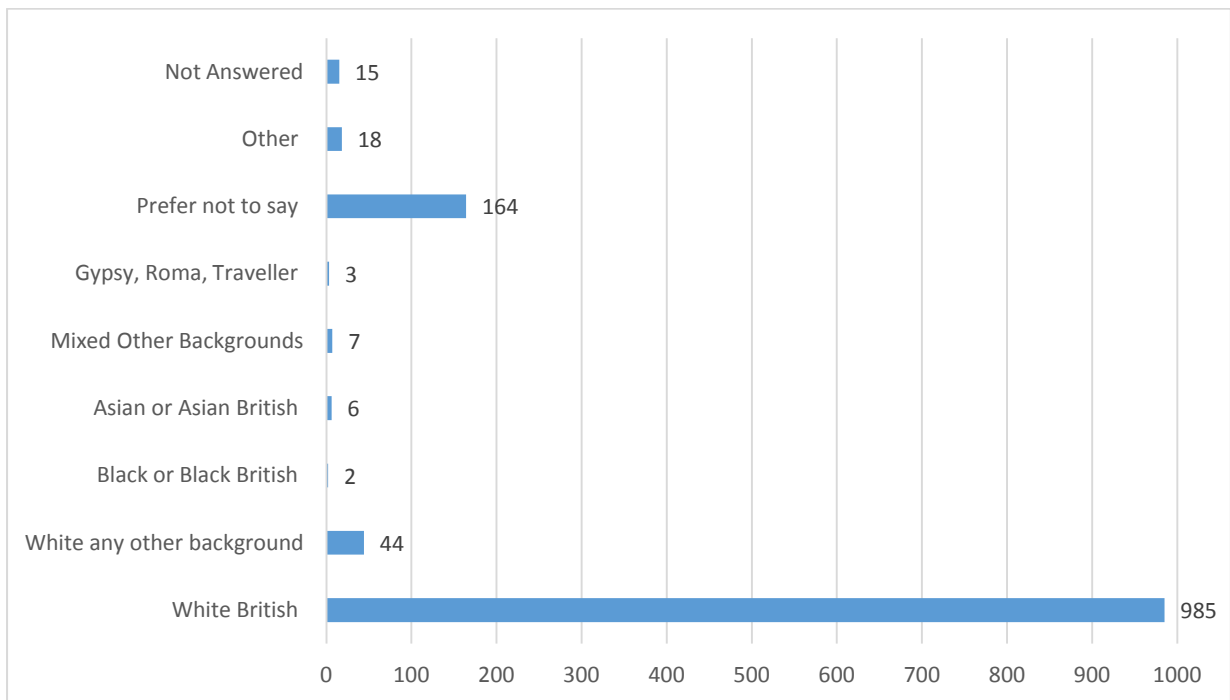
**c. Disability of longstanding condition**



**d. Employment or education status**





**e. Ethnicity**

## 13. Post code areas

Post code area	Count	Area
kt22	83	Leatherhead, Oxshott, Fetcham, Ashtead, Great Bookham
gu2	65	Guildford
gu24	67	Woking, Chobham, Bisley, Pirbright, Brookwood, Donkey Town, Surrey, West End, Normandy, West End
gu21	63	Woking, Knaphill, Sheerwater
gu20	47	Windlesham, Bagshot, Chobham, Sunningdale, Winkfield Row
kt23	47	Great Bookham, Effingham, Surrey
gu22	34	Woking, West Byfleet, Brookwood, Pyrford, Send, Send, Mayford, Ripley
gu1	33	Guildford
gu23	33	Ripley, Woking, Send, Send, West Clandon, Wisley, Ockham, Ockham, Send Marsh, Bridge End, Ockham
gu4	33	Guildford, Woking, Shalford, West Clandon, Chilworth, Albury, West Horsley, East Clandon, Sutton Green, Surrey, Jacobs Well, Surrey, Blackheath
rh4	34	Dorking, Brockham, Wotton, Westcott
gu18	32	Lightwater
kt15	32	Addlestone, Woking, Weybridge, Chertsey, Ottershaw
rh5	31	Dorking, Shere, Great Bookham, Ockley, Abinger Hammer, Effingham, Surrey, Ranmore Common, Newdigate, Capel, Holmbury St Mary, Friday Street, Beare Green, Westhumble, Walliswood, Abinger, Abinger Common, Abinger, Sutton Abinger, Abinger, Russ Hill, Holmbury Saint Mary, Shere, Wotton, Oakwoodhill, Abinger, Coldharbour, Mickleham, Mickleham, Jayes Park, Ockley, Leith Hill, Wotton, Forest Green, Abinger, Parkgate, South Holmwood, South Holmwood, Holmwood, South Holmwood
gu8	30	Chiddingfold, Milford, Elstead, Dunsfold, Witley, Plaistow and Ifold, Shackleford, Hydestile, Hambledon, Hambledon, Pitch Place, Thursley, Bowlhead Green, Thursley, Enton, Loxhill, Thursley, Thursley, Busbridge, Busbridge, Wormley, Surrey, Sandhills, Surrey, Brook, Surrey, Peper Harow, Highstreet Green, Enton Green, Hascombe, Hascombe
kt24	29	Shere, East Horsley, Effingham, Surrey, West Horsley, Ripley
gu15	29	Camberley
gu7	28	Godalming, Shalford, Eashing, Hurtmore
kt16	28	Chertsey, Ottershaw, Addlestone, Chobham, Longcross, Lyne,
sl5	26	Sunningdale, Ascot, Windlesham, Chobham, Sunninghill, Winkfield Row, South Ascot, Chavey Down, Cheapside
gu3	24	Guildford, Normandy, Compton, Woking, Pirbright, Worplesdon, Puttenham, Fairlands, Wood Street Village, Wanborough, Artington, Artington
kt21	24	Ashtead, Epsom
kt11	21	Cobham, Oxshott, Hersham, East Horsley, Great Bookham, Fetcham, Stoke d'Abernon, Downside, Martyr's Green, Ockham
gu16	19	Camberley, Frimley, Pirbright, Deepcut, Frimley Green, Mytchett
tw20	17	Egham, Englefield Green, Staines, Chertsey, Thorpe
kt12	16	Walton-on-Thames, Hersham, Weybridge, West Molesey, Molesey
gu19	15	Bagshot
gu5	15	Shere, Bramley, Gomshall, Shalford, Peaslake, Albury, Shamley Green,

		Wonersh, Farley Green, Surrey, Stroud Common, Thorncombe Street, Palmers Cross, Grafham, Burrows Cross, Shere
kt17	13	Epsom, Ewell, Banstead, Sutton
rh2	13	Reigate, Reigate Heath, Sidlow, Buckland, Irons Bottom, Leigh, Leigh
cr3	12	Caterham, Woldingham, Coulsdon, Warlingham, Kenley, Whyteleafe, Bletchingley, Chaldon
kt8	12	West Molesey, Molesey, Walton-on-Thames, Hampton, London, Esher, Hampton Wick, Molesey
tw18	12	Staines, Stanwell, Egham Hythe
gu9	11	Farnham, Badshot Lea, Runfold
kt18	10	Epsom, Leatherhead, Ashted, Headley
rh1	10	Redhill, Merstham, Nutfield, Surrey, Bletchingley, Salfords, South Nutfield, Whitebushes, Outwood
kt14	9	West Byfleet, Byfleet, Woking, Weybridge
kt19	9	Epsom, Ewell
rh6	10	Horley, Burstow, Crawley, Copthorne, Charlwood, Norwood Hill, Horne, Horne, Surrey, Shipley Bridge, Wrays, Burstow
gu10	8	Farnham, Churt, Frensham, Tilford, Tongham, Crondall, Wrecclesham, Rowledge, Ewshot, Runfold, Bucks Horn Oak, Dippenhall, Spreakley, Shortfield Common, Batt's Corner, Bentley, Charleshill, The Sands, Millbridge, Headley, Holt Pound, Rushmoor, Surrey, Dockenfield, Seale
gu25	8	Virginia Water, Chobham, Lyne, Surrey, Stroude
cr6	7	Warlingham, Farleigh, Hamsey Green, Chelsham
rh3	7	Betchworth, Brockham, Buckland
gu27	6	Haslemere, Chiddingfold, Fernhurst, Easebourne, Grayswood, Linchmere, Kingsley Green, Henley, Easebourne
gu6	6	Cranleigh, Ewhurst, Alfold, Alfold Crossways, Ewhurst Green, Ewhurst
kt10	6	Esher, Claygate, Oxshott
tw17	6	Shepperton, Upper Halliford, Littleton, Spelthorne, Lower Halliford
kt1	5	Kingston upon Thames, Molesey, Hampton Wick, Molesey
kt20	5	Epsom, Banstead, Tadworth, Walton-on-the-Hill, Buckland, Pebble Coombe, Lower Kingswood, Box Hill, Mogador, Surrey, The Hermitage
rh8	5	Oxted, Limpsfield, Crowhurst Lane End, Tandridge, Surrey, Titsey, Tandridge, Tandridge, Surrey, Limpsfield Chart
cr5	4	Coulsdon, Chipstead, Banstead, Old Coulsdon, Hooley, Mugswell
cr8	4	Purley, London, Kenley, Coulsdon, South Croydon, Caterham
gu12	4	Aldershot, Ash Vale, Tongham, Ash, Normandy
gu26	4	Hindhead, Grayshott, Beacon Hill, Headley, Bramshott Common
kt13	4	Weybridge, Addlestone
kt9	4	Chessington, Esher, Claygate, Malden Rushett
sm2	4	Sutton, Epsom, Banstead, Ewell
sm7	4	Banstead, Epsom, Sutton
tw15	4	Ashford, Feltham, Staines, Stanwell, Ashford Common
tw16	4	Sunbury-on-Thames, Feltham, Walton-on-Thames, Hampton, London
gu11	3	Aldershot
kt2	3	Kingston upon Thames, New Malden
kt3	3	New Malden, Morden
rg12	3	Bracknell, Binfield, Winkfield Row
rh7	3	Dormansland, South Godstone, Lingfield, Felbridge, Newchapel, Surrey, Felcourt, Crowhurst, Crowhurst, Surrey
rh9	3	Godstone, Woldingham, Bletchingley, South Godstone

sm1	3	Sutton
gu14	2	Farnborough
gu46	2	Yateley
kt7	2	Thames Ditton, Molesey, Esher, Long Ditton, Molesey
rg42	2	Bracknell, Binfield, Warfield, Winkfield Row, Hawthorn Hill, Berkshire, Popeswood
sm5	2	Carshalton, Sutton, Coulsdon, Banstead
sm6	2	Wallington, London, Croydon, Carshalton, Purley, London
tw1	2	Twickenham, Isleworth
aa1 1aa	1	-
cr2	1	Croydon
g69	1	Glasgow
gu0	1	-
gu51	1	Fleet, Church Crookham, Crookham Village
gu52	1	Fleet, Church Crookham
hu1	1	Kingston upon Hull
kt4	1	Worcester Park
kt5	1	Surbiton, Kingston upon Thames, New Malden, Chessington, Worcester Park
ne65	1	Northumberland
rh12	1	Horsham
rh19	1	East Grinstead
se24	1	Dulwich, London
sm3	1	Sutton, Worcester Park
sw16	1	Wandsworth
sw19	1	London
tn3	1	Tunbridge Wells,
tw10	1	Richmond
tw12	1	Hampton
tw2	1	Twickenham
ub10	1	Uxbridge, Ickenham, Hayes, Ruislip

## What equalities legislation is there?

The [Equality Act 2010](#) is a single legal framework that seeks to provide a clear basis upon which to tackle disadvantage and discrimination. Most of the provisions of the Act came into force in October 2010, replacing and consolidating nine pieces of legislation. The Act seeks to ensure people are not discriminated against because they **share certain ‘protected characteristics’**<sup>1</sup>, are **assumed to share** those characteristics or **associate with other people** that share a protected characteristic. It also aims to increase equality of opportunity and foster good relations between groups.

In the Act the Government created a [Public Sector Equality Duty](#). This Duty seeks to ensure public authorities play their part in making society fairer by requiring them to have ‘due regard’ to the need to:

- eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act;
- advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
- foster good relations between people who share a protected characteristic and those who do not share it.

The Act covers both direct and indirect discrimination<sup>2</sup>. The Act also extended protection to those experiencing associative discrimination. This occurs when a victim of discrimination does not have a protected characteristic but is discriminated against because of their association with someone who does e.g. the parent of a disabled child. It also extended the concept of discrimination by perception, where a victim of discrimination is presumed to have a protected characteristic, whether they do have it or not.

## What does ‘due regard’ mean?

Having ‘due regard’ means giving an appropriate level of consideration to equalities issues. The Equality Act 2010 explains that having due regard for advancing equality involves:

- Removing or minimising disadvantages suffered by people due to their protected characteristics.
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

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<sup>1</sup> The ‘protected characteristics’ defined in the Act are: age; disability; gender reassignment; pregnancy and maternity; race (including ethnic or national origins, colour or nationality); religion or belief (including lack of belief); sex and sexual orientation. Marriage and civil partnerships is also protected but only with regards to the need to eliminate discrimination.

<sup>2</sup> Equality Law provides [useful summaries](#) of different types of discrimination.

# EQUALITY IMPACT ASSESSMENT GUIDANCE

The Act also states that meeting different needs involves taking steps to take account of disabled people's disabilities. It also describes fostering good relations as tackling prejudice and promoting understanding between people from different groups. Further, it states that compliance with the duty may involve treating some people more favourably than others.

The issue of 'due regard' has been considered in a number of Court cases<sup>3</sup>. It has been emphasised that there are no "prescribed" steps that public bodies must take to demonstrate due regard. In addition there are no particular outcomes that authorities must achieve for those that share protected characteristics as a result of having had 'due regard'. Rather the test of whether an authority has given due regard is a test of substance not "of mere form or box ticking". The duty therefore must be performed "with rigour and with an open mind" and where it forms part of a decision to be made by Members it is important for officers to "be rigorous in enquiring and reporting to them".

**Surrey County Council demonstrates how it has applied 'due regard' to equalities by developing Equality Impact Assessments (EIAs) and incorporating the findings from these assessments into changes it makes to services, functions or policies.**

Surrey County Council has also made a wider commitment to fairness and respect, which underpins everything we do. Our [One Council One Team Fairness and Respect Strategy 2012-2017](#) sets out our equality objectives for the organisation. It also demonstrates our commitment to deliver these objectives in partnership with local organisations and public bodies that are best placed to improve services for Surrey's residents.

## What is this guidance and template for?

This guidance and template seeks to support staff when they are developing an EIA by:

- asking a series of questions that will ensure the equalities implications of any policy, function or service are considered in a robust fashion;
- ensuring that an action plan is produced to address any impacts that are identified; and
- ensuring that decision makers are provided with clear information about the potential impact of decisions on people with protected characteristics.

## Do I need to complete an Equality Impact Assessment?

As a first step you will need to determine whether you need to complete an EIA for the policy, function or service you are developing or changing. The key question is whether any aspect of a new policy, function or service, or changes to an existing one, will have an impact on residents or staff, particularly people sharing protected characteristics. If it will then it is likely that an EIA will need to be completed<sup>4</sup>. **Very few of our policies, functions or services will have no equalities implications for either our residents or our staff.**

<sup>3</sup> The Equality and Human Rights Commission has produced a summary of the implications of these cases in [The Public Sector Equality Duties and financial decisions](#).

<sup>4</sup> The Equality and Human Rights Commission publication [Meeting the equality duty in policy and decision-making](#) includes useful guidance on what should be assessed.

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**However, the level of detail within the EIA should be proportionate to the issue being considered and the scale of the impact.** This means that the range of data used and the extent of community engagement undertaken should be proportionate to the issue being considered. For example, changes to an adult social care service that supports vulnerable elderly residents are likely to require a detailed EIA. However, changes to highway verge maintenance are likely to require either a light touch EIA or no EIA at all. **It is for Directorates to decide the level of detail required in their EIAs.**

**If you decide not to complete an EIA, you must make a record of this decision.** This might take the form of minutes of a meeting, an internal email or a record in a service plan. Most importantly, it must make clear **why you have concluded that an EIA is unnecessary**

## **When should I complete an Equality Impact Assessment?**

Consideration of equalities is an ongoing process. Your assessment should start early in the development of a new or amended policy, service or function. **It is vital that your consideration of equalities issues is not a one-off exercise undertaken at the end of a project.** You need only publish your final EIA. However, you should keep previous versions of your EIA as a record of how the proposals changed as a result of your analysis.

## **What if I identify negative impacts that can't be mitigated?**

The outcome of your equality analysis is only one factor in the overall decision making process. Other factors (such as financial issues or legal matters) may have equal or greater influence over the decision. Further, the new or amended policy, service or function may have to proceed even though not all of the negative equality impacts can be mitigated. The important thing is that decision makers are aware of the equalities implications of the new or amended policy, service or function when making their decision and these implications are considered alongside all other factors.

## **How should I finalise my Equality Impact Assessment?**

All EIAs should be approved by an appropriate level of management in accordance with equalities processes in your Directorate. This may include consideration of your EIA by your Directorate Equality Group, if you have one. Your Strategic Director, Leadership Team and/or Cabinet Member may also wish to approve your EIA.

**Once your EIA is approved, you should send it to the Chief Executive's Policy Team (Equality and Diversity/CEO/SCC) for publication on the Council's website.** It is important that we publish our EIAs as this is one of the ways that we demonstrate how we have paid 'due regard' to the equalities issues identified in the Equality Act.

# EQUALITY IMPACT ASSESSMENT TEMPLATE

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## 1. Topic of assessment

<b>EIA title:</b>	Pay & Conserve
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<b>EIA author:</b>	Keith McKain, Change Consultatnt
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## 2. Approval

	<b>Name</b>	<b>Date approved</b>
<b>Approved by<sup>5</sup></b>	Jason Russell, Deputy Director, Environment & Infrastructure	04.12.2017

## 3. Quality control

<b>Version number</b>	1.1	<b>EIA completed</b>	04.12.2017
<b>Date saved</b>		<b>EIA published</b>	

## 4. EIA team

<b>Name</b>	<b>Job title (if applicable)</b>	<b>Organisation</b>	<b>Role</b>
Lisa Creaye-Griffin	Countryside Group Manager	SCC	Project Sponsor
Environment & Infrastructure Directorate Equalities Group		SCC	Scrutiny of impact assessments

## 5. Explaining the matter being assessed

<b>What policy, function or service is being introduced or reviewed?</b>	This assessment looks at the current use of 5 Countryside sites that are owned by Surrey County Council and managed on our behalf by Surrey Wildlife Trust. The assessment focuses on the access to the sites and in particular the potential equalities impacts should any charge be introduced for people to park at these sites.
<b>What proposals are you assessing?</b>	<p>Proposals are to charge people to park at:</p> <ul style="list-style-type: none"> <li>• Chobham Common</li> <li>• Norbury Park</li> <li>• Rodborough Common</li> <li>• Whitmoor Common</li> <li>• Wisley &amp; Ockham Commons</li> </ul> <p>This proposals form part of the business plan to offset the current operating cost of maintaining the Countryside Estate. With significant pressure on council budgets in general, including funding for the</p>

<sup>5</sup> Refer to earlier guidance for details on getting approval for your EIA.



# EQUALITY IMPACT ASSESSMENT TEMPLATE

	Countryside function it is necessary to find a sustainable way to fund the Estate.
<b>Who is affected by the proposals outlined above?</b>	<p>The proposals will or may effect:</p> <ul style="list-style-type: none"> <li>• Site users, potential new site users and their carers</li> <li>• The Surrey Wildlife Trust</li> </ul>

## 6. Sources of information

<b>Engagement carried out</b>
<p>A public consultation exercise was carried out for a period of 6 weeks. Significant communications activity was undertaken via printed, digital and social media to raise awareness of the consultation.</p> <p>People could feed back using the SurreySays website, via letter, email or complete a hard copy of the survey.</p>
<b>Data used</b>
<p>Surreyi Census data, Family Resource Survey</p> <p>Feedback from the public consultation, parish councils, user groups (such as angling groups) etc</p>

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

# EQUALITY IMPACT ASSESSMENT TEMPLATE

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

Protected characteristic <sup>6</sup>	Potential positive impacts	Potential negative impacts	Evidence
<b>Age</b>	Income for investment in improved facilities such as improved trails and surfaces will provide benefits for people with mobility problems	Some people may not be able to afford to park and so would not get the health and wellbeing benefits	58 people responding to the consultation stated that the proposals would specifically impact people on low incomes.  124 people stated that access to the countryside is important for both physical and mental health and charging could impact on people's ability to gain those benefits from being outdoors
<b>Disability</b>		Parking arrangements may disadvantage some groups, for example if payment is only available by phone.	
<b>Gender reassignment</b>	n/a	n/a	The proposals do not impact people's ability to access the sites based on them having these protected characteristics.
<b>Pregnancy and maternity</b>	n/a	n/a	
<b>Race</b>	n/a	n/a	
<b>Religion and belief</b>	n/a	n/a	
<b>Sex</b>	n/a	n/a	
<b>Sexual orientation</b>	n/a	n/a	
<b>Marriage and civil partnerships</b>	n/a	n/a	

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<sup>6</sup> More information on the definitions of these groups can be found [here](#).

## EQUALITY IMPACT ASSESSMENT TEMPLATE

<b>Carers<sup>7</sup></b>	See above for Age and Disability		
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### 7b. Impact of the proposals on staff with protected characteristics

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence
<b>Age</b>	n/a	n/a	n/a
<b>Disability</b>	n/a	n/a	n/a
<b>Gender reassignment</b>	n/a	n/a	n/a
<b>Pregnancy and maternity</b>	n/a	n/a	n/a
<b>Race</b>	n/a	n/a	n/a
<b>Religion and belief</b>	n/a	n/a	n/a
<b>Sex</b>	n/a	n/a	n/a
<b>Sexual orientation</b>	n/a	n/a	n/a
<b>Marriage and civil partnerships</b>	n/a	n/a	n/a

<sup>7</sup> Carers are not a protected characteristic under the Public Sector Equality Duty, however we need to consider the potential impact on this group to ensure that there is no associative discrimination (i.e. discrimination against them because they are associated with people with protected characteristics). The definition of carers developed by Carers UK is that 'carers look after family, partners or friends in need of help because they are ill, frail or have a disability. The care they provide is unpaid. This includes adults looking after other adults, parent carers looking after disabled children and young carers under 18 years of age.'

# EQUALITY IMPACT ASSESSMENT TEMPLATE

Carers	n/a	n/a	n/a
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# EQUALITY IMPACT ASSESSMENT TEMPLATE

## 8. Amendments to the proposals

Change	Reason for change
None	<p>Charging for parking may discourage people from using the site and therefore missing out on the health and wellbeing benefits of accessing the countryside. However, this would affect all site users, not just those with protected characteristics.</p> <p>On that basis specific impacts for each group cannot be identified. To do so would require us to be able to estimate the affordability for each group through 'means testing.'</p> <p>It is felt that parking charges by themselves would not disproportionately impact older or disabled people or their carers. This is on the basis that the parking charges should be set a reasonable level in comparison to other countryside sites. There would also be a season ticket available to bring the cost down for regular visitors. Blue Badge holders will be able to park for free when displaying their badge.</p> <p>Also, that the benefits of maintaining the site to allow it to continue to be used and enjoyed outweigh any potential disbenefit from having to pay for use. There is a need to consider parking arrangements to ensure that they do not disadvantage equalities groups.</p> <p>As well as this, a person's 'means' is not a protected characteristic and therefore cannot be considered as part of this impact assessment process</p>

## 9. Action plan

Potential impact (positive or negative)	Action needed to maximise positive impact or mitigate negative impact	By when	Owner
Impact of parking arrangements on specific groups, particularly the elderly who, for example, may not be comfortable paying by phone.	Recommended approach will include an option to pay by card.	As part of scheme implementation	Countryside Group

# EQUALITY IMPACT ASSESSMENT TEMPLATE

## 10. Potential negative impacts that cannot be mitigated

Potential negative impact	Protected characteristic(s) that could be affected
<p>Charging for parking may discourage people from using the site and therefore missing out on the health and wellbeing benefits of accessing the countryside. However, this would affect all site users, not just those with protected characteristics. On that basis specific impacts for each group cannot be identified. To do so would require us to be able to estimate the affordability for each group through ‘means testing.’</p>	<p>All visitors, including those not from a protected group</p>

## 11. Summary of key impacts and actions

<b>Information and engagement underpinning equalities analysis</b>	Public meetings, feedback from the public, stakeholders and interest groups.
<b>Key impacts (positive and/or negative) on people with protected characteristics</b>	<p>Charging for parking may discourage people from using the site and therefore missing out on the health and wellbeing benefits of accessing the countryside but by not charging in all locations this provides an alternative for those who do not want to or cannot afford to pay.</p> <p>The elderly may be less likely to own a mobile phone.</p> <p>Investment in better infrastructure such as improved trails and surfaces will benefit people with mobility issues.</p>
<b>Changes you have made to the proposal as a result of the EIA</b>	None
<b>Key mitigating actions planned to address any outstanding negative impacts</b>	N/A
<b>Potential negative impacts that cannot be mitigated</b>	The imposition of a charge, necessary for the financial sustainability of the site, may stop some people from visiting.

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