

Notice of Meeting

Council Overview Board



Date & time
Monday, 27 March
2017 at 10.00 am

Place
Committee Room C
County Hall
Penrhyn Road
Kingston upon Thames
KT1 2DN

Contact
Ross Pike or
Emma O'Donnell
Room 122, County Hall
Tel 020 8541 7368

Chief Executive
David McNulty



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This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Ross Pike on 020 8541 7368.

Members

Mr Steve Cosser (Chairman), Mr Eber Kington (Vice-Chairman), Mr Mark Brett-Warburton, Mr Bill Chapman, Mr Stephen Cooksey, Mr Bob Gardner Mr Michael Gosling, Dr Zully Grant-Duff, Mr David Harmer, Mr David Ivison, Mr Nick Harrison, Mr Colin Kemp, Mrs Hazel Watson and Mr Keith Witham

Ex Officio Members:

Mrs Sally Ann B Marks (Chairman of the County Council) and Mr Nick Skellett CBE (Vice-Chairman of the County Council)

TERMS OF REFERENCE

The Board is responsible for the following areas:

Performance, finance and risk monitoring for all Council Services	HR and Organisational Development
Budget strategy/Financial Management	IMT
Improvement Programme, Productivity and Efficiency	Procurement
Equalities and Diversity	Other support functions
Corporate Performance Management	Risk Management
Corporate and Community Planning	Europe
Property	Communications
Contingency Planning	Public Value Review programme and process

PART 1
IN PUBLIC

1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

2 MINUTES OF THE PREVIOUS MEETING: 1 MARCH 2017

(Pages 1
- 14)

To agree the minutes as a true record 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 QUESTIONS AND PETITIONS

To receive any questions or petitions.

Notes:

1. The deadline for Member's questions is 12.00pm four working days before the meeting (Tuesday 21 March 2017).
2. The deadline for public questions is seven days before the meeting (Monday 20 March 2017).
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

5 RESPONSES FROM THE CABINET TO ISSUES REFERRED BY THE SCRUTINY BOARD

There are no responses to report.

6 RECOMMENDATIONS TRACKER

(Pages
15 - 22)

The Board is asked to monitor progress on the implementation of recommendations from previous meetings.

7 PROGRESS OF THE SUSTAINABILITY REVIEW BOARD & THE MEDIUM TERM FINANCIAL PLAN 2017-22 (Pages 23 - 236)

This report details the Sustainability Review Board's progress towards identifying £30m permanent service reductions and up to a further £22m one-off reductions required to achieve a balanced budget in 2017/18 alongside the Council's Medium Term Financial Plan for 2017-22 prior to Cabinet approval

8 INVESTMENT STRATEGY REVIEW (Pages 237 - 256)

This report details progress made by the Investment Strategy and the income being delivered in support of the council's services. The Board will consider proposals to amend governance arrangements in order to continue to grow the investment portfolio.

9 DATE OF NEXT MEETING

The next meeting of the Board will be held at 10:00am on Wednesday 31 May 2017.

David McNulty
Chief Executive

Published: Friday, 17 March 2017

MOBILE TECHNOLOGY AND FILMING – ACCEPTABLE USE

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MINUTES of the meeting of the **COUNCIL OVERVIEW BOARD** held at 10.30 am on 1 March 2017 at Ashcombe Suite, County Hall, Kingston upon Thames, Surrey KT1 2DN.

These minutes are subject to confirmation by the Committee at its meeting on Monday, 27 March 2017.

Elected Members:

* Present

- * Mr Steve Cosser (Chairman)
- * Mr Eber A Kington (Vice-Chairman)
- Mr Mark Brett-Warburton
- * Mr Bill Chapman
- * Mr Stephen Cooksey
- * Mr Bob Gardner
- * Mr Michael Gosling
- * Dr Zully Grant-Duff
- * Mr David Harmer
- * Mr Nick Harrison
- * Mr David Ivison
- * Mr Colin Kemp
- Mrs Denise Saliagopoulos
- * Mrs Hazel Watson
- * Mr Keith Witham

Substitute Members:

- * Ms Denise Turner-Stewart

19/17 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from Mark Brett-Warburton and Denise Saliagopoulos. Denise Turner-Stewart substituted for Mark Brett-Warburton.

20/17 MINUTES OF THE PREVIOUS MEETING: 1 FEBRUARY 2017 [Item 2]

The minutes were agreed as an accurate record of the meeting.

21/17 DECLARATIONS OF INTEREST [Item 3]

There were no declarations of interest made.

22/17 QUESTIONS AND PETITIONS [Item 4]

There were no questions or petitions submitted to the Board.

23/17 RESPONSES FROM THE CABINET TO ISSUES REFERRED BY THE SCRUTINY BOARD [Item 5]

No issues were referred by the Board at its last meeting.

24/17 RECOMMENDATIONS TRACKER AND FORWARD WORK PROGRAMME [Item 6]

Recommendations Tracker

1. Recommendation reference R9/2016. The Chairman informed the Board that the joint meeting between the Transformation Sub-group and Members of the Audit, Best Value and Community Services Scrutiny Committee in East Sussex had recently been held. Members from both organisations were in agreement that no Orbis related matters had been of real concern to date, however both felt that they were not fully able to understand the amount of added value that the partnership provided. The group agreed on some potential scrutiny items for 2017/18, including a report on the financial and governance impacts of Brighton and Hove City Council joining the partnership and scrutiny of the revised Orbis business plan.

Forward Work Programme

1. The Chairman drew the Board's attention to two items on the Cabinet Forward Plan that were due to be considered without any scrutiny board consultation- the Investment Strategy and the revised Medium Term Financial Plan (MTFP).
2. The Investment Strategy paper asks the Cabinet to approve a delegation of power to the Investment Advisory Board to make decisions relating to individual investments.
3. The MTFP will outline how the £93m worth of savings will be made following the decision to abandon the 15% council tax rise proposal. The plans will have had no prior scrutiny.
4. The Chairman explained that whilst there may be an opportunity to convene a meeting prior to Cabinet taking these decisions, there was a risk that data could be delayed or amendments made on the day, and therefore he felt it would be pertinent to scrutinise the decisions after Cabinet through the call-in procedure. The Chairman informed the Board that the call-in period for these decisions would end on 4 April 2017 and that COB would need to convene a meeting between 4-18 April. Members were asked to keep 6 April and 13 April free and advised that the date would be confirmed in due course.

25/17 TRUST FUNDS ANNUAL PROGRESS UPDATE [Item 7]

Declarations of Interest:

None

Witnesses:

Rachel Crossley, Chief of Staff and New Models of Delivery Lead
Wendy Varcoe, Chief Executive, Community Foundation Surrey

Key points raised during the discussion:

1. Members questioned why the Yarrow Trust had remained as a separate trust fund and had not been included in the Surrey Educational Fund as per the Cabinet decision. It was explained the Yarrow Trust Fund had been set up as a separate fund outside of the Surrey Educational Fund (SEF) as discussions had been ongoing with the Schools Commissioning Team regarding potential use of the funds to expand a school. The Yarrow Trust Fund is however now transferring to the CFS. The officer explained that this had been signed off by the Director of Legal, Democratic and Cultural Services and that it was in line with the original Cabinet decision.
2. The Chief Executive of the CFS explained that there was a robust process in place, ensuring governing documents were in line with the requirements of the Charity Commission. She assured Members that whilst the Yarrow Trust Fund was currently separate from the SEF, they could be treated as though they were together, with the same decision-making panel, because they both supported local communities in benefitting from the provision of general skills, education and training.
3. Members acknowledged that the Henry Blanchett Trust, worth £175,107.55 was originally allocated to be used by just three divisions; and that this had now been transferred to the CFS and the funds were available for the whole of Surrey.
4. Members noted that the decision panels for the trust funds required Members as representatives from the local area, with local insight and potentially experience of charitable trusts. The officer explained that nominations for the panel would be built into the “outside bodies process” and that nominations would be accepted soon after the elections in May. The Scrutiny Board supported the proposal that the panel should include a Member from the Epsom and Ewell area given the sum transferred from Henry Blanchett Trust. The Board also suggested that the Cabinet Member did not necessarily have to be a member of the panel but that it could be the Cabinet Member, Chairman of the relevant Scrutiny Board or member on the Scrutiny Board with responsibility for Education.

Actions/ Further information to be provided

- A note to the Chairman further explaining the reasons for the Yarrow Trust Fund transferring to CFS as a separate fund rather than as part of the Surrey Educational Fund.

Recommendations

- That the Board receive a further update on the progress of the Trust Funds in 12 months time.

26/17 AGENCY STAFF TASK GROUP UPDATE [Item 9]

Declarations of Interest:

None

Witnesses:

Eber Kington, Task Group Chairman

Colin Kemp, Task Group Member

Key points raised during the discussion:

1. The Chairman agreed that this item was taken next on the agenda due to the previous item running ahead of schedule.
2. The Task Group Chairman explained to the Board that the main finding of the Task Group was that the use of agency staffing within IT & Digital, compared with other services, was not as distorted as originally reported to COB in December. During the first Task Group meeting, it was discovered that the data was erroneous as the Orbis staffing spend had not been factored in, therefore giving a disproportionate percentage.
3. Members noted that both the introduction of a “short term resourcing needs” policy document and the reinforced waiver process had been successful in helping to reduce the agency staff spend. Furthermore, earlier involvement by HR in workforce planning and monthly and quarterly monitoring meetings between HR and contract leads meant the Task Group were satisfied that agency staff spend and tenure was being managed.
4. Task Group Members explained that they had sought further detail from IT & Digital as to the processes involved in identifying the need for agency staff. As a result, at a third Task Group meeting, this information was provided and the Task Group was satisfied that sufficient processes were in place to justify the need, and that officers understood the financial situation of the organisation.
5. Members were informed that regular scrutiny by COB had made a difference to agency spend figures. HR also felt more enabled and more confident in the management of the agency spend within the new processes.
6. The Task Group Members stated that the one area that potentially required further investigation related to the business cases of IT projects, and how these were determined.
7. Members enquired whether the usage of agency staff within other services, for example, social care, have similar involvement by HR and are working to lower agency spend and directly employ staff instead. The Task Group Chairman explained that he was of the view that the principles of HR involvement in IT & Digital had been implemented across the council but that social care was outside of the remit of the investigation.

8. The Task Group Members explained that they had tried to ascertain whether staff in the council's redeployment pool were currently considered when resourcing for non-specialist roles such as administration. There was some uncertainty amongst officers as to whether this happened or not, and therefore it was suggested that this be clarified as one of the next steps.

Recommendations:

- That the Chief Information Officer be asked to review the priority level of certain IT projects and if a project is considered to be non-urgent reduce the need for some agency roles going forward.
- That the Council Overview Board receive an update on the use of agency staff in 2017/18.

27/17 STAFF SURVEY RESULTS AND HIGH PERFORMANCE DEVELOPMENT PROGRAMME UPDATE [Item 8]

Declarations of interest:

None

Witnesses:

Rachel Crossley, Chief of Staff and New Models of Delivery Lead
Lavern Dinah, Strategic OPD Manager
Amy Bailey, Employee Engagement Lead

Key points raised during the discussion:

1. Members probed the difference between leader and manager, given that "my manager" was one of the highest scoring factors and "leadership" was one of the lowest.. The Chief of Staff explained that throughout the survey, "leadership" was considered to be the Chief Executive and the Extended Leadership Team, whilst "my manager" referred to line management level.
2. The Chief of Staff explained that scores relating to values and behaviours had improved slightly, however there was an ambition to improve these further.
3. Members noted that the visibility of the leadership team was important to the staff, and that an over-reliance on digital communication had potentially meant that staff do not often see senior leaders face to face. The Chief of Staff acknowledged this point, and stated that work had been done to achieve a balance between digital communications and face to face interaction between leaders and staff.
4. Members noted the significant improvements in response rates within the Adult Social Care and Children, Schools and Families directorates

and the Chief of Staff explained that in both of these areas, the leadership teams had invested time in visiting the teams to listen to their views.

5. Members stated that there appeared to be a disconnect between senior leaders and staff members, and that staff needed to feel engaged. The Chief of Staff explained that work had been done to develop the appraisal process in order to help with engagement. The officer stated that the appraisal form had been improved along with the behaviours framework to allow for a meaningful discussion. It also enabled a clearer link to be made between personal objectives and those relating to the objectives of their service. It was thought that this led to a different conversation to ensure that individuals felt proud to be contributing to the objectives of the service.
6. Members enquired on the impact of the High Performance Development Programme (HPDP) on the staff survey results. The Chief of Staff informed Members that the HPDP was a training programme for leaders and senior managers and that approximately 700 officers had been on the programme. The purpose of the programme was to develop managers behaviours and their engagement skills to ensure they engaged with their teams. There was evidence of this in the scores relating to open and honest conversations which had remained high and the scores for listening had also increased.
7. The Chief of Staff explained that once the HPDP training had been delivered, the expectation was that the principles were then implemented. There were action learning and coaching sets in place to ensure managers were able to continue working on their personal development. Members were informed that the management training offer was due to be reviewed.
8. Members enquired whether the data from the staff survey allowed for comparison with similar organisations. The Employee Engagement Lead explained that many of organisations using the Best Companies survey were private or not-for-profit charities and housing associations, not local authorities. There were however, five other councils to benchmark against. The officer indicated that although the other councils were smaller than this council, the benchmark would still be relevant and allow for comparisons to be drawn.
9. Members enquired as to whether there were any talent programmes in place to develop leaders of the future. The Chief of Staff explained that there was a Shaping Leaders programme in operation that currently had two cohorts of candidates, 20 in total, who were identified for the programme based on their performance within their service with the use of 360 degree feedback tools. Members were informed that the programme provides the opportunity to develop new skills in different areas at assistant director or head of service level. Members also noted that there were two talent programmes in operation within Orbis, and that there was an opportunity for the council to scale up their programme.

10. Members noted the total cost of the three year programme of Best Companies staff surveys was £71,304. The Chief of Staff explained that there were options for additional reports and data that could be added on for additional cost.
11. Members noted the comparison data for “My Team” provided in annex 2 was worse in all but one directorate in comparison to last year. The Employee Engagement Lead explained that this was due to the introduction of a new question, “power struggles in my team have a negative impact”, which seemed to pull all the scores in the category down as a result.

Recommendations:

- That the Scrutiny Boards should consider reviewing service specific staff survey results relevant to their Board.
- That the Council Overview Board requests a report following the next results of the 2017 staff survey.

28/17 SCRUTINY IN A NEW ENVIRONMENT TASK GROUP UPDATE [Item 11]

Declarations of Interest:

None

Witnesses:

Zully Grant-Duff, Task Group Chairman
Stephen Cooksey, Task Group Member
David Harmer, Task Group Member
Nick Harrison, Task Group Member

Key points raised during the discussion:

1. The Chairman agreed to take this item earlier on the agenda due to the meeting running ahead of time and officers were not present for the scheduled item.
2. The Task Group Chairman began by explaining to the Board that the main objective of the Task Group was to discern whether the Council Overview Board was able to conduct effective scrutiny of new and emerging local government structures within current governance arrangements or whether revisions needed to be made.
3. Members noted that they were able to access information that was required in the context of a piece of programmed overview and scrutiny work; and that part two papers were available to all Members upon request. However, the Task Group Chairman explained that this did not necessarily reflect the past experiences of the COB Chairman.
4. The Task Group Chairman explained that the group had interviewed the COB Chairman, the Director of Legal and Cultural Services, the Leader of the Council and the Chief Executive and devised five

recommendations based on their findings. The proposed recommendations were tabled and are attached to these minutes at annex 1.

5. Members commented that as investments involved public money, it was important to ensure they were value for money and therefore key performance indicators needed to be in place to ensure performance of investments and LATCs was tracked against the original business plan.
6. Members noted that the Investment Strategy paper going to Cabinet on 28 March 2017 would potentially change the role of the Investment Advisory Board to a decision-making board, and the details of the proposed scrutiny and governance arrangements surrounding this proposed change were currently unknown.
7. Members suggested a change to the wording to recommendation (iv) to include “companies for which SCC has a controlling interest” in addition to wholly owned LATCs.
8. The Task Group Chairman explained that the Task Group felt that service scrutiny boards should be able to request directors and chief executives of wholly owned LATCs attend as witnesses to agenda items in relation to their service provision and performance. The Chairman of the Social Care Services Board explained that sometimes however, service provision and performance are linked to the finances of a company and therefore scrutiny boards other than COB may also require the financial detail in order to set context. It was agreed that the recommendation should be rewritten accordingly.

Final Recommendations:

That Cabinet review:

- a) the terms of reference for the Shareholder Board and consider the inclusion of a mechanism for tracking the performance of individual investments, and specifically the Property Investment Portfolio.
- b) the terms of reference for the Shareholder Board and consider the requirement that it report regularly, at least annually, to Cabinet on the performance of individual investments - and specifically the Property Investment Portfolio held by the Council - including with reference to each original business case and the Investment Strategy stated aims.

Future scrutiny role and Constitution changes

- c) Annual reviews of the Shareholder Board (including a review of each LATC's performance) in the context of the Investment Strategy should be undertaken by the Council Overview Board in line with the constitution.
- d) Following this report the Constitution of Surrey County Council should be explicit in permitting the Council Overview Board to require Directors and Chief Executives of wholly owned LATCs (or trading companies where the Council has a controlling interest) to attend as witnesses to programmed agenda items to allow COB to fulfil its

existing constitutional role to “review the performance of and hold to account any trading companies established by the Council.”

- e) The Council Overview Board recommends that Scrutiny Boards consider conducting enquiries on proposals to commission services from wholly owned LATCs, at the initial stage when the business case is formulated. Long-term, once contracts are awarded, the boards should consider incorporating in their programme of work regular overview and scrutiny of service delivery.
- f) To carry out this work Scrutiny Boards should also be given the role to review the performance of trading companies that deliver relevant services under their remit. As above, the Constitution should be explicit in permitting Scrutiny Boards to access company financial information as part of their enquiries and to require Directors and Chief Executives of wholly owned LATCs (or trading companies where the Council has a controlling interest) to attend as witnesses to programmed agenda items.

Hazel Watson and Stephen Cooksey left the meeting at 12:24pm.

29/17 DEVOLUTION UPDATE [Item 10]

Declarations of Interest:

Steve Cosser declared that he was a Director of the Surrey Association of Local Councils

Witnesses:

David McNulty, Chief Executive

Key points raised during the discussion:

1. The Chief Executive began by explaining that there had been little progress with the Three Southern Counties (3SC) devolution bid in recent months and that a decision would be taken in May as to whether the strategy should be resumed.
2. Members recalled that when the Leadership Risk Register came before the Board in April 2016, it was suggested that failure to achieve a 3SC devolution deal was a high risk to the council. Members questioned whether there was still a significant risk to the county as a result of the deal not materialising. The Chief Executive explained that the council faced significant challenges with regards to infrastructure, and that these deficits in infrastructure were a major concern. Devolution was considered the only credible option in order to achieve the levels of investment required.
3. The Chief Executive informed the Board that the Risk Register had been reviewed this week, and that a Sub National Transport Body (SNTB) for the south east was being considered as an alternative

route to infrastructure investment as a mitigation to the risk for the county of the devolution bid not progressing.

4. The Chief Executive explained that there was more than one level to consider with regards to Double Devolution, and that town and parish councils had a key role to play. He indicated that workshops were being arranged across districts and boroughs to explain the approaches and benefits to joint working. Members commented that they had not encountered any engagement to date within their town council roles.
5. The Chief Executive explained that the 3SC devolution proposals were discussed between the authorities and central Government, whilst the Surrey Joint Working proposals were not dependent on government negotiations and could continue without waiting for the regional devolution deal.
6. Members enquired what the key challenges were the 3SC deal needed to address. The Chief Executive stated that infrastructure was a key issue. He explained that billions of pounds needed to be invested in infrastructure across the 3SC network and that the deficits in this area put pressure on housing requirements, business development, congestion on the transport network and services becoming unreliable. He stated that digital infrastructure in rural areas of the 3SC area was also lacking. Furthermore, the Chief Executive explained that there was a key challenge around recruiting a workforce with the right level of skills required.
7. Members enquired if there had been any discussions relating to the consideration of the Mayoral Combined Authority models. The Chief Executive explained that some districts and boroughs had indicated that they would not consider an elected mayoral model, whilst others had indicated that they would wait and see what was on offer before they considered making the decision. The Chief Executive informed the Board that whilst he was not advocating the mayoral model, it was worth noting that cities that had decided upon a mayoral model had been able to secure significant investment funding. A Member reminded the Board that the mayoral referendum in Guildford was not successful, with four out of five voters voting against the proposal.
8. The Chief Executive assured the Board that the work previously done towards the 3SC Devolution deal was still fundamental to the work required for the SNTB approach to be successful. The work on infrastructure and transport systems in particular was considered to be valuable to the SNTB.
9. Members noted some positive examples of successful joint working across the county. All 11 boroughs and districts had been involved in the Surrey Family Support programme, identifying common ways of working in partnership with the County Council. The Surrey Waste Partnership Waste Together programme was also highlighted as a success.
10. Members noted that devolution had not been on the forefront of central government's agenda recently, and that government's focus on the

Industrial Strategy and Housing White Paper may instead be the way forward. The Chief Executive explained that there could still be an opportunity for transport, housing and skills to be improved within the 3SC network.

30/17 DATE OF NEXT MEETING [Item 12]

The Board noted that its next meeting would be held on Wednesday 31 May at 10:00am.

Meeting ended at: 1.05 pm

Chairman

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Recommendations	Annex 1
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The Task Group recommends that:

- i. Cabinet review the terms of reference for the Shareholder Board and consider the inclusion of a mechanism for tracking the performance of individual investments, and specifically the Property Investment Portfolio¹.
- ii. Cabinet review the terms of reference for the Shareholder Board and consider the requirement that it report regularly, at least annually, to Cabinet on the performance of individual investments - and specifically the Property Investment Portfolio held by the Council - including with reference to each original business case and the Investment Strategy stated aims.
- iii. Annual reviews of the Shareholder Board (including a review of each LATC's performance) in the context of the Investment Strategy should be undertaken by the Council Overview Board in line with the constitution.
- iv. Following this report the Constitution of Surrey County Council should be explicit in permitting the Council Overview Board to require Directors and Chief Executives of wholly owned LATCs to attend as witnesses to programmed agenda items to allow COB to fulfil its constitutional role to "review the performance of and hold to account any trading companies established by the Council."²
- v. The Council Overview Board recommends that Scrutiny Boards consider conducting enquiries on proposals to commission services from partially or wholly owned LATCs, at the initial stage when the business case is formulated. Long-term, once contracts are awarded, the boards should consider incorporating in their programme of work regular overview and scrutiny of service delivery.

Next steps

- Council Overview Board to plan a forward work programme for 2017/18 in line with the report recommendations
- Council Overview Board to consider scrutiny of Local Enterprise Partnerships at such time as the 3SC devolution bid progresses
- Learn from other Councils that operate primarily as commissioning authorities how scrutiny contributes to positive outcomes for residents

Report authors: Zully Grant-Duff (Chairman), Stephen Cooksey, David Harmer, Nick Harrison

Report contact: *Ross Pike, Scrutiny Manager*

Contact details: *democratic.services@surreycc.gov.uk*

Sources/background papers:

Constitution of Surrey County Council

Annex 1 – Scrutiny Task Group Scoping Document

Annex 2 – Scrutiny Arrangements 2016

Annex 3 – Investment Advisory Board Terms of Reference

Annex 4 – Property Investment Flow Chart

¹ Surrey County Council Cabinet, *Investment Strategy*, (23 July 2013).

² Surrey County Council Constitution, Part 2, Article 7.02 (available at: <https://mycouncil.surreycc.gov.uk/documents/s34519/Part%20%20-%20a07%20Scrutiny%20Boards.pdf>)

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Council Overview Board

ACTIONS AND RECOMMENDATIONS TRACKER – UPDATED 17 March 2017.

The recommendations tracker allows Members to monitor responses, actions and outcomes against their recommendations or requests for further actions. The tracker is updated following each meeting. Once an action has been completed, it will be shaded out to indicate that it will be removed from the tracker at the next meeting. The next progress check will highlight to members where actions have not been dealt with.

Please note that recommendations for future scrutiny items will be reviewed by the Board post-election.

Date of meeting and reference	Item	Recommendations/ Actions	To	Response
6 July 2016 A9/2016	RESPONSES FROM THE CABINET TO ISSUES REFERRED BY THE SCRUTINY BOARD	a) That the Chairman consider whether any further discussion with the Cabinet was appropriate in the light of the Cabinet’s response to the recommendation on the Investment Strategy Property Portfolio.	Council Overview Board Chairman	The Chairman has requested further papers from the Investment Advisory Board to aid his investigation and will report back to the Board at its November meeting. Update: The Investment Strategy item was requested for March 2017 but has been deferred until the new Council year to allow for a meaningful report with the required information.
21 September 2016 R7/2016	INTERNAL AUDIT: REVIEW OF PROPERTY ASSET MANAGEMENT SYSTEM INCOME MODULE	a) The Board agreed that the service will report its progress against the high priority recommendations to Democratic Services.	Claire Barrett Nigel Jones David John Siva Sanmugarajah	Review early 2017, post go-live.

Date of meeting and reference	Item	Recommendations/ Actions	To	Response
21 September 2016 R8/2016	INTERNAL AUDIT: SURREY YOUTH CENTRES- GOVERNANCE AND BUSINESS MANAGEMENT ARRANGEMENTS	a) The Board agreed that the service would bring an audit update report to the Council Overview Board. Audit would conduct a follow up in 3 months with a fuller review in 6 months	Ben Byrne Jan Smith David John Tasneem Ali	Update due end of March 2017 however Internal Audit have provided an interim update to the Chairman and Vice-Chairman.
3 November 2016 R9/2016	12 MONTH REVIEW OF ORBIS	<p>The Board resolved:</p> <p>The Chairmen of ABVCSSC and COB will coordinate their scrutiny work so that the same topics and reports, with additional authority specific information as requested, are prioritised by agreement between the Chairmen for consideration at each authority's scrutiny body which operate independently.</p> <p>Additionally, COB's Transformation Sub-Group members will meet, at least annually, with East Sussex Audit and Best Value members and a Brighton & Hove City Council observer to review Orbis performance and prioritise scrutiny topics.</p>	<p>COB Chairman</p> <p>Transformation Sub-Group</p>	<p>January 2017</p> <p>Meeting arranged for 21 February 2017.</p>

Date of meeting and reference	Item	Recommendations/ Actions	To	Response
14 December 2016 R12/2016	PROPERTY SERVICES: STRATEGIC & OPERATIONAL UPDATE	a) The Board agreed that a further report on the results of, and future plans for the investment strategy is brought to the Board in the new year. b) The Board recommend Property undertakes a programme of engagement with local committees to engage Members' on solutions to vacant property c) The Board agreed to review the Future Planned Approach (FPA) at the July 2017 COB meeting		To review in July 2017
14 December 2016 R13/2016	AGENCY STAFFING UPDATE	a) High % of agency staff in IT & Digital to be investigated by a Task Group with findings reported at the COB February meeting. b) The Board will review agency staffing data on a six-monthly basis	Eber Kington & Colin Kemp.	Final report to the Board in March 2017.
1 February 2017 R2/2017	SURREY CHOICES BUSINESS PLAN	a) The Board agrees that future scrutiny of Surrey Choices and Council owned LATCs by the Council Overview Board in 2017/18 should be further considered in the light of any recommendations made by the <i>Scrutiny in a New Environment</i> Task Group on access to officers and information.		Scrutiny in a new Environment task group are due to meet on 27 February (TBC) to finalise recommendations.
1 March 2017 R3/2017	TRUST FUND ANNUAL PROGRESS UPDATE	a) That the Board receive a further update on the progress of the Trust Funds in 12 months time	Rachel Crossley/ Saba Hussain	

Date of meeting and reference	Item	Recommendations/ Actions	To	Response
1 March 2017 R4/2017	AGENCY STAFF TASK GROUP UPDATE	a) That the Chief Information Officer be asked to review the priority level of certain IT projects and if a project is considered to be non-urgent reduce the need for some agency roles going forward.	Matt Scott	
1 March 2017 R5/2017	STAFF SURVEY RESULTS & HPDP UPDATE	a) That the Scrutiny Boards should consider reviewing service specific staff survey results relevant to their Board. b) That the Council Overview Board requests a report following the next results of the 2017 staff survey	Amy Bailey, Employee Engagement Lead, Scrutiny Chairmen.	
1 March 2017 R6/2017	SCRUTINY IN A NEW ENVIRONMENT TASK GROUP UPDATE	That Cabinet review: a) the terms of reference for the Shareholder Board and consider the inclusion of a mechanism for tracking the performance of individual investments, and specifically the Property Investment Portfolio b) the terms of reference for the Shareholder Board and consider the requirement that it report regularly, at least annually, to Cabinet on the performance of individual investments - and specifically the Property Investment Portfolio held by the Council - including with reference to each original business case and the Investment Strategy stated aims.	Cabinet	These recommendations will be considered by Cabinet on 28 March 2017.

Date of meeting and reference	Item	Recommendations/ Actions	To	Response
		<p>Future scrutiny role and Constitution changes</p> <p>c) Annual reviews of the Shareholder Board (including a review of each LATC's performance) in the context of the Investment Strategy should be undertaken by the Council Overview Board in line with the constitution.</p> <p>d) Following this report the Constitution of Surrey County Council should be explicit in permitting the Council Overview Board to require Directors and Chief Executives of wholly owned LATCs (or trading companies where the Council has a controlling interest) to attend as witnesses to programmed agenda items to allow COB to fulfil its existing constitutional role to "review the performance of and hold to account any trading companies established by the Council."</p> <p>e) The Council Overview Board recommends that Scrutiny Boards consider conducting enquiries on proposals to commission services from wholly owned LATCs, at the initial stage when the business case is formulated. Long-term, once contracts are awarded, the boards should</p>		

Date of meeting and reference	Item	Recommendations/ Actions	To	Response
		<p>consider incorporating in their programme of work regular overview and scrutiny of service delivery.</p> <p>f) To carry out this work Scrutiny Boards should also be given the role to review the performance of trading companies that deliver relevant services under their remit. As above, the Constitution should be explicit in permitting Scrutiny Boards to access company financial information as part of their enquiries and to require Directors and Chief Executives of wholly owned LATCs (or trading companies where the Council has a controlling interest) to attend as witnesses to programmed agenda items.</p>		

COMPLETED ACTIONS - TO BE DELETED

Date of meeting and reference	ITEM	Recommendations/ Actions	To	Response

1 February 2017 R1/2017	RESPONSES FROM THE CABINET TO ISSUES REFERRED BY THE SCRUTINY BOARD	a) That the Chairman of the Council Overview Board contacts the Leader to discuss the need for a scrutiny process to underpin the work of the Sustainability Review Board and agree a timetable for scrutiny of the existing MTFP savings plans and the proposals developed by the Sustainability Review Board ahead of the Cabinet meeting of 28 March 2017.	COB chairman	The Review Board has contacted all Scrutiny Board Chairman to organise sessions with Members in March to gain their views on proposals for the savings gap.
3 November 2016 R10/2016	HIGH PERFORMANCE DEVELOPMENT PROGRAMME	a) The Board agreed that a further report on the impact of the High Performance Development Programme incorporating the results of the staff survey and an update on the details of the new programme is brought to this Board in early 2017.	Ken Akers Karen Archer-Burton	Item scheduled for March 2017
1 June 2016 A7/2016	ANNUAL REPORT OF THE SHAREHOLDER BOARD	a) That further scrutiny in relation to Surrey Choices be scheduled once the Shareholder Board had completed the review of its business plan.	Scrutiny Manager	Awaiting completion of the business plan review. Update (Sep): Surrey Choices has been given further time to complete a final business plan. This is expected in October. Scrutiny could be scheduled for the December meeting of COB. Update (Dec): the Chairmen of COB, SCSB and Audit & Governance wrote to the Leader and Chief Executive to express their concerns regarding the management and scrutiny of Surrey Choices.

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Council Overview Board
27 March 2017

**MEDIUM TERM FINANCIAL PLAN 2017 -2022 AND SUSTAINABILITY
REVIEW BOARD REPORT**

1. The following report will be considered by Cabinet on 28 March 2017. The Council Overview Board has an opportunity to review the content with the Leader of the Council and Officers prior to the meeting of the Cabinet.

Recommendation:

That the Board reviews the report and makes recommendations as necessary.

Report contact: Ross Pike, Scrutiny Manager

Contact details: 020 8541 7368, ross.pike@surreycc.gov.uk

Sources/background papers: None.

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SURREY COUNTY COUNCIL

CABINET

DATE: 28 MARCH 2017



REPORT OF: MR DAVID HODGE, LEADER OF THE COUNCIL

LEAD OFFICER: SHEILA LITTLE, DIRECTOR OF FINANCE

SUBJECT: MEDIUM TERM FINANCIAL PLAN 2017 TO 2020

SUMMARY OF ISSUE:

This report presents the Council's Medium Term Financial Plan (MTFP) for 2017 to 2020 which builds on the budget envelope and Council tax precept set by Full County Council on 7 February 2017. This covers the remaining three years of the current comprehensive spending review period beyond which there is no detail known about the funding proposals upon which to build funding assumptions. The MTFP 2017-20 is a key means for delivering the Council's strategic aims in the context of the rising demand and funding pressures it faces. The Council has a legal duty to prepare a balanced and sustainable budget and to deliver statutory services to residents. To maintain essential services, the Council requires a budget that funds these pressures and the funding for this can either come from further Government support or resources raised locally. This report sets out how this will be achieved for 2017/18.

The Government published the Final Local Government Settlement on 20 February 2017 at which point the Council faced uncertainty in its medium term financial position including the need to identify further savings, service reductions or funding increases of £30m in 2017/18, rising to £73m by 2019/20. Since then a change to Government grants has led to an improvement in the Council's funding and subsequent budget changes. This report sets out those changes and presents the detailed service revenue and capital budgets for 2017/18 including fees and charges, and indicative budgets for the following two financial years.

In the current 2016/17 financial year the Council has made progress on measures aimed at reducing the forecast overspending. At the end of January 2017 the Council was in a position where it is forecasting a small underspending. This will enable the Council's reserves to be increased which will assist in managing the financial challenges of 2017/18.

In January 2017 the Cabinet agreed to set up a Sustainability Review Board (SRB) to focus on identifying up to £30m permanent service reductions and potential one-off reductions to achieve a balanced budget in 2017/18. A separate report on SRB's progress, which is an annex to this report, has identified areas for further savings of up to £5.3m.

Following the Full County Council's decision to support only capital schemes that it can fund without borrowing, other than in exceptional cases, the capital programme has been revised and is presented in this report.

Over the last four months in particular, the Council has highlighted the strains that the growth in demand for services, particularly social care, is putting both on this Council's and all councils' finances. This Council has drawn particular attention to where the methodologies used to distribute national funding have a disproportionate negative impact on Surrey such as the Improved Better Care Fund. Although the Chancellor of the Exchequer's 8 March Budget announcement has provided a temporary, albeit limited, solution in terms of £2bn additional adult social care funding over the next three years, the methodologies for distribution have not, for 90% of the funding, applied the Government's own relative need formula which means the Council receives £7.5m in 2017/18 rather than £17m that the Council would have had if the needs formula been applied.

This confirms that the basis of the needs assessment and distribution methodology is crucial and is why the Council continues to play a full role in the Government's Fair Funding Review. In addition, this Council will be seeking for Surrey to be a pilot area for the 100% Business Rates Retention Scheme from 2018/19 to help shape future arrangements for the benefit and protection of Surrey residents and businesses. The Government had indicated they will shortly be inviting authorities to apply to be a pilot for 2018/19. Surrey intends to apply.

This paper reports summaries of the Equality Impact Assessments that support the changes in service budgets.

Following Cabinet approval, the Council will publish the detailed budgets as "MTFP 2017-2020" on its website. This will enable users, budget managers, Members and residents to view budget details interactively on-line and request a hard copy of relevant sections.

RECOMMENDATIONS:

It is recommended Cabinet approves:

1. the release of provisions of £11m and reserves of £8.5m to balance the 2017/18 budget;
 2. the capital programme of £387m from 2017 to 2020, which is a reduction of £21m from that approved 7 February 2017;
 3. to only borrow for capital schemes where there is a compelling business case and for officers to review future years' budgets within the capital programme to reduce spending;
 4. the 2017/18 service strategies (Annex 1);
 5. the detailed service revenue and capital budgets for the year 2017/18 and indicative budgets for the years 2018-20 including amendments resulting from the Final Local Government Financial Settlement and other Government funding changes announced since 7 February 2017, including the March Budget (Annex 1);
 6. the proactive and systematic engagement of the County Council in
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responding to proposed changes in local government funding to ensure these changes do not further disadvantage Surrey, and seeking the appropriate recognition of the costs of delivering services in Surrey;

7. the following in relation to the funding of Early Years providers:
- The Local Authority to retain £4.4m of the Early Years grant to manage the sector and allow for a devolved provision for more targeted support.
 - Fund Early Years providers at rates which are commensurate with the levels of funding in the Early Years DSG:
 - £4.51 per hour for three and four year olds
 - £5.88 per hour for two year olds
- Change in the distribution of deprivation funding which has been simplified to be based on the Early Years pupil premium funding (paragraph 22);
8. the publication of the service revenue and capital budgets as the Medium Term Financial Plan 2017-20.

It is further recommended that Cabinet notes:

9. the additional funding for adult social care announced in the Chancellor of the Exchequer's Budget 2017;
10. the options for areas for additional savings and service reductions identified by Sustainability Review Board (SRB) in a separate report (Annex 2);
11. the Director of Finance's letter to the Department for Communities and Local Government confirming that the Adult Social Care Precept will be spent entirely on adult social care functions (paragraph 8 and Annex 3);
12. the fees & charges approved under delegated powers (Annex 4); and
13. the Equality Impact Assessments of the savings proposals within directorate and service budgets (Annex 5).

REASONS FOR RECOMMENDATIONS:

The Council has a legal duty to prepare a balanced and sustainable budget and to deliver statutory services to residents.

The Medium Term Financial Plan (MTFP) 2017-20 is a three year budget. It reflects assumptions about the current local and national financial, economic and political environment. Setting a three year budget is a key element of the Council's multi-year approach to financial management and its aim of achieving a sustainable financial position. Regular reporting through the year will enable effective tracking and management of progress with the strategy and the budget.

DETAILS:

Relevant strategies update

1. The Council's refreshed Financial Strategy 2017-20 that was reported to Full County Council on 7 February 2017 clearly sets out the Council's approach to financial management. It provides the basis for sound financial governance and long term sustainability and supports the delivery of the Corporate Strategy. The fundamentals of the Financial Strategy 2017-20 are:
 - acting in the public interest at all times through building partnerships to improve value and outcomes;
 - long term planning to enable effective and sustainable outcomes that meet future needs and opportunities; and
 - a proactive and practical outcome-focused approach to managing key risks and supports service strategies.
2. For the last three years the Council has produced a five year MTFP. However, the funding arrangements for local government are set to change significantly from 2019/20 with the extension of the Business Rates Retention Scheme. Related to this, is that the Government are only providing funding figures in the financial settlement up until 2019/20. Therefore, this MTFP also focuses on the three years to 2020.
3. To support the corporate strategic goals of wellbeing, economic prosperity and resident experience in a period of rising demand and falling funding, the MTFP (2017-20) includes the purpose, challenges, key actions and budget summary for 2017/18 for each service on a single page. Annex 1 includes each of the service strategies.
4. Cabinet approved the indicative three year revenue and capital budgets on 31 January 2017 and on 7 February 2017 Full County Council approved the 2017/18 budget envelope. This envelope included savings and service reductions totaling £93m in 2017/18 and a possible further £30m of savings, service reductions or funding increases. This is forecast to rise to £73m by 2019/20.

Sustainability Review Board

5. The Cabinet agreed to establish a Sustainability Review Board (SRB) comprising three cross party Members, the Strategic Director for Adult Social Care and Public Health, the Deputy Chief Executive and the Director of Finance. As part of the recommendation, the Cabinet requested that the SRB bring back an initial report to the Cabinet meeting on 28 March 2017 on progress towards identifying £30m permanent service reductions and up to a further £22m one-off reductions required to achieve a balanced budget in 2017/18.

6. A separate report on progress is included as Annex 2 to this report. This review has identified areas for additional savings of up to £4.6m. These are presented at the end of the annex. The Council will undertake further work to develop these areas for savings into firm proposals. As such, the service budgets in Annex 1 do not yet include the impact of these areas for savings. It is expected that at least £3m of the proposed savings are deliverable.

Final Local Government Financial Settlement and Chancellor's March Budget

7. Full County Council approved the overall budget envelope for 2017/18 on 7 February 2017. This was before the Final Local Government Financial Settlement was announced which was nearly two weeks later on 20 February 2017. The Council's budget was set based upon a 1.99% increase in the Council tax precept for general expenditure and a 3% adult social care precept which are both within the limits announced by the Secretary of State for Communities and Local Government in the Provisional Settlement in December 2016.
8. The Final Settlement confirmed the percentage increases and also the arrangements to satisfy the Department for Communities and Local Government (DCLG) that the adult social care precept will be spent appropriately. The Director of Finance had complied with these conditions by the stated deadline of 28 February although this has now been extended to April. The letter from the Director of Finance providing this confirmation is attached in Annex 3
9. The Government announced its intention to invite local authorities to apply to become 'pilot authorities' for the 100% Business Rates Retention Scheme for 2018/19. Although no formal invitation has been received as yet the Council is pro-actively discussing the concept of being a pilot with the Leaders of Surrey Borough and District Councils. This will provide the opportunity to help inform the new scheme for two-tier areas and provide further incentive for local authorities in Surrey to work with businesses to promote economic growth in the county.
10. The Government are due to consult on the basis for the needs assessment and distribution methodology for funding local government under the 100% Business Rates Retention Scheme. It therefore continues to be crucial the Council plays a full role in the Government's Fair Funding Review.
11. There were some very small adjustments to the New Homes Bonus Grant (NHB) contained in the Final Settlement. This Council saw a small reduction of £3,500 to £4,750,500 for 2017/18.
12. The Chancellor of the Exchequer presented his Spring Budget on 8 March 2017. Within this he announced additional funding for local government to meet some of the rising costs of adult social care. This Council has played a leading role in raising the profile of this issue and welcomed this announcement as a step in the right direction.

13. The total additional funding for adult social care nationwide totals £2bn by 2019/20. This includes £1,010m in 2017/18, £674m for 2018/19 and £337m for 2019/20. The Government allocated 10% of this new funding on the basis of the Government's own relative needs formula (RNF) and 90% as an addition to and in line with the improved Better Care Fund (iBCF). This means the funding is reduced to take account of sums paid by Surrey residents through the adult social care precept.
14. The amounts allocated to Surrey County Council (SCC) are £7.5m in 2017/18; £7.9m in 2018/19 and £5.6m in 2019/20 and these funds have been included in the MTFP to support adult social care services and contributes to a balanced budget position for 2017/18. However, the allocations are disappointing because if they had been based wholly on RNF the Council would have received £16.8m in 2017/18; £11.2m in 2018/19 and £5.6m in 2019/20.
15. In a similar way to the adult social care precept funding, this additional funding is expected to have conditions attached. The DCLG are consulting with the sector to try and agree these conditions and as yet there is no firm timetable for when they will be known and shared. However, it is likely that the conditions will include the need to meet unmet social care, assist the NHS, stabilise the social care market and also demonstrate actions for reducing delayed discharges. It is also likely that there will be a quarterly reporting return required but at this time the format of this is unknown.

Medium term financial plan – revenue budget

16. The MTFP 2017-20 is based on the Full County Council's approved 2017/18 budget envelope and the Council tax precept for 2017/18. It provides detailed service revenue and capital budgets following further consideration by Scrutiny Boards and also includes other changes due to Government announcements on grant funding. Any alterations to the final allocations of these grants will be covered directly in year by the services. The full list of grants is in Annex 1.
17. The areas for further savings from the SRB are not currently included in service budgets, although £3m of further savings is assumed to be delivered in 2017/18 in relation to this report.

Detailed revenue budget – key highlights

18. The Council's gross revenue budget for 2017/18 is £1,696m which includes £119m expenditure pressures across all services, especially in social care, and savings of £93m. The final published version of the MTFP will also include the additional savings identified by SRB that Cabinet approves.
19. Adult social care pressures continue to rise in 2017/18 and it is no longer possible to deliver the same proportion of savings to mitigate them. Total budget pressures amount to £47m in 2017/18 against which the service plans to deliver £26m of savings. £22m of these pressures arise due to an increase in demographic demand for services and nearly £10m is due to inflationary

increases. Overall this represents a £21m increase in the Adult Social Care (ASC) service budget for 2017/18.

20. In 2016/17 the Council has used reserves of £25m to achieve a balanced budget. Based on the budget pressures and savings related to adult social care, £11m of these reserves relate to the Adult Social Care service. When combined with the £21m increase in the ASC budget, this represents additional investment in adult social care of £32m by the Council. In 2017/18 specific income sources for adult social care are set to grow by a total of £30m. This is made up of £18m from the 3% ASC precept, £4m from the Government's new social care grant and £7.5m from the new monies announced in the Chancellor's Spring Budget Statement. Therefore, whilst these additional monies are welcome to support ongoing service delivery, combined they are still less than the total extra investment required in adult social care. Receipt of these additional monies does not therefore reduce or prevent the need to deliver the £26m of savings planned in ASC's MTFP for 2017/18 or indeed further savings in later years.
21. In addition, demand pressures in Children, Schools and Families continue to increase by over £22m in 2017/18 plus inflationary pressures of over £6m.
22. Local authorities receive funding (£66m in 2017/18) from the Department for Education (DfE) for free nursery entitlement for two, three and four year olds through the Early Years block of the Dedicated Schools Grant (DSG). The DfE funds local authorities for three and four year olds on the basis of an hourly rate and is also increasing the number of hours of free entitlement for some three and four year olds from 15 hours to 30 hours. Local authorities can retain up to 93% of the Early Years funding centrally in 2017/18 and 95% from 2018/19. These changes were subject to national consultation and are to be implemented from September 2017.
23. The Council has consulted with Early Years providers and Schools Forum around local funding changes and agreed that:
 - the local authority retains £4.4m of the Early Years grant to manage the sector and allow for a devolved provision for more targeted support;
 - fund Early Years providers at rates which are commensurate with the levels of funding in the Early Years DSG:
 - £4.51 per hour for three and four year olds
 - £5.88 per hour for two year olds
 - Change in the distribution of deprivation funding which has been simplified to be based on the Early Years pupil premium funding. As with any formula change there will be winners and losers but this revised methodology will provide predictability on funding levels and was broadly supported in the local consultation.
24. To meet these pressures and reductions in overall government funding the Council has to make further and deeper savings and service reductions. Since

2010, the Council has demonstrated a strong track record by achieving over £450m savings, although it is falling short of its £83m target in 2016/17. For 2017/18, the Council has identified £93m of savings and service reductions as part of £123m needed to move toward a balanced and sustainable budget. Further savings identified by the SRB will contribute to filling this gap. Despite the additional funding for adult social care, further actions are still required to achieve a balanced budget for 2017/18, and a sustainable budget for future years.

25. This MTFP includes service identified savings of £170m over the three years, of which £93m are to be delivered in 2017/18. These savings represent a major challenge, which will be difficult to deliver, with significant risks. To illustrate this, Table 1 shows the 2017/18 savings identified in MTFP (2017-20) analysed by risk of achievement.

Table 1: Risk of achievement of 2017/18 savings

	2017/18	
	£m	
Green	45	Plan to deliver the savings and it is on track
Amber	43	Plan to deliver the savings, although it is not currently on track
Red	7	No plan to deliver the savings
Total savings	93	

26. In view of the challenges of delivering significant further savings and reductions for several more years, Cabinet has required the Chief Executive and Director of Finance, in consultation with the Leader of the Council to continue to track and monitor progress on all existing MTFP savings.
27. For 2017/18, directorate leadership teams will receive detailed tracking reports of the savings which they are responsible for achieving. The Chief Executive's Direct Reports will receive a tracking report on the consolidated position and take actions to ensure the Council achieves its overall savings target. In the next administration, Cabinet Members will also receive tracking reports so that they can report monthly at Cabinet meetings on the progress under their responsibility areas. This is to ensure the Council's revenue budget is sustainable and to develop robust plans for further savings and income generation opportunities for the remaining years of MTFP (2017-20).
28. The detailed budget proposed in this report outlines the estimated timing for delivering the Council's total savings across the three year term of MTFP (2017-20).

Staffing

29. As a part of the detailed budget, Annex 1 includes the numbers of funded employees for each service expressed as full time equivalents (FTEs). The

overall staffing budget has reduced by 101 FTEs. This rise reflects savings and service reductions in 2017/18.

Medium term financial plan – capital budget 2017 to 2020

30. SCC invests in creating public value for Surrey residents through its capital programme. There are two strands to the capital programme the first being investment in assets to provide services and the second being investment in long term capital assets that will generate capital growth and regular income returns to reduce reliance on the taxpayer.
31. The capital programme proposed to the County Council in February 2017 totaled £408m over the three years 2017-20. In agreeing the budget proposals to increase Council tax by 4.99%, the Council also agreed to support only those schemes which are funded without requiring borrowing, unless a sustainable basis for funding the borrowing costs can be made and a compelling business case to demonstrate value for money. As a consequence, the final detailed capital programme included in the MTFP is smaller at £386m, supported by reduced borrowing of £61m over the three year period.

School Places

32. The number of school aged children in Surrey has been rising for a number of years and this requires the County Council to provide additional pupil places in both primary schools and secondary schools. This is known as the Schools Basic Need programme. In the past the Council has undertaken significant borrowing to support this expansion in school places but going forward the Council has been successful in attracting additional government funding and developers' contributions. This means that no further long term borrowing is required for the Schools Basic Needs programme

Highways

33. Surrey has one of the most heavily used road and highway networks in the country which requires maintenance and replacement over time. Over recent years the Council has invested heavily in its roads and this continues with a three year highways maintenance budget of £57m including £19m in 2017/18. None of this expenditure is planned to be supported by borrowing.
34. The Highways and Transportation capital budget is primarily financed by Government funding and third party contributions, supported by borrowing for: flood resilience schemes, the River Thames flood protection scheme, and Surrey's contribution to highway maintenance "challenge fund" schemes, which require match funding. In 2017/18 the Government will provide grant funding to SCC totaling £25.8m for highway maintenance and transport schemes.
35. The Community Infrastructure Levy (CIL) is a form of developer levy collected by boroughs and districts in Surrey and then potentially passed to the Council to fund new transport schemes. The capital budget for Highways & Transport

includes an estimated £3.6m of spend funded by CIL contributions during 2017-20, with £1.2m of this planned for 2017/18.

36. The Strategic Economic Plan Schemes (Local Growth Deals) are Local Enterprise Partnership (LEP) schemes funded by a combination of grant, developer contributions, partner contributions (from boroughs and districts and bus and rail companies) and a contribution from Surrey County Council. Total spend on these schemes for 2017/20 is £32m, with Surrey's contribution being £5m.

Property

37. The Council has a large number of properties from which it provides its services which it must maintain, and the biggest element of this is schools. The Government provides two further grants for schools capital which are the Devolved Formula Capital (for new buildings and extensions and is devolved to schools) and Schools Capital Maintenance. The Council will receive Devolved Formula Capital Grant of £1.6m in 2017/18 and £12m of Schools Capital Maintenance Grant. These amounts are still provisional awaiting final allocations from Government which will change for revised pupil numbers and academy conversions. Any variances in these allocations will be adjusted for in the levels of planned expenditure.
38. Table 2 summarises the capital spending and funding for the period 2017 to 2020 with more detail for each service shown in annex 1.

Table 2 – Capital programme and funding 2017 to 2020

	2017/18	2018/19	2019/20	Total
Summary capital programme	£m	£m	£m	£m
Schools Basic Need	72	55	13	140
Highways & Transport programme	49	34	28	111
Property & IT recurring programme	23	22	23	68
Other capital projects	42	17	8	67
Total capital programme	186	128	72	386
Summary capital funding				
Grants	134	100	49	283
Reserves	19	6	2	27
Third party contributions	5	3	7	15
Borrowing	28	19	14	61
Total capital funding	186	128	72	386

Reserves and balances

39. The Council holds a small general balance to provide a contingency against unforeseen overspends or a major unexpected event. The level of this general balance is not prescribed and the Council aims to keep a reasonable balance that is justifiable in the context of local circumstances while not tying up Council taxpayers' money unnecessarily. In recent years this has been set at between 2.0% to 2.5% of Council's core spending power (between £16m and £20m). At 31 March 2017, the Council's general balance is expected to be £21.3m
40. Earmarked reserves are for specific purposes and to mitigate against potential future known or predicted liabilities. Since 2012/13 the Council has applied £110m of reserves to support the budget, including £24.7m which were used to balance the 2016/17 budget. Further use of reserves was not proposed in the budget presented to County Council in February 2017 because of the continuing and significant risks facing the Council in terms of on-going increasing demands and limited local ability to manage the level of funding to keep pace with growing service demands. However, since then the forecast small underspend on the 2016/17 budget and the additional retained business rates income not confirmed until after the Full County Council met, will allow a modest contribution from reserves for 2017/18 of £8.5m without an unacceptable impact on the overall level of reserves.
41. Appendix 1 to Annex 1 provides an updated schedule of earmarked reserves and a description of their uses.
42. The Council also carries a number of provisions for liabilities that the Council previously expected to be likely in the future, but the timing of the liability arising was unknown. One of these was for potential liabilities relating to injury awards. The likelihood of these liabilities occurring has now reduced sufficiently for the Director of Finance to be satisfied that the provision can be reduced by £9m. Another provision exists in relation to potential equal pay liabilities. Although the likelihood of a liability remains, the amount of the provision can be reduced by £2m.

Medium term financial plan – interactive and publication

43. MTFP (2017-20) will be available on the Council's website as both an interactive document, allowing the user to drill down into service budgets on the website and an electronic version available for printing. The Council has aimed to enhance resident experience by using consistent terminology throughout all external financial publications (Council tax information, interactive MTFP and Annual Report).
44. A printed version of MTFP (2017-20) will be available to order from the Council's main website. As in the current year, this will enable the reader to choose which pages to print.

45. MTFP (2017-20) will present the strategy for each service followed by an analysis of the service's budget including changes from the 2016/17 budget, savings, pressures and staffing.

Fees and charges

46. In addition to Government grants, business rates and Council tax funding, the Council plans to raise over £98m in fees and charges in 2017/18.
47. The detailed budgets in Annex 1 analyse the Council's fees and charges income by service. The schedules to Annex 4 detail the charges proposed for 2017/18.
48. In December 2015, Full County Council approved amendments to the financial regulations so that Cabinet now notes any operational changes to existing fees and charges and Cabinet approves any new charges or strategic or policy changes to existing charges.
49. The financial regulations updated the definition of fees and charges. The definition distinguishes between individual and organisational income. The definition is:

'Fees and charges are agreed upfront payable rates for providing services that are either set by statute (Act of Parliament e.g.: fairer charging) or through the Council's delegated authority, and include fines, licenses and penalties. The fees and charges are usually paid by individual members of the public and can be purchased by anyone.'

'It is not a fee or charge when there is an arrangement to provide services to another organisation, where the price and service is negotiated, under a form of contract.'

50. Every year services must review and update their fees and charges to ensure discretionary services for which a fee or a charge is applicable are not provided at a subsidy without a specific supporting policy decision; and publish the 2017/18 schedule of fees and charges. Annex 4 details the existing and revised charges by service.
51. Fees and charges are reviewed each year and Scrutiny Boards should review and challenge the fees and charges elements of the service strategies over the next twelve months.

<u>CONSULTATION</u>

52. During February and March 2017 the Council's scrutiny boards have reviewed and scrutinised service budgets that are now reflected in the MTFP (2017-20) detailed budgets.

RISK MANAGEMENT AND IMPLICATIONS:

53. The MTFP (2017-20) includes £240m of savings and additional income to be made over the three year period. MTFP (2017-20) assumes Council tax will rise by 1.99% for standard Council tax and 3.00% for the adult social care precept. The risks of not achieving these savings in 2017/18 have been assessed and summarised in Table 1 and reported in Section 2 of MTFP (2017-20).
54. In view of the increasing challenge to deliver high levels of savings for several more years, the Chief Executive's Direct Reports (CEDR) will lead the rigorous tracking and monitoring process for current year savings for the whole Council and the mechanism for rigorously reviewing plans for delivering all savings across the whole MTFP period. Directorate leadership teams will track and monitor services' detailed savings plans. Cabinet Members will also receive tracking reports so that they can report monthly at Cabinet meetings on the progress under their responsibility areas.
55. The Council maintains an integrated risk framework to manage the significant challenges it faces and the associated emerging risks. The specific risks and opportunities facing the Council and recorded in the Leadership Risk Register are:
- Financial outlook
Lack of funding, due to constraints imposed by Central Government on local authorities' ability to raise appropriate local funding and distribution of less grant funding, results in significant adverse long term consequences for sustainability and service reductions leading to significant implications for residents.
 - Safeguarding – Children's Services
Avoidable failure in Children's Services through action or inaction, including child sexual exploitation, leads to serious harm, death or a major impact on wellbeing..
 - Safeguarding – Adult Social Care
Avoidable failure in Adult Social Care leads to serious harm, death or a major impact on wellbeing.
 - Devolution
Failure to achieve a devolution deal leaves Surrey County Council without a coherent response to the strategic infrastructure challenges facing the county.
 - Medium Term Financial Plan
Failure to achieve the MTFP lowers the Council's financial resilience and could lead to adverse long term consequences for services.
 - New ways of working
Failure to identify and manage the impacts / consequences of implementing a range of new models of delivery leads to severe service disruption and reputational damage.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

56. The Council's refreshed Financial Strategy sets out its approach to financial management as the basis for sound financial governance and long term sustainability. All the documented budgets and targets have been subject to a thorough value for money assessment. Throughout the budget planning and setting process the Council has assessed material financial and business risks and reflects them in this report and its annexes.
57. The Government has indicated its intention to implement a 100% Business Rates Retention Scheme for local government from 2020. This will include a fair Funding Review among its foundations and a pilot scheme to test practical application. To ensure the Council's financial prospects are sustainable and the new scheme treats Surrey residents fairly and incentivises Surrey businesses effectively, it is crucial the Council plays a full and vital role in these consultations and reviews to influence the future funding of local government.
58. The 100% Business Rates Retention Scheme will introduce many significant changes to local authorities' spending responsibilities and funding sources that are, as yet unknown. As such, the Government has only provided funding totals to Councils for the period 2017/18 to 2019/20. Given the level of uncertainty beyond 2019/20, the Council has limited its MTFP to three years.
59. Even over this shorter three year period, reductions in Central Government funding, constraints on raising revenue from local sources and growing service costs and volumes all combine to mean pressures on the Council's budget intensify. In this worsening scenario, it will be increasingly challenging for the Council to deliver further savings after achieving more than £450m expenditure reductions since 2010. The 2017/18 budget includes £93m of identified savings, plus one-off measures of up to a further £22m. By 2019/20 the amount of identified savings in the MTFP is £170m plus amounts to be identified in 2018/19 and 2019/20 that rise to £67m.

SECTION 151 OFFICER COMMENTARY

60. Since 2010 the Council has made significant savings, efficiencies and service reductions in order to maintain a balanced budget. These have averaged between £60m to £70m per year. For 2017/18, there are £93m of identified savings which is a significant increase on previous years and there is a high degree of risk around all of these being achieved. It is the view of the Director of Finance that the Council will be required to make a significant unplanned use of earmarked reserves for unachieved savings in 2017/18. This will take reserves below the safe minimum levels and will need to be replenished in future years, especially those required to cover future possible liabilities. There is therefore an essential need for even more rigorous tracking and monitoring by the leadership of the Council of the savings and spending reduction plans to

ensure they are delivered or that alternative actions are taken early if necessary.

61. The SRB, set up in February, has identified areas for further savings including £3m that could be delivered in 2017/18. The SRB and the Council's leadership will need continue this work together to deliver these savings and identify further savings for the Council to sustain its budget for 2017/18 and move towards a sustainable budget for future years.
62. It is important to note that the 2017/18 budget is balanced through the use of one-off measures totaling over £19m. In future years this is not sustainable, especially the use of reserves that are already at the safe minimum level in light of the financial uncertainty facing the Council. Further, the Council must not rely on increases in future funding to create a balanced and sustainable budget such as a 100% Business Rates Pilot if agreed to in the future since any pilot will be for 2018/19 only. The implications for funding from 2019/20 are unknown pending the Government's planned reform of local government funding through its Need Review and the 100% Business Rates Retention policy implications. The Council therefore needs to continue to identify and implement further measures to reduce its spending to be contained within known resources.

LEGAL IMPLICATIONS – MONITORING OFFICER

63. This report sets out the Council's refreshed financial strategy and in particular the need for high levels of savings to be delivered. Legal Services will be involved in tracking and monitoring savings to advise on the legal implications of individual proposals.
64. The Council also has a duty under the Equality Act (2010) to consider the equalities implications of the proposals underpinning the MTFP, as set out in the Equalities and Diversity section of this report.

EQUALITIES AND DIVERSITY

Background

65. An analysis has been undertaken of the equalities implications of the savings proposals presented in the MTFP for the 2017/18 financial year. This analysis provides the Cabinet with information about the potential impact of the proposals on groups with protected characteristics in Surrey. Where potential negative impacts have been identified information is also provided about the actions that the Council is taking, or will undertake, to mitigate them.
66. This analysis covers proposals to deliver the £93 million of savings proposals outlined for 2017/18 in the new MTFP. Following the Council's decision to increase Council tax by 4.99% on 7 February 2017, £30 million of further savings will be required in 2017/18, but are yet to be identified. Equalities implications for new proposals will need to be assessed and understood.

67. Where the Cabinet is required to take further decisions around the implementation of savings proposals, or where proposals are not sufficiently developed to undertake an equalities analysis at this time, additional analysis will be presented to inform decision-making alongside the relevant future Cabinet reports. Equality Impact Assessments (EIAs) will be prepared as more specific proposals to achieve savings are brought forward.
68. EIAs for a number of savings proposals in 2017/18 are continuations of those undertaken previously. Where this is the case the existing EIA has been reviewed by Services. For new savings proposals, or proposals with significant material changes, services undertook a new EIA. This section of the report provides information about:
- the legal requirements around equalities;
 - the high-level findings of the analysis, including information about which new savings proposals have been assessed for equalities implications; and
 - how the findings of this analysis will be used.
69. The equality implications for the financial plans beyond 2018 will be considered in detail alongside future MTFP reports for Cabinet.

Legal requirements

70. When approving the financial plans, the Council's Cabinet must comply with the Public Sector Equality Duty in section 149 of the Equality Act 2010 which requires it to have due regard to the need to:
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Equalities analysis: Overarching findings

71. A detailed summary for each Directorate is included in Annex 5 to this report. Where necessary, EIAs have been completed and have been published on the SCC website at <http://www.surreycc.gov.uk/your-Council/equality-and-diversity/ensuring-our-decisions-are-fair>
72. The Council provides many services for the most vulnerable in Surrey's communities. This includes numerous protected characteristic groups. Officers have identified proposals for £93 million of these savings and, where possible, mitigating actions to prevent any negative impacts. However, some services are still to develop detailed implementation plans and have committed to identifying impacts and developing mitigating actions over the coming year. Work is also underway to identify how to deliver the remaining £30 million. In total, significant additional savings of £123 million need to be made in 2017/18 which will affect services for those groups.

73. For the Council's workforce, the biggest changes will be in restructures and management of vacancies. These will be completed in line with Council policy to ensure no particular groups are disadvantaged.

74. Key points from Directorates are highlighted below:

Adult Social Care

75. Adult Social Care has a £25.5 million savings target in 2017/18. The Directorate provides important services for older people, disabled people and their carers. Ongoing savings have been grouped under three headings: whole systems demand management; market management and pricing strategies; and workforce development.

76. There are a number of issues facing the Directorate that will make it increasingly difficult to mitigate potential negative impacts associated with the whole system's demand management savings, including:

- the level of savings required in 2017/18 in addition to the £225 million savings delivered by the Directorate since 2010;
- increased demand for services; and
- national policy changes (such as Deprivation of Liberty Safeguards).

77. There are risks that:

- Investment in preventive services will need to be reduced to ensure the Council continues to discharge its duty to meet eligible assessed needs. To mitigate this risk, a formal consultation will be undertaken on the Housing Related Support proposals and the Directorate will ensure any changes to grants and contracts are evaluated for potential impact on people with protected characteristics and are targeted to minimise the impact upon local services provided.
- There will be increased pressure on health, borough, district, voluntary, community and faith sector partners and informal carers. To mitigate this risk, the Council will continue to collaborate with partners to deliver local integrated community based health and social care.
- Providers will be facing financial difficulties. To mitigate this risk we will continue to work with providers to implement long term and sustainable market management and pricing strategies.

78. The Directorate has committed to a range of mitigating actions including continuing to collaborate with partners to deliver local integrated community-based health and social care; encouraging people to build networks of support amongst their family, friends and communities; and ensuring practice continues to focus on outcomes. It will also ensure any reductions in grants and contracts are evaluated across the system; individuals, their family and carers are engaged throughout the process of change; and utilise technology and look for new and creative models of delivery.

Children, Schools and Families

79. The Children, Schools and Families (CSF) Directorate consists of Schools and Learning (including Special Educational Needs and Disabilities); Children's Services; and Commissioning and Prevention. CSF is required to make savings of £25.1 million in 2017/18 and the Directorate has undertaken an equalities analysis of the savings planned. The level of savings required means it may be increasingly challenging for the Directorate to mitigate negative impacts.
80. The Directorate has identified 36 planned savings for 2017/18 which have been grouped under six themes:
- **Market management and demand management** – these savings proposals are seeking to reduce the effect of inflation on services and to ensure that the Council pays the right costs for services. Demand management is through a new operating model of Early Help.
 - **Early Help model** – these savings proposals relate to the implementation of a new operational model of Family Services and the restructure of the commissioning functions of the Commissioning and Prevention Service.
 - **Special education needs and disabilities (SEND)** – these saving proposals are seeking to review/redesign operating models and service delivery to ensure a sustainable service to support children and young people with SEND.
 - **Education and skills** – these savings proposals relate to changes in support services for schools in light of changing national legislation and funding arrangements and the growth in the number of academies.
 - **Support functions reduction** – these savings proposals are to review the business support functions of Children's Services and Schools and Learning to ensure efficiencies while reducing operational costs.
 - **Productivity efficiencies** - these savings relate to the continuous identification of the most effective and efficient ways of running the services.
81. The Directorate has committed to mitigating actions for any negative equalities impacts arising from these proposals and will continue to ensure staff, users and partners are engaged throughout the process of change.

Public Health

82. Public Health has a £3.3 million savings target for 2017/18. Proposals identified as requiring specific EIAs are for non-renewal of a mental health promotion contract and reduction in programmes for substance misuse. There will be a direct impact on service delivery within these areas. Both require further consultation to fully inform the final EIAs and mitigating actions. However, it is clear that the initial process has identified a number of key groups who are likely to experience a negative impact as a result of the savings. While for substance misuse it is possible to build in mitigation through the service redesign process, the withdrawal of the public mental health budget and related service as it is currently commissioned, will be much harder to mitigate within the remaining resources in the Council's public health team.

Business Services

83. Savings will continue to be delivered by the Orbis shared services partnership formed between the Business Service Directorates of Surrey and East Sussex County Councils. Savings of £3.9 million will be made by creating joint teams, reducing duplication and adopting more efficient working practices and reviewing methods of service delivery. These changes will impact on staff and EIAs will be completed as proposals are developed for each service.
84. Further savings are being delivered from the budgets that are managed by the Orbis partnership. This includes reductions in property spend including from utilities and following the closure of the six older people's homes. There will be some reductions in training spend, however this is from a review of methods of delivery rather than reducing essential core training that staff require to do their jobs.

Environment and Infrastructure

85. Environment and Infrastructure has a savings target of £9.6 million for 2017/18 and is delivering savings in a number of areas. Subsidies for bus services are being reduced which means that there will need to be reductions on subsidised routes in terms of their frequency, days of operation, route travelled and in a few cases withdrawals. The comprehensive EIAs completed for years one and two of the Local Transport Review are in the process of being updated for 2017/18.
86. There will also be a reduction of £100,000 to the Council's contribution to partnership work with Surrey Wildlife Trust; a reduction in contribution to hosted partnerships, contribution to non-hosted partnerships to stop: Gatwick Greenspace Partnership and Blackwater Valley Countryside Management Partnership. It is also proposed that the revenue budget for Rights of Way work will reduce by £190,000. The public who visit the countryside and potentially those who benefit from some of the activities run by the hosted and non-hosted partnerships will be affected by the proposals. Advice will be sought from the Surrey Countryside Access Forum – the statutory forum that advises on countryside access issues – to help mitigate these impacts.

Customer Services

87. Customer Services has a £180,000 savings target for 2017/18. The Contact Centre's opening hours are being reduced and there is a drive to promote use and increase provision and uptake of on-line options to customers so that they can self-serve 24/7. EIAs are being undertaken to mitigate the impact on people with protected characteristics. This will include continuing the library automated telephone renewal service and offering bespoke support from the Contact Centre for customers unable to use the alternative channels offered.

Registrations and Nationality and Libraries Services

88. The Registration and Nationality Service is constantly reviewing the levels of provision that are offered for appointment for birth and death registrations, and notices of marriage at Register Offices. It will continue to prioritise death registration appointments (as these should be registered within five days), but may look at a slight reduction in the number of available birth registrations appointments which would mean that people may have to wait longer to register the birth of their child at their nearest Register Office. If they wanted an earlier appointment to register the birth they could choose to travel further to another Surrey Register Office. The Registration Service would ensure that the required number of appointments are available across the Register Offices in Surrey to ensure that all births (around 20,000 per year) can be registered within the required 42 days and that special arrangements would continue to be made in exceptional circumstances.
89. The Library Service is required to make budget savings of £397,000 from 2017/18. There are three proposals to achieve this:
- Revision and reduction of evening opening hours across the branch network at Category A and B libraries to save £121,000.
 - Reduction of the resources fund, which will affect the range and availability of book titles, by £246,000.
 - Reduction of the staffing budget for the service development team by £30,000.
90. The reduction in evening opening hours may impact predominantly on people with limited opportunities to visit the library at alternative hours of the day, including those of working age in full time employment and carers.
91. The Service will communicate with library members to advise of changes to opening hours and promote alternative access to services online.
92. All users will be affected by a reduction in the book fund with a reduction in the range and availability of titles - purchasing reduction of approximately 20,000 books against a book stock of 1,400,000.

Surrey Fire and Rescue Services

93. For Surrey Fire and Rescue Service (SFRS), a number of changes are proposed to meet the service's £3.1 million savings target for 2017/18. Reviews are underway to improve collaborative working across Surrey and Sussex to meet current and future transport and associated equipment needs of emergency services, deliver efficiencies in back office and management costs and on the contingency arrangements for the service to ensure SFRS meets its legal duties and the need to ensure it is cost effective. The EIA process will identify and mitigate impacts on protected characteristic groups.

Mitigation

94. As part of this equalities analysis work, services have developed a range of mitigating actions that seek to offset negative impacts of savings proposals. In summary, the Council's approach to mitigating negative impacts of savings proposals within the MTFP has been to adopt one or more of the following:
- using **co-design and consultation** with service users and staff to assist in the reconfiguration of services;
 - undertaking detailed **needs assessments** to enable the Council to target services more effectively to vulnerable residents;
 - undertaking **ongoing evaluation** of the impact of changes to services to mitigate unforeseen negative impacts;
 - providing **tailored information** to service users that are impacted negatively by savings proposals; and
 - ensuring any changes to staffing levels or staff structures are completed in accordance with the **Council's human resources policies and procedures** and take account of the workforce profile.

Using the equalities analysis findings

95. Cabinet should be aware that the public equality duty is not to achieve the particular outcomes set out in section 149 of the Equality Act or to take particular steps. It is instead a duty to bring the important matters identified in section 149 into consideration as part of the decision making process. "Due regard" is a test of the substance underpinning decisions in the sense that they have been approached with rigour and an open and enquiring mind. This substance is demonstrated through EIAs and the changes that are made to proposals and services as a result of them.
96. "Due regard" also means that the regard that is appropriate in making these decisions. So, alongside the proper regard that Cabinet must give to the goals set out in section 149, they should also consider any other relevant factors and it is a matter for them to decide the weight to be given to these factors. In this case the most significant other matters are:
- the statutory requirement to set a balanced budget
 - the outcomes the Council is seeking to achieve, which are set out in the Council's *Corporate Strategy 2017-2022*
 - the priorities within the Council's *Confident in Surrey's Future: Equality, Fairness and Respect Strategy 2015 – 2020*
 - the demographic pressures facing SCC that include a rising population with projected increases in the number of older residents as well as children and young people. Increases in both these age groups will place additional demands on adult social care services and local schools.

OTHER IMPLICATIONS:

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

Area assessed:	Direct implications:
Corporate Parenting / Looked After Children	No significant implications arising from this report.
Safeguarding responsibilities for vulnerable children and adults	No significant implications arising from this report.
Public Health	No significant implications arising from this report.
Climate change and carbon emissions	<p>A primary outcome of the Council's Carbon and Energy policy is a reduction in carbon emissions from the Council's own estate, along with managing the Council's energy costs. The investment and savings figures referred to in the MTFP are consistent with this policy update.</p> <p>In addition to this, many of the Council's financial commitments to schemes in the areas of waste management, transport and flood alleviation will make a positive contribution to reducing emissions and/or a proactive response to managing the impacts of climate change.</p>

WHAT HAPPENS NEXT?

98. The Council will publish the MTFP (2017-20) on its website.
99. Progress against the Council's strategic priorities will be published quarterly on the Council's website. The Chief Executive will submit six-monthly progress reports to the Council meetings in July and December 2017. Scrutiny Boards will continue to scrutinise work programmes and performance.

Contact Officers:

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Andy Smith, Senior Policy Manager, 020 8541 9955

Consulted:

Cabinet, all County Council Members, strategic directors, directors, heads of service, business and voluntary sectors, residents and unions.

Annexes:

Annex 1 Service strategies and detailed revenue and capital budgets 2017-20

Annex 2 Report of the Sustainability Review Board

Annex 3 Director of Finance's letter to DCLG on use of the ASC Precept

Annex 4 Fees & charges schedules 2017/18

Annex 5 Equality assessment summary

Sources/background papers:

- Revenue and Capital Budget 2017/18 to 2019/20, report to Full County Council 7 February 2017
- Revenue and Capital Budget 2017/18 to 2019/20, report to Cabinet 31 January 2017
- Budget working papers
- DCLG revenue and capital Financial Settlement papers from DCLG website
- Government Equality Office (2011) Equality Act 2010 – Specific Duties to Support the Equality Duty. What do I need to know?
- Government Equality Office (2011) Public Sector Equality Duty. What do I need to know?

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Medium Term Financial Plan 2017-20

Section 1 Service Strategies and 2017-20 Detailed budgets



Overall Council

Income & Expenditure category summary

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Funding				
Council Tax	-614,903	-634,867	-651,603	-671,001
Council tax - Adult Social Care support	-11,829	-31,034	-51,292	-52,805
Business rates	-45,468	-52,669	-53,758	-54,872
Local taxation support	-672,200	-718,570	-756,653	-778,678
Business Rates top up Grant	-59,406	-58,552	-60,347	-45,078
Revenue Support Grant	-67,078	-28,000	-4,450	
Transition Grant	-11,926	-12,175		
Other UK Government grants	-673,557	-659,157	-650,682	-644,940
Central Government support	-811,967	-757,884	-715,479	-690,018
Contributions and contract income	-60,343	-62,459	-62,172	-62,322
Fees and charges	-94,021	-97,730	-99,952	-101,545
Property income	-8,395	-8,668	-9,082	-9,320
Income from investment	-495	-415	-836	-1,047
Reimbursements and recovery of costs	-14,614	-14,896	-14,953	-15,089
Discretionary and other service income	-177,868	-184,168	-186,995	-189,323
Total funding	-1,662,035	-1,660,622	-1,659,127	-1,658,019
Expenditure				
Service staffing	280,003	278,333	271,085	270,354
Service non-staffing	1,016,977	1,059,493	1,074,893	1,112,337
Schools - net expenditure	389,831	345,063	344,063	344,063
Sustainability Review Board savings		-3,000	-30,914	-68,735
Total expenditure	1,686,811	1,679,889	1,659,127	1,658,019
Funded by provisions and reserves	24,776	19,267	0	0

Gross expenditure revenue budget 2017/20

The table below is in 2017/18 monetary order

Revenue Summary	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Delegated Schools	389,831	345,063	344,063	344,063
Schools and Special Educational Needs and Disabilities (SEND)	229,886	234,273	234,131	234,982
Children's services	104,734	112,769	111,846	109,705
Commissioning and Prevention	98,119	107,696	103,242	103,213
Children, Schools and Families (CSF)	822,569	799,801	793,282	791,963
Adult Social Care	437,422	460,760	472,686	494,620
Place Development & Waste	86,259	89,256	92,013	97,496
Central Income and Expenditure	60,026	54,746	57,418	68,862
ORBIS - Managed budgets ¹	53,017	52,284	53,696	55,294
Highways and Transport	51,925	52,766	52,854	54,164
Fire and Rescue Service	46,769	44,368	45,667	43,516
ORBIS - Joint operating budget	38,045	37,585	34,832	34,029
Public Health	38,776	37,904	36,529	35,579
Cultural Services	22,692	22,589	22,076	22,198
Democratic Services	4,722	6,070	4,756	4,778
Legal Services	4,242	4,379	4,310	4,343
Trading Standards	3,675	3,687	3,704	3,720
Customer Services	3,631	3,508	3,399	3,374
Strategy and Performance	3,643	3,524	3,493	3,457
Community Partnership and Safety	2,995	3,403	3,166	3,165
Communications	2,022	2,105	1,993	1,976
Coroner	1,775	1,739	1,714	1,727
Communities support function	1,053	948	961	977
Strategic Leadership	1,009	915	930	945
Emergency Management	544	552	561	571
Reserves				
Sustainability Review Board savings		-3,000	-30,914	-68,735
Total expenditure	1,686,811	1,679,889	1,659,127	1,658,019

Please note that some tables do not cast due to roundings

Note 1: Budgets managed by ORBIS for the Council include budgets required such as the costs of running buildings or external audit. The cost of staff is included in the joint operating budget. Individual service strategies and financial budgets are enclosed within the document.

Government grants

			2016/17	2017/18	2018/19	2019/20
			£'000	£'000	£'000	£'000
Adult Community Learning		Lib	-2,287	-2,326	-2,314	-2,248
Adult Social Care support grant	New	ASC		-4,000		
Area of Outstanding Natural Beauty - Surrey		EV	-103	-103	-103	-103
Asylum Seekers		CSF	-3,300	-4,200	-4,200	-4,200
Bikeability		EV	-221	-213	-212	-206
Bus Service Operator grant		EV	-1,069	-1,416	-1,125	-1,125
Business Rate cap grant		CIE	-1,523	-1,523	-1,523	-1,523
Business Rate Retention Scheme		CIE	-1,546	-1,546	-1,546	-1,546
Community Voices - Add Prison funding		CIE	-421	-421	-421	-421
Dedicated School Grant - CSF		CSF	-532,104	-507,248	-506,248	-506,248
Dedicated School Grant - corporate allocation		CIE	-3,493	-5,744	-5,744	-3,493
Direct School Training	Ceased	CSF	-181			
Education Funding Agency		CSF	-13,891	-11,086	-11,086	-11,086
Education Services Grant		CIE	-9,319	-4,530	-3,530	-3,000
Extended Rights to Travel - CSF		CSF	-128	-128	-128	-128
Fire Pensions		SFRS	-9,396	-8,245	-11,631	-10,883
Fire Revenue grant		SFRS	-382	-394	-394	-394
Flood water management		HT	0	-92	-98	-104
Healthwatch		SP	-435	-464	-464	-464
Independent Living Fund		CIE	-1,791	-1,791	-1,791	-1,791
Improved Better Care Fund		CIE				-1,500
Mental Health Deprivation of Liberty		ASC	-80	-80	-80	-80
Mental Health Transformation Challenge Award (New)	Ceased	ASC	-500			
Music Grant, Surrey Arts		Lib	-1,388	-1,388	-1,388	-1,388
New Homes Bonus		CIE	-6,221	-5,055	-2,430	-1,970
PE & Sport		CSF	-2,334	-2,185	-2,185	-2,185
Private Finance Initiative		CIE	-11,045	-19,022	-16,702	-16,702
Police & Crime Panel		LDS	-61	-66	-66	-66
Public Health		PH	-38,452	-37,504	-36,529	-35,579
Pupil Premium		CSF	-17,572	-17,689	-17,689	-17,689
Registration Deaths		Lib	-17	-17	-17	-17
Remand grant		CSF	-32	-41	-41	-41
Preparation for Employment	New	CSF		-18	-18	-18
SEND Implementation	Ceased	CIE	-720			
South East Protected Landscape grants		EV	-71	-71	-71	-71
Staying Put		CIE	-275	-221	-166	-166
Support for Improve Better Care Fund	New	CIE		-7,500	-7,900	-5,600
Sustainable Travel Grant		EV	-61	-59	-59	-57
Troubled Families		CSF	-972	-1,521	-1,521	-1,521
Universal Infant School Meals		CSF	-11,470	-10,542	-10,542	-10,542
Youth Justice Board		CSF	-696	-628	-628	-628
Total Government grants			-673,557	-659,077	-650,590	-644,782

Government grants (cont)

		2016/17	2017/18	2018/19	2019/20
		£'000	£'000	£'000	£'000
<u>By services:</u>					
Children, Schools and Families	CSF	-582,680	-555,286	-554,286	-554,286
Central Income and Expenditure	CIE	-36,354	-47,353	-41,753	-37,712
Public Health	PH	-38,452	-37,504	-36,529	-35,579
Fire and Rescue Service	SFRS	-9,778	-8,639	-12,025	-11,277
Cultural Services	LIB	-3,692	-3,731	-3,719	-3,653
Environment	EV	-1,525	-1,862	-1,570	-1,562
Adult Social Care	ASC	-580	-4,080	-80	-80
Strategy and Performance	SP	-435	-464	-464	-464
Legal and Democratic Services	LDS	-61	-66	-66	-66
Highways and Transport	HT	0	-92	-98	-104
Total Government grants		-673,557	-659,077	-650,590	-644,782

		2016/17	2017/18	2018/19	2019/20
		£'000	£'000	£'000	£'000
<u>By Responsibility changes:</u>					
<u>New responsibilities grants</u>					
Adult Social Care support grant			-4,000		
Preparation for Employment			-18	-18	-18
Support for Improve Better Care Fund			-7,500	-7,900	-5,600
New Responsibilities		0	-11,518	-7,918	-5,618
Existing Responsibilities		-672,156	-647,559	-642,672	-639,164
<u>Ceased responsibilities</u>					
Direct School Training		-181			
Mental Health Transformation Challenge Award (New)		-500			
SEND Implementation		-720			
Ceased responsibilities		-1,401	0	0	0
Total Government grants		-673,557	-659,077	-650,590	-644,782

Revenue budget movements

Summary budget movement	2017/18 £'000	2018/19 £'000	2019/20 £'000
Prior year budget	24,777	19,267	0
Total inflation movements	28,701	26,031	27,037
Total demand changes	45,573	25,901	21,612
Total legislation movements	404	443	979
Total market and service delivery changes	18,974	6,235	17,255
Total pressures and changes	93,652	58,609	66,883
Total transformation savings	-90,804	-47,526	-25,760
Total reductions savings	-2,696	-1,365	-80
Total Savings	-93,500	-48,891	-25,840
Total DSG Savings	-2,661	-1,072	-3,222
Total Sustainability Review Board and future savings	-3,000	-27,914	-37,821
	19,267	0	0

	2017/18	2018/19	2019/20	
Service Savings	£000	£000	£000	RAG
<u>Efficiency/service transformation</u>				
Children's Services				
Managing market inflation	-559	-559	-559	G
Reduce reliance on locums			-500	A
Support functions review	-280	-280		A
Savings on external placements		-500	-300	A
Early Help reduction in Looked After Children demand	-120	-240	-240	A
Early Help reduction in Children in Need demand	-280	-560	-560	A
Productivity efficiencies	-335	-1,364	-1,662	A
Children's Services	-1,574	-3,503	-3,821	
Commissioning and Prevention				
Managing market inflation	-224	-224	-224	G
Early Help reconfiguration	-1,000	-3,700		A
Early Help contract savings	-250	-250		A
Early Help reductions in demand	-80	-120	-120	A
Asset related savings from Early Help reconfiguration	-700			A
Restructure phase 2	-1,300			A
Support functions reduction	-346	-346		A
Income generation	-128			A
Productivity efficiencies	0	-206	-528	
Commissioning and Prevention	-4,028	-4,846	-872	
Schools and Special Educational Needs & Disabilities (SEND)				
Managing Market Inflation	-2,417	-2,417	-2,417	G
Home to School Transport - SEND	-1,499	-1,500	-1,500	A
Productivity Efficiencies	-1,337	-1,028	-1,110	A
Home to School Transport - Mainstream	-600			A
Support Functions Reductions	-75	-75		G
<u>Additional SEND Savings</u>				
Review of Special School Funding	-2,300	-1,300		A
Individual Statemented Pupil Support Budget	-1,200			A
Traded Model for SEN Support Services	-1,100	-500		A
Post 16 SEND	-1,000			A
Review Provision of SEND Support to Early Years Providers	-1,000			A
Service Cost Reduction and/or Recommissioning	-800			A
New Operating Model for SEN Pathway	-500			G
Alternative Provision	-500			A
Trade or Reduce Non-statutory Services	-500			A
Review and Share Costs with Health & Social Care	-500			A
Decommissioning of SEN Planned Places	-300			A
Savings to be Identified	-200			A
Hard to Place Pupils Process	-100			A
Schools and Special Educational Needs & Disabilities (SEND)	-15,928	-6,820	-5,027	

Service Savings	2017/18	2018/19	2019/20	RAG
	£000	£000	£000	
Orbis Partnership Joint Operating Budget				
Business Operations	-500	-125		A
Finance	-525	-994		G
Human Resources	-400	-625		G
Information Technology & Digital	-1,099	-1,258		G
Management	-100	0		G
Procurement	-345	-15		G
Property	-906	-834		G
Total	-3,875	-3,851		
Less East Sussex County Council share (30%)	1,345	1,161		
Orbis Partnership Joint Operating Budget	-2,530	-2,690	0	
Budgets Managed by the Orbis Partnership - Finance				
Contribution to insurance reserve	-750			G
2015/16 one-off income 2 years only	25			
Budgets Managed by the Orbis Partnership - Finance	-725			
Budgets Managed by the Orbis Partnership - Human Resources and Organisational Development				
Training	-207			G
Budgets Managed by the Orbis Partnership - Information Technology & Digital				
Infrastructure	-270	-30		G
Orbis Business Plan	-76	-76		G
Budgets Managed by the Orbis Partnership - Information Technology & Digital	-346	-106		
Budgets Managed by the Orbis Partnership - Property				
Fees	-100			G
Utilities	-200			A
Building Running Costs	-440	-200		A
Budgets Managed by the Orbis Partnership - Property	-740	-200	0	
Communicatuions				
Efficiencies / Service transformation	-162	-149	-52	G
Strategic Leadership				
Staffing Reduction	-110			G
Strategy & Performance				
Removal of vacant posts	-213	0	0	G
Service restructure / prioritisation	0	-68	-72	G
Strategy & Performance	-213	-68	-72	

Service Savings	2017/18 £000	2018/19 £000	2019/20 £000	RAG
Adult Social Care				
<u>Whole Systems Demand Management</u>				
Family, Friends and Community support - core	-2,500	-1,000	0	G
Family, Friends and Community support - stretch	-1,000	-1,000	0	A
Transport care packages review	-500	0	0	A
Demand Management	-4,021	-692	-26	R
Optimisation of Transition pathways	-1,000	-1,000	-1,000	G
Section 256 client group savings	-2,000	-1,750	-1,750	G
Targeted strategic shift from residential care to community based provision for people	-1,268	-1,268	-616	A
Expansion of extra care services	0	0	-768	G
Strategic review of Older People In-house services	-2,664	-741	0	G
Ensure correct application of National Continuing Health Care framework	-3,000	-2,500	-2,500	G
Resolution of significant outstanding CHC disputes / assessments	-2,100	-1,500	0	G
Contracts & Grants Review	-1,250	-490	0	A
Housing Related Support decommissioning / retendering of social exclusion services	-453	-2,620	-714	A
Support package guidelines for Older People community care services	-1,141	-1,539	-797	G
Closure of Surrey Information Hubs	0	-412	0	G
Total Whole Systems Demand Management	-22,897	-16,513	-8,171	
<u>Market Management and Pricing Strategies</u>				
Optimisation of main block contract rates	-75	-77	-80	G
Optimisation of other contract & grant rates	-368	-348	-338	G
Commissioning for Older People with learning disabilities	-663	-255	0	A
Strategic Supplier Review Rebates	-1,000	0	0	A
Surrey Choices efficiency programme	0	-300	-300	A
Day Care Commissioning Review	-575	-575	0	A
Total Market Management and Pricing Strategies	-2,681	-1,554	-718	
<u>Workforce Development</u>				
Optimise staff travel	-110	0	0	G
Workforce synergies	-250	-500	-800	A
Total Workforce Development	-360	-500	-800	
Adult Social Care	-25,938	-18,567	-9,689	
Public Health				
Substance misuse provision redesign	-500			A
Alcohol IBA removal	-400			A
Lifestyle services (smoking/ child weight management) reduction	-255			A
Public health services redesign	-187			A
Public mental health service redesign	-335			A
Public Health	-1,677			
Emergency Management				
Income Generation	-20	-20	-20	A

Service Savings	2017/18 £000	2018/19 £000	2019/20 £000	RAG
Surrey Fire and Rescue Service				
Transfer Vehicle & Equipment Replacement to capital financing	-1,470			G
Fire cover Reconfiguration	-900	-1,600	-900	A
Contingency cover and specialist rescue - review / reduction	-300			A
Blue Light collaboration - Fleet savings	-200			A
Blue Light collaboration - Mobilising	-200			A
Implementation of Immediate Response Vehicles		-800	-800	A
Senior Management restructure	-50			G
Savings in Back Office & Support functions	-50	-100	-100	A
Surrey Fire and Rescue Service	-3,170	-2,500	-1,800	
Highways and Transport				
Highways Information Team Income	-40	-40		A
Integrated Team structure	-200			G
E&I Support Functions	-141			G
Unidentified Savings	-178	-178	-178	G
Highways and Transport	-559	-218	-178	
Place Development and Waste Management				
Local Transport Review	-735			G
Road Safety Review	-100			G
Countryside review	-350	-350	-200	G
Planning and Development review	-350	-150		G
E&I Support functions	-59	-100		G
Place and Sustainability review	-200	-50	-50	G
Waste- Kerbside recycling performance	-1,334	-151	-155	A
Waste-Recycling management	-1,115	-58	-57	A
Waste-Single waste approach	-1,587	-2,020	-70	A
Waste-Community Recycling Centres and Transfer Stations	-1,300	-500		A
Waste- Contract Structure	-1,000			A
Waste-Materials Management	792	1	-13	G
Marginal gains	-200	-200	-200	G
Fall out of previous year one off saving	500			G
Place Development and Waste Management	-7,038	-3,578	-745	
Communities Support Function				
Support Function Review	-155	-3	0	G
Community Partnership & Safety				
Members allocation reduction	-105	0	0	G
Community Improvement Fund	0	-236	0	G
Marginal Savings	-22	-22	-23	G
Community Partnership & Safety	-127	-258	-23	
Coroner				
Seek efficiencies and streamline processes	-64	-56	-18	G

	2017/18 £000	2018/19 £000	2019/20 £000	RAG
Service Savings				
Trading Standards				
Further savings (marginal gains)	-46	-44	-44	G
Buckinghamshire Partnership	-86	-37	-2	G
Additional income generation	-109	-96	-31	G
Total	-241	-177	-77	
Less Buckinghamshire County Council share	82	59	26	
Trading Standards	-159	-118	-51	
Cultural Services				
Libraries redesign service delivery		-180		G
Cultural Savings		-250		A
Libraries - Reduction to Resources budget	-246	-100		G
Libraries - Reclassification	-121			G
Libraries - Develop Community Supported Offer		-220		A
Libraries - Team Staffing reductions	-30	-46	-208	G
Arts - Reduce subsidy of on-line services	-15			G
ACL - Improve Marketing	-22	-23	-28	G
Registration - increase income	-26	-25	-16	G
Heritage restructure		-85	-25	A
Other savings	-6	-5	-7	G
Cultural Services	-466	-934	-284	
Democratic Services				
Modern Council	-44	-44	-44	G
Voluntary Sector reduction	-22	-22	-22	G
Democratic Services	-66	-66	-66	
Legal Services				
Remove vacant posts	-48			G
Increased Income in line with current achievement	-70			G
Management change Orbis Public Law		-142		G
Other Changes			-39	G
Legal Services	-118	-142	-39	
Central Income & Expenditure				
Public Health (Other Initiatives)	-1,805	-1,173	14	R
Treasury Management (Interest Payable)	-8,600	-500	500	G
Other Initiatives	-2,503			G
Minimum Revenue Provision	-8,000	-1,011	-3,516	G
Education Services Grant	-3,000			G
Pension Fund contribution for Members	-165			G
Contributions to Reserves	-611			G
Central Income & Expenditure	-24,684	-2,684	-3,002	
Total efficiency/service transformation savings	-90,804	-47,526	-25,758	

Service Savings	2017/18 £000	2018/19 £000	2019/20 £000	RAG
<u>Service Reduction</u>				
Schools and Special Educational Needs & Disabilities (SEND)				
Reductions in School Support	-600			G
Budgets Managed by the Orbis Partnership - Human Resources and Organisational Development				
Apprentices	-216			G
Customer Services				
No Saturday opening (library calls only taken)	-15			G
Reduce operating hours	-50			G
Libraries reservations & renewals	-45			G
Stop appointment bookings		-105		G
Reduce Complaints Staff	-35	-25		G
Channel Shift	-25	-25	-25	A
Reduce Web and digital	-10	-10	-55	G
Customer Services	-180	-165	-80	
Highways and Transport				
Local committee Funding	-1,700			A
Reactive maintenance		-1,200		A
Highways and Transport	-1,700	-1,200		
Total service reduction	-2,696	-1,365	-80	
Total savings	-93,500	-48,891	-25,840	

Revenue FTE Summary²

	2016/17 £'000	2017/18 £'000	2016/17 FTEs	2017/18 FTEs
Schools and Special Educational Needs and Disabilities (SEND)	42,565	40,567	1,235	1,273
Children's services	48,452	49,150	1,081	1,092
Commissioning and Prevention	30,063	29,151	640	649
Children, Schools & Families	121,080	118,868	2,956	3,013
Adult Social Care	61,282	62,681	1,859	1,754
Fire and Rescue Service	27,635	26,620	648	608
Cultural Services	18,729	19,007	529	529
Highways and Transport	15,325	15,409	370	371
Place Development & Waste	9,843	9,713	200	200
Customer Services	3,557	3,408	107	102
Human Resources and Organisational Development	1,805	1,659	29	29
Information Technology and Digital	952	976	18	19
Procurement and Commissioning	853	868	14	14
Property services	429	502	18	18
Business Operations	150	153	5	5
ORBIS - Managed budgets	4,189	4,158	84	85
Legal Services	3,487	3,594	80	79
Trading Standards	3,320	3,371	75	74
Democratic Services	1,929	1,942	49	46
Public Health	2,425	2,470	48	46
Communications	1,144	1,332	22	31
Strategy and Performance	1,930	1,822	27	27
Communities Support Function	1,045	916	26	26
Community Partnership and Safety	1,220	1,242	25	25
Emergency Management	487	495	12	12
Strategic Leadership	983	889	10	9
Coroner	392	396	2	2
Total expenditure	280,003	278,333	7,129	7,039

Note 2: The table is 2017/18 FTEs order. If the values are in a different order this could be due to varying staffing grade requirements for individual services.

Note 3: Increases in FTEs are due to:

An in-year transfer of staff from Children Schools and Families increases (+9) Communications 2017/18 budgeted FTE.

Capital

	2017/18	2018/19	2019/20	Total
	£'000	£'000	£'000	£'000
Summary capital funding				
Grants	134,073	100,285	48,956	283,314
Reserves	18,933	6,212	2,000	27,145
Third party contributions	5,328	3,296	6,900	15,524
Borrowing	27,543	19,027	13,878	60,448
Total	185,877	128,820	71,734	386,431
Summary capital programme				
Schools Basic Need	72,229	55,474	13,070	140,773
Property Services	48,271	29,205	19,075	96,551
Highways and Transport	49,286	34,112	28,212	111,610
Environment	1,467	1,884	2,463	5,814
Information Management and Technology	3,884	3,920	4,883	12,687
Surrey Fire and Rescue Service	7,635	1,120	926	9,681
Schools Devolved Capital	1,606	1,606	1,606	4,818
Adult Social Care	900	900	900	2,700
Children Services	599	599	599	1,797
Total	185,877	128,820	71,734	386,431
Capital				
	2017/18	2018/19	2019/20	Total
	£'000	£'000	£'000	£'000
Summary capital funding				
Schools Basic Need	58,861	40,277	38,350	137,488
Schools devolved formula capital	1,606	1,606	1,606	4,818
Schools condition allocation	12,080	12,080	12,080	36,240
Integrated transport block	4,784	4,784	4,784	14,352
Highways maintenance - base allocation	14,859	13,449	13,449	41,757
Highways maintenance - incentive	1,391	2,801	2,801	6,993
Pothole Action Fund	1,348	1,000	1,000	3,348
National Productivity Investment Fund	3,451	3,451	3,451	10,353
Local Growth Fund	17,525	5,640	0	23,165
Fire Transformation and Emergency Care response Grant	4,800	0	0	4,800
Unspecified Government Grants	13,368	15,197	-28,565	0
Total Grants	134,073	100,285	48,956	283,314
Reserves				
Fire Vehicle & Equipment Reserve	0	0	0	0
IT Equipment Reserve	1,350	1,120	1,700	4,170
ERR	0	0	0	0
Capital Receipts	13,916	5,092	300	19,308
General Capital Reserve	3,667	0	0	3,667
Total Reserves	18,933	6,212	2,000	27,145
Third Party Funded				
CIL funded schemes-to fund new transport schemes	465	909	1,488	2,862
Schools Income	0	0	0	0
Strategic Economic Plan Partner funding	3,228	787	527	4,542
s106 funded schemes	1,635	1,600	4,885	8,120
Total Third Party Funded	5,328	3,296	6,900	15,524
Borrowing				
	27,543	19,027	13,878	60,448
Total Capital Funding	185,877	128,820	71,734	386,431

Capital

	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
Summary capital programme				
Major Adaptations	800	800	800	2,400
In-house capital improvement schemes	100	100	100	300
Adult Social care	900	900	900	2,700
Schools devolved formula capital	1,606	1,606	1,606	4,818
Foster carer grants	300	300	300	900
Adaptations for children with disabilities	299	299	299	897
Children Services	2,205	2,205	2,205	6,615
Community Partnership & Safety: Local Committee Allocations				
	0	0	0	0
Fire-Vehicle & Equipment Replacement	2,835	1,120	926	4,881
Fire Joint Transport Project	4,800	0	0	4,800
Surrey Fire & Rescue Service	7,635	1,120	926	9,681
Highway maintenance	13,943	15,943	12,889	42,775
Bridge strengthening	2,300	1,706	3,151	7,157
Flooding & drainage	1,409	1,393	1,261	4,063
Local transport schemes	400	400	400	1,200
Pothole Action Fund	0	0	0	0
Safety barriers	968	957	867	2,792
Traffic signal replacement	750	1,515	945	3,210
Highways Vehicle Replacement	200	120	0	320
Strategic Economic Plan Schemes	23,165	6,427	3,048	32,640
National Productivity Investment Fund	3,451	3,451	3,451	10,353
Highways Maintenance Challenge Fund	500	0	0	500
Flood resilience schemes	500	500	500	1,500
River Thames scheme	500	500	500	1,500
Developer funded schemes	1,200	1,200	1,200	3,600
Highways & Transport	49,286	34,112	28,212	111,610
Maintenance at closed landfill sites	77	50	50	177
Rights of way (incl structures)	175	175	175	525
Road safety schemes	200	200	200	600
Basingstoke Canal	150	150	150	450
Secondary Shopping Areas	0	0	0	0
Developer funded schemes	400	400	400	1,200
Cross Directorate CIL schemes	465	909	1,488	2,862
Environment & Planning	1,467	1,884	2,463	5,814

Capital

	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
Property Services				
<u>Recurring programmes:</u>				
Schools capital maint, inc.childrens centres & DDA	12,080	12,080	12,080	36,240
Schools expenditure funded by income	0	0	0	0
Carbon reduction - Corporate	0	0	0	0
Fire risk assessments/minor works/DDA	500	487	400	1,387
Non schools structural maintenance	6,300	6,300	6,295	18,895
Recurring programmes	18,880	18,867	18,775	56,522
<u>Projects:</u>				
Fire Station reconfiguration	4,064	1,589	0	5,653
Replace aged demountables	200	0	0	200
SEN strategy	4,804	1,443	0	6,247
SEND (2 special schools)	0	0	0	0
Land acquisition for waste	3,667	0	0	3,667
Projects to enhance income	1,200	450	0	1,650
Regeneration projects	868	0	0	868
Projects to reprovision and deliver capital receipts	1,010	0	0	1,010
Reigate Priory School	360	0	0	360
Cranleigh Schools	6,000	3,700	300	10,000
Lindon Farm Autism Unit - ASC	4,000	1,764	0	5,764
Winter Maintenance Depots (Salt Barns)	2,118	1,392	0	3,510
Horley Library	1,000	0	0	1,000
Short Stay Schools	100	0	0	100
Projects	29,391	10,338	300	40,029
Property Services	48,271	29,205	19,075	96,551
Schools Basic Need	72,229	55,474	13,070	140,773
IT Equipment Replacement Reserve	1,300	1,000	1,500	3,800
IT Project Investment	2,500	2,500	2,500	7,500
Recurring programmes	3,800	3,500	4,000	11,300
Other IMT projects	84	420	883	1,387
Projects	84	420	883	1,387
Information Management & Technology	3,884	3,920	4,883	12,687
Total Capital Programme	185,877	128,820	71,734	386,431



Julie Fisher
Deputy Chief Executive

Our purpose

Our purpose is to work with partners to ensure that children and young people will be happy, healthy, safe and confident in their future. This includes:

1. Identifying the needs of vulnerable children and young people who require help and protection, and protecting them from harm and neglect
2. Ensuring the children we look after have the same opportunities as their peers and are able to realise their potential
3. Providing all children with access to education and childcare
4. Supporting all Surrey young people to participate in education, employment or training

For more information on what we do, contact julie.fisher@surreycc.gov.uk

Our challenges and opportunities

- We are making **specific improvements to our safeguarding services and services for children with special educational needs and disabilities** in order to embed consistently good practice that is child and family focused.
- **Demographic pressures continue to increase resulting in greater demand across the services** provided for children and young people. These rising demands apply to targeted and specialist services - such as those for Looked After Children, Unaccompanied Asylum Seeking Children, and children with special educational needs and disabilities - and also to county-wide provision such as school places.
- In addition, **legislative and national policy changes and decisions are also heightening demands and requirements for services** and changing the landscape in which we operate - for example, in education we are in transition to a sustainable schools-led system.
- This all takes place against a backdrop of **financial pressures and reducing budgets across the public sector**.

Our key actions

Working in partnership we will:

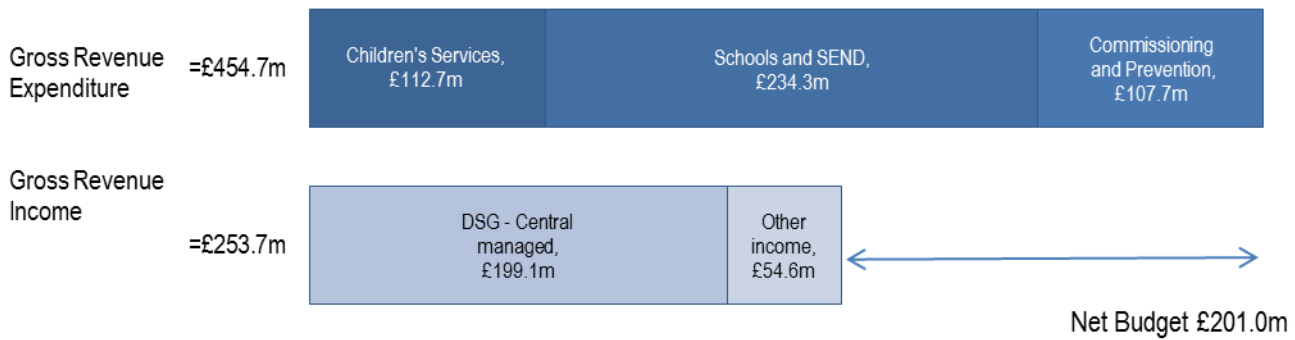
1. Improve outcomes for children in need of support and protection, ensuring they are safe and can thrive
2. Provide additional school places needed for the September 2017 school year
3. Support families through the Surrey Family Support Programme
4. Support young people to participate in education, training or employment
5. Improve the satisfaction of families of children with special educational needs and disabilities (SEND) with the support they receive

Underpinning improvement and transformation actions:

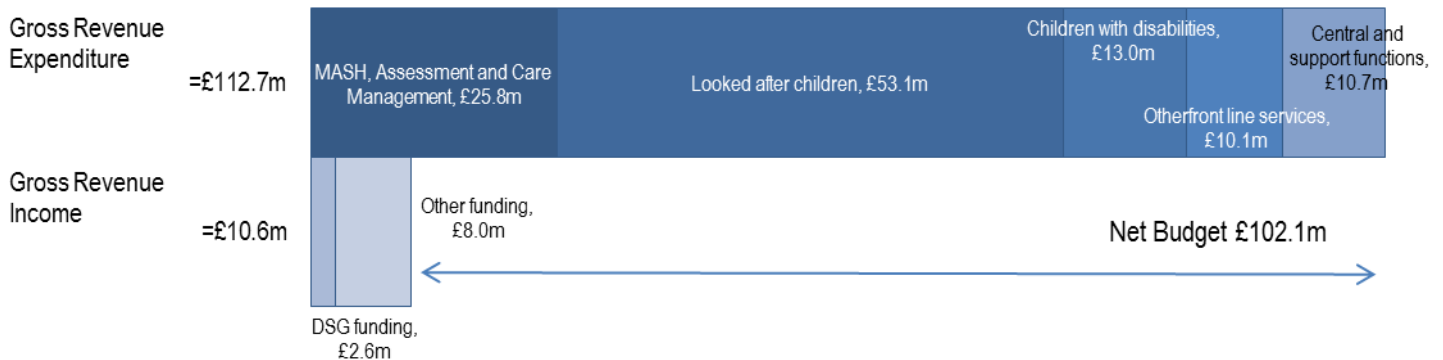
6. Embed consistently good practice that is child-focused and strength-based, developing the skills and culture to support and enable this (our Safer Surrey approach)
7. Build a new operating model for CSF Early Help services and re-shape the local early help offer and delivery with partners
8. Create an education system that is financially stable for schools and the Council, and delivers sustainable, high quality and inclusive education and training
9. Develop a future operating model for SEND with partners and families
10. Further develop our information management systems, quality assurance arrangements, performance insight, and commissioning capabilities

Our budget

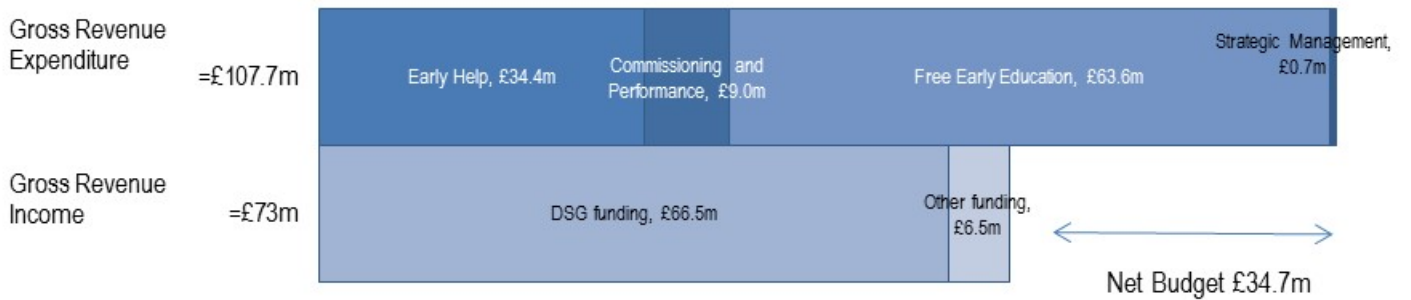
Children, Schools and Families



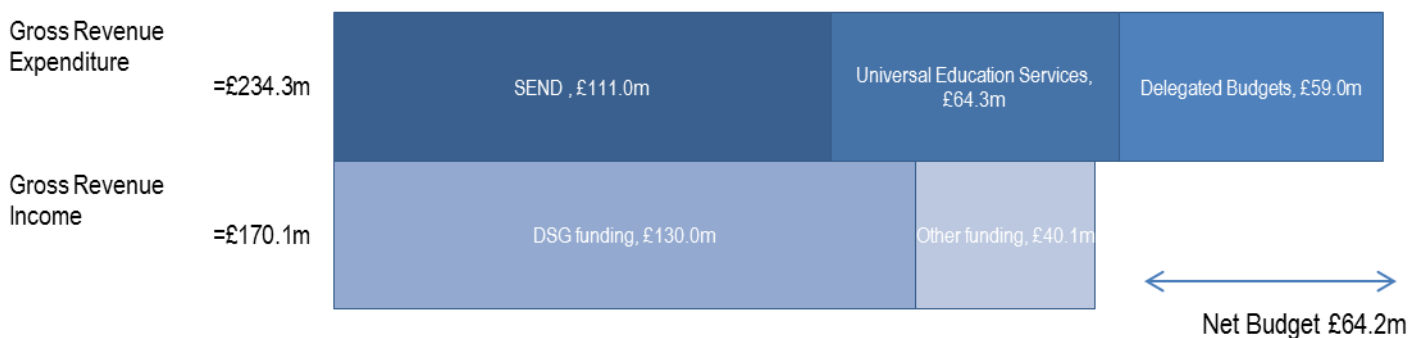
Children's Services



Commissioning and Prevention



Schools and SEND



Children's, Schools & Families

Deputy Chief Executive: Julie Fisher

Policy Budget (by activity)

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Children's Services	104,734	112,769	111,846	109,705
Schools and SEND	229,886	234,273	234,131	234,982
Commissioning and Prevention	98,118	107,696	103,242	103,213
Dedicated Schools Grant - DSG	-183,223	-198,973	-198,973	-198,973
Other Income	-51,858	-54,787	-54,787	-54,787
Net budget	197,657	200,978	195,459	194,140
Delegated Schools Expenditure	389,831	345,063	344,063	344,063
Delegated Schools-Dedicated Schools Grant	-348,881	-308,275	-307,275	-307,275
Delegated Schools-other school related grant income	-40,950	-36,788	-36,788	-36,788
Total net budget	197,657	200,978	195,459	194,140

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
<u>Funding:</u>				
Dedicated Schools Grant - DSG	-183,223	-198,973	-198,973	-198,973
Other UK Government grants	-9,626	-11,249	-11,249	-11,249
Contribution and contract income	-4,296	-5,508	-5,508	-5,508
Fees and charges	-32,179	-31,782	-31,782	-31,782
Property income	-50	-50	-50	-50
Contributions from partners	-2,499	-3,584	-3,584	-3,584
Reimbursements and recovery of costs	-3,208	-2,614	-2,614	-2,614
Total CSF funding	-235,081	-253,760	-253,760	-253,760
School related grants	-389,831	-345,063	-344,063	-344,063
Total funding	-624,912	-598,823	-597,823	-597,823
<u>Expenditure:</u>				
Staffing	121,080	118,868	113,993	114,102
Non staffing	128,701	135,012	134,946	135,238
Contracts & care packages	182,957	200,858	200,280	198,560
Total CSF expenditure	432,738	454,738	449,219	447,900
School related expenditure	389,831	345,063	344,063	344,063
Total expenditure	822,569	799,801	793,282	791,963
Net budget	197,657	200,978	195,459	194,140

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Summary Budget Movement				
Prior year budget	178,411	197,657	200,978	195,459
Pressures and changes	30,046	28,112	10,722	11,623
Savings	-10,800	-22,130	-15,169	-9,720
Movements	19,246	5,982	-4,447	1,903
Additional Savings		-2,661	-1,072	-3,222
Revised budget	197,657	200,978	195,459	194,140

Children's Services

Policy Budget (by activity)

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Multi Agency Safeguarding Hub - MASH, Assessment and Care Management	23,651	25,796	26,281	25,767
Looked After Children	46,271	53,072	52,364	51,336
Children with Disabilities	12,584	13,116	13,665	14,214
Other Front Line Services	11,898	10,047	10,145	10,243
Central and Support Functions	10,330	10,738	9,390	8,143
Income	-7,973	-10,647	-10,647	-10,647
Net budget ⁴	96,761	102,122	101,199	99,058

Subjective Analysis

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
<u>Funding:</u>				
Dedicated Schools Grant - DSG ⁶	-1,957	-2,557	-2,557	-2,557
Asylum Seeker Government Grant ⁷	-3,300	-4,200	-4,200	-4,200
Contributions from Partners ⁸	-2,499	-3,584	-3,584	-3,584
Fees and charges	0	-33	-33	-33
Reimbursements and recovery of costs	-217	-273	-273	-273
Total funding	-7,973	-10,647	-10,647	-10,647
<u>Expenditure:</u>				
Staffing	48,452	49,150	48,388	47,478
Non staffing	4,256	4,138	4,138	4,138
Contracts & Care packages	52,026	59,481	59,320	58,089
Total expenditure	104,734	112,769	111,846	109,705
Net budget ⁴	96,761	102,122	101,199	99,058

	2016/17	2017/18
FTE ⁵	1,081	1,092

Summary Budget Movement

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Prior year budget	86,848	96,761	102,122	101,199
Pressures and changes	11,056	6,935	2,580	1,680
Savings	-1,143	-1,574	-3,503	-3,821
Movements	9,913	5,361	-923	-2,141
Revised budget ⁴	96,761	102,122	101,199	99,058

Note 4: Net Budget supported by general government grants and reserves.

Note 5: The FTE numbers do not include non-establishment staff

Note 6 - Dedicated School Grant increased due to an increase in education in children's homes

Note 7 - Asylum Seeker Grant funding increased due to an increase in asylum seekers

Note 8 - Partner funding now includes funding for the Behaviour, Emotional, Neurological pathway (BEN)

Children's Services

Policy Budget (by activity)

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Multi Agency Safeguarding Hub - MASH, Assessment and Care Management				
Multi Agency Safeguarding Hub - MASH		1,802	1,841	1,810
Area Teams - Staffing	18,834	19,136	19,541	19,206
Area Teams - Care	4,817	4,858	4,899	4,751
Looked After Children				
Fostering Teams	3,331	3,483	3,552	3,622
In-House Fostering Allowances	8,732	8,921	9,127	9,333
In-House Residential Homes	4,438	4,454	4,539	4,624
External Agency Placements - expenditure	17,096	22,322	20,943	19,245
External Agency Placements - Dedicated Schools Grant	-1,200	-1,824	-1,824	-1,824
Adoption and Permanency Team	1,600	1,670	1,697	1,724
Special Guardianship, Residence and Adoption Allowances	4,835	4,954	5,213	5,472
Care Leavers	2,008	2,138	2,162	2,186
Asylum Seekers Expenditure	4,231	5,131	5,131	5,131
Asylum Seekers Income	-3,300	-4,200	-4,200	-4,200
Children with Disabilities				
Staffing	2,606	2,670	2,726	2,783
Care Packages	4,745	5,206	5,661	6,116
Short Breaks Contracts	3,704	3,704	3,711	3,718
In-House Respite	1,529	1,535	1,567	1,598
Children and Adolescent Mental Health Service (CAMHS) and Hope				
CAMHS and Hope expenditure	7,304	8,176	8,242	8,307
CAMHS and Hope contribution from partners	-2,179	-3,242	-3,242	-3,242
Hope - Dedicated Schools Grant	-757	-733	-733	-733
Preventative Services ⁹	1,824	416	425	433
Safeguarding Services ¹⁰	2,770	1,455	1,479	1,503
Children's Services Management and Central Budgets	5,265	5,719	4,538	3,180
Administration	5,065	5,020	4,851	4,963
Other Income	-537	-648	-648	-648
Net budget	96,761	102,122	101,199	99,058

Note 9 - Preventative Services budgets are now included in Commissioning and Prevention apart from the Emergency Duty Team

Note 10 - Independent Review Service and Child Protection Conference Service have moved to Commissioning and Prevention from Safeguarding team

Children's Services

Detailed budget movement by year

	2017/18	2018/19	2019/20
	£000	£000	£000
Pressures and changes			
<u>Inflation</u>			
Pay inflation	835	982	982
Non pay inflation	788	857	857
Total inflation	1,623	1,839	1,839
<u>Demand</u>			
General demographic growth	437	441	441
Children with Disabilities demand	400	400	400
Looked After Children demand	500	-400	-800
Permanency allowances	300	300	300
Increasingly complex cases			-500
External placements demand	4,000		
Capacity and demand staffing review	2,500		
Total demand	8,137	741	-159
<u>Market/Service Delivery</u>			
Continuing Improvement Plan	1,000		
Virements	-3,825		
Total market/service delivery	-2,825		
Total Pressures and changes	6,935	2,580	1,680

	2017/18	2018/19	2019/20	RAG
	£000	£000	£000	
Savings				
<u>Efficiency/service transformation</u>				
Managing market inflation	-559	-559	-559	G
Reduce reliance on locums			-500	A
Support functions review	-280	-280		A
Savings on external placements		-500	-300	A
Early Help reduction in Looked After Children demand	-120	-240	-240	A
Early Help reduction in Children in Need demand	-280	-560	-560	A
Productivity efficiencies	-335	-1,364	-1,662	A
Total efficiency/service transformation savings	-1,574	-3,503	-3,821	
Total savings	-1,574	-3,503	-3,821	

	2017/18	2018/19	2019/20	RAG
	£000	£000	£000	
Assessment of achievability of savings				
Some Issues	-1,015	-2,944	-3,262	A
Progressing	-559	-559	-559	G
Total Savings	-1,574	-3,503	-3,821	

Commissioning and Prevention

Assistant Director: Garath Symonds

Policy Budget (by activity) ¹¹

	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000
Strategic Management	1,445	653	516	508
Commissioning and Performance	7,185	9,024	8,774	8,774
Free Early Education	52,046	63,620	63,620	63,620
Early Help	37,443	34,399	30,332	30,311
Dedicated Schools Grant	-53,211	-66,457	-66,457	-66,457
Income	-7,049	-6,554	-6,554	-6,554
Net budget ⁴	37,859	34,685	30,231	30,202
	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000
Funding:				
Dedicated Schools Grant - DSG	-53,211	-66,457	-66,457	-66,457
Other UK Government grants	-1,700	-2,207	-2,207	-2,207
Contribution and contract income	-470	-420	-420	-420
Fees and Charges	-3,051	-2,320	-2,320	-2,320
Property Income	-50	-50	-50	-50
Reimbursements and recovery of costs	-1,778	-1,557	-1,557	-1,557
Total funding	-60,260	-73,011	-73,011	-73,011
Expenditure:				
Staffing	30,063	29,151	25,114	25,574
Non staffing ¹²	12,342	13,196	13,196	13,196
Contracts & Care packages	55,714	65,349	64,932	64,443
Total expenditure	98,119	107,696	103,242	103,213
Net budget ⁴	37,859	34,685	30,231	30,202
	2016/17	2017/18		
FTE ⁵	640	649		
	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000
Summary Budget Movement				
Prior year budget	34,644	37,859	34,685	30,231
Pressures and changes	5,739	854	392	843
Savings	-2,524	-4,028	-4,846	-872
Movements	3,215	-3,174	-4,454	-29
Revised budget	37,859	34,685	30,231	30,202

Note 4: Net Budget supported by general government grants and reserves.

Note 5: The FTE numbers do not include non-establishment staff

Note 11 - The Commissioning and Prevention budget now includes all of the Early Years funding, some of which was previously shown within the delegated schools budgets. The prior year budgets have been adjusted to match this new presentation.

Note 12 - Non Staffing expenditure includes budgets delegated to Surrey maintained nursery schools and nursery classes.

Commissioning and Prevention

Policy Budget (by activity)

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Strategic Management	1,445	653	516	508
Commissioning and Performance				
Market Strategy	4,009	3,501	3,251	3,251
Insight and Innovation	2,479	2,117	2,117	2,117
Quality and Experience ¹³	697	3,406	3,406	3,406
Free Early Education				
Two year old free early education	6,053	4,707	4,707	4,707
Three and four year old free early education ¹⁴	37,619	48,390	48,390	48,390
Maintained nursery classes and nursery schools	8,374	10,523	10,523	10,523
Dedicated Schools Grant - Early Years Block	-51,946	-63,320	-63,320	-63,320
Early Help				
Early Years	7,111	3,502	3,046	3,046
Children's Centres	11,704	11,586	10,076	10,076
Targeted Youth Work	6,143	6,856	5,963	5,942
Centre Based Youth Work	2,460	2,219	1,930	1,930
Early Help Hubs ¹⁵	0	1,763	1,533	1,533
Family Services	1,298	1,412	1,228	1,228
Homelessness Prevention	2,063	2,074	1,804	1,804
Other Youth Support Services ¹⁶	3,447	1,801	1,566	1,566
Surrey Outdoor Learning and Development	1,860	1,691	1,691	1,691
Active Surrey	1,357	1,495	1,495	1,495
Active Surrey Income	-1,357	-1,495	-1,495	-1,495
Income				
Dedicated Schools Grant - High Needs Block	-747			
Dedicated Schools Grant - Centrally managed Early Years Block	-114	-2,733	-2,733	-2,733
Dedicated Schools Grant - Schools Block	-404	-404	-404	-404
Other Income	-5,692	-5,059	-5,059	-5,059
Net budget	37,859	34,685	30,231	30,202

Note 13- Independent Review Service and Child Protection Conference Service transferred to Quality and Experience from Children's Services safeguarding team. A restructure within Commissioning and Performance also resulted in an increase in the number of posts within Quality and Experience offset by reductions elsewhere.

Note 14 - As of September 2017 legislation provides an additional 15 hours of free early education entitlement to working parents of three and four year olds.

Note 15 - Early Help Hubs were established from October 2016, transferring staff from children's services.

Note 16 - Savings related to Early Help transformation categorised as 'Other Youth Support Services'.

Commissioning and Prevention

Detailed budget movement by year

	2017/18	2018/19	2019/20
Pressures and changes	£000	£000	£000
<u>Inflation</u>			
Pay Inflation	390	459	460
Non pay inflation	262	284	284
Total inflation	652	743	744
<u>Demand</u>			
General Demographic growth	98	99	99
Total demand	98	99	99
<u>Legislation</u>			
Additional 15 hours of free early education entitlement for three and four year olds	10,371		
Early Years Dedicated Schools Grant to fund additional 15 hours of free early education entitlement for three and four year olds	-10,371		
Total legislative	0		
<u>Market/ Service delivery</u>			
Virements	714		
Family Support	490		
Improvement Team one-off investment ceases	-600	-450	
Apprenticeship Investment ceases	-500		
Total market/ service delivery	104	-450	
Total Pressures and changes	854	392	843

	2017/18	2018/19	2019/20	RAG
Savings	£000	£000	£000	
<u>Efficiency/ service transformation</u>				
Managing market inflation	-224	-224	-224	G
Early Help reconfiguration	-1,000	-3,700		A
Early Help contract savings	-250	-250		A
Early Help reductions in demand	-80	-120	-120	A
Asset related savings from Early Help reconfiguration	-700			A
Restructure phase 2	-1,300			A
Support functions reduction	-346	-346		A
Income generation	-128			A
Productivity efficiencies	0	-206	-528	
Total Efficiency/ service transformation savings	-4,028	-4,846	-872	
Total savings	-4,028	-4,846	-872	

Assessment of achievability of savings	2017/18	2018/19	2019/20	RAG
	£000	£001	£002	
Some Issues	-3,804	-4,416	-121	A
Progressing	-224	-224	-223	G
No Ragged		-206	-528	
Total Savings	-4,028	-4,846	-872	

Schools and Special Educational Needs & Disabilities (SEND)

Policy Budget (by activity) ¹⁷

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
SEND	108,275	110,969	110,902	111,753
Delegated Budgets	59,051	59,044	59,044	59,044
Universal Education Services	62,559	64,260	64,185	64,185
Income				
Dedicated Schools Grant	-128,055	-129,959	-129,959	-129,959
Other Income	-38,794	-40,143	-40,143	-40,143
Net budget ⁴	63,037	64,171	64,029	64,880
	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
<u>Funding:</u>				
Dedicated Schools Grant	-128,055	-129,959	-129,959	-129,959
Other UK Government Grants	-4,626	-4,842	-4,842	-4,842
Contribution and Contract Income	-3,826	-4,939	-4,939	-4,939
Fees & Charges	-29,128	-29,429	-29,429	-29,429
Reimbursements and Recovery of Costs	-1,214	-933	-933	-933
Total funding	-166,849	-170,102	-170,102	-170,102
<u>Expenditure:</u>				
Staffing	42,565	40,567	40,491	41,050
Non Staffing ¹⁸	112,102	117,679	117,613	117,905
Contracts & Care Packages	75,218	76,027	76,027	76,027
Total expenditure	229,885	234,273	234,131	234,982
Net budget ⁴	63,037	64,171	64,029	64,880
	2016/17	2017/18		
FTE ⁵	1,235	1,273		
	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Summary Budget Movement				
Prior year budget	56,919	63,037	64,171	64,029
Pressures and changes	13,251	20,323	7,750	9,100
Savings	-7,133	-16,528	-6,820	-5,027
Movements	6,118	3,795	930	4,073
Additional Savings		-2,661	-1,072	-3,222
Revised budget ⁴	63,037	64,171	64,029	64,880

Note 4: Net Budget supported by general government grants and reserves.

Note 5: The FTE numbers do not include non-establishment staff

Note 17 - The Schools and SEND budget now includes all of the High Needs Funding some of which was previously shown within Delegated Schools Budgets. The prior year budgets have been adjusted to match this new presentation.

Note 18 - Non Staffing expenditure includes budgets delegated to Surrey maintained schools and Pupil Referral Units.

Schools and Special Educational Needs & Disabilities (SEND)

Assistant Director: Liz Mills

Policy Budget (by activity)

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
SEND				
School Agency Placements	39,410	39,673	39,233	39,233
SEND Transport	25,677	25,478	23,978	22,478
Individual Statemented Pupil Support Budgets	15,068	15,464	15,464	15,464
Post 16 SEND Placements	10,282	10,728	10,728	10,728
Area SEN Services	10,209	10,169	9,609	9,609
Countywide SEN Services	7,629	9,458	11,891	14,242
Delegated Budgets				
Special Schools	40,092	40,542	40,542	40,542
SEN Centres	8,535	8,385	8,385	8,385
Pupil Referral Units and Surrey Alternative Learning Programme	7,120	6,951	6,951	6,951
Other SEND Expenditure in Schools	3,304	3,167	3,167	3,167
Universal Education Services				
Commercial Services	28,168	28,444	28,444	28,444
School Planning & Leadership	16,449	18,721	18,721	18,721
Home to School Transport - Mainstream	8,235	7,635	7,635	7,635
Universal Area Services	4,491	4,032	4,032	4,032
Virtual School	1,759	2,005	2,005	2,005
Education Welfare	1,609	1,517	1,517	1,517
Business Support	1,048	1,105	1,030	1,030
Home to School Transport - Alternative Provision	802	802	802	802
Income				
Dedicated Schools Grant - High Needs	-123,892	-123,598	-123,598	-123,598
Dedicated Schools Grant - Schools	-4,049	-5,702	-5,702	-5,702
Dedicated Schools Grant - Early Years	-114	-659	-659	-659
Other Income	-38,794	-40,143	-40,143	-40,143
Net budget	63,037	64,171	64,029	64,880

Additional information for Children, Schools and Families Directorate

Dedicated Schools Grant

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Agency Placements	-33,016	-34,579	-34,579	-34,579
Individual Statemented Pupil Support Budget	-14,464	-14,860	-14,860	-14,860
Post 16 SEND Placements	-10,282	-10,728	-10,728	-10,728
Countywide SEN Services	-6,071	-6,168	-6,168	-6,168
Universal Area Services	-3,055	-2,899	-2,899	-2,899
School Planning & Leadership	-2,241	-1,041	-1,041	-1,041
Area SEN Services	-2,700	-2,207	-2,207	-2,207
Education Welfare	0	0	0	0
Business Support	-507	-639	-639	-639
Special Schools	-36,900	-38,477	-38,477	-38,477
SEN Centres	-8,469	-8,319	-8,319	-8,319
Pupil Referral Units and Surrey Alternative Learning Programme	-7,045	-6,876	-6,876	-6,876
Other SEND Expenditure in Schools	-3,304	-3,167	-3,167	-3,167
Total Dedicated Schools Grant ^(19, 20)	-128,055	-129,959	-129,959	-129,959

Note 19 - In addition to the DSG above in 2017-18 DSG given directly to schools for place funding totals £9,578,000

Note 20 - In addition to the DSG above in 2017-18 DSG supporting central running costs totals £1,893,000

Schools and Special Educational Needs & Disabilities (SEND)

Detailed budget movement by year

	2017/18	2018/19	2019/20
	£000	£000	£000
Pressures and changes			
<u>Inflation</u>			
Pay Inflation	475	559	559
Non pay inflation	3,550	3,859	3,859
Total inflation	4,025	4,418	4,418
<u>Demand</u>			
Non Maintained and Independent School Demand	3,685	-440	
SEND Demand Pressures	3,000	2,872	3,222
Prior Year Pressures	2,189		
Individual Statemented Pupil Support Budget Demand	1,596		
General Demographic Growth	1,460	1,460	1,460
Post 16 Demand	1,446		
Home to School Transport - SEND	1,300		
Temporary Places in Special Schools	997		
Other Placement Costs	811		
Special Schools Inflation	400		
Ceasing of SCC Funding of DSG for SEND in 2016/17	-1,650		
Dedicated Schools Grant Adjustments	-1,662		
Total demand	13,572	3,892	4,682
<u>Legislation</u>			
Temporary Investment in Education Health and Care Plan Process to Meet One Off Demand	-480	-560	
Total legislative	-480	-560	
<u>Market/ Service delivery</u>			
Speech and Language Therapy - New Service Model	200		
Virements	3,006		
Total market/ service delivery	3,206		
Total Pressures and changes	20,323	7,750	9,100

Schools and Special Educational Needs & Disabilities (SEND)

	2017/18	2018/19	2019/20	RAG
Savings	£000	£000	£000	
<u>Efficiency/ service transformation</u>				
Managing Market Inflation	-2,417	-2,417	-2,417	G
Home to School Transport - SEND	-1,499	-1,500	-1,500	A
Productivity Efficiencies	-1,337	-1,028	-1,110	A
Home to School Transport - Mainstream	-600			A
Support Functions Reductions	-75	-75		G
Total Efficiency/ service transformation savings	-5,928	-5,020	-5,027	
<u>Service Reduction</u>				
Reductions in School Support	-600			G
Total service reduction savings	-600			
<u>Additional SEND Savings - Service Transformation</u>				
Review of Special School Funding	-2,300	-1,300		A
Individual Statemented Pupil Support Budget	-1,200			A
Traded Model for SEN Support Services	-1,100	-500		A
Post 16 SEND	-1,000			A
Review Provision of SEND Support to Early Years Providers	-1,000			A
Service Cost Reduction and/or Recommissioning	-800			A
New Operating Model for SEN Pathway	-500			G
Alternative Provision	-500			A
Trade or Reduce Non-statutory Services	-500			A
Review and Share Costs with Health & Social Care	-500			A
Decommissioning of SEN Planned Places	-300			A
Savings to be Identified	-200			A
Hard to Place Pupils Process	-100			A
Total additional SEND savings	-10,000	-1,800		
Total Savings	-16,528	-6,820	-5,027	

2017/18 Assessment of achievability of savings	2017/18	2018/19	2019/20	RAG
	£000	£000	£000	
Some Issues	-12,936	-4,328	-2,610	A
Progressing	-3,592	-2,492	-2,417	G
Total Savings	-16,528	-6,820	-5,027	

Note 5 - Further SEND Savings on High Needs Block DSG

School Redesignations	-852	-594	-557	A
Review Occupancy of Special Schools and Units	-782	-217		A
Cullum Centres	-439	-584	-326	A
Inclusion in Mainstream (External Contract)	-338	-844	-339	A
Supplier Relationship Management, Review Service Specifications	-250			A
Service Shift of 300 NMIs to In House (Free Schools)		1,167	-2,000	G
Total Further SEND Savings on High Needs Block DSG	-2,661	-1,072	-3,222	

Schools (excluding early years and dedicated SEN provision)

Policy Budget (by activity)

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Primary and secondary schools: delegated and devolved budgets ²²				
including specific grants (but excluding nursery classes and SEN centres)				
Primary schools	284,169	267,647	266,858	266,858
Secondary schools	105,662	77,416	77,205	77,205
Income				
Dedicated Schools Grant	-348,881	-308,275	-307,275	-307,275
	-11,683	-8,878	-8,878	-8,878
Pupil premium grant	-15,836	-15,712	-15,712	-15,712
Universal infant free school meals grant	-10,994	-10,095	-10,095	-10,095
Other school related DFE grants	-2,437	-2,103	-2,103	-2,103
Net budget	0	0	0	0
	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
<u>Funding:</u>				
Dedicated Schools Grant - DSG	-348,881	-308,275	-307,275	-307,275
Other UK Government grants	-40,950	-36,788	-36,788	-36,788
Total funding	-389,831	-345,063	-344,063	-344,063
<u>Expenditure:</u>				
School Expenditure ²¹	389,831	345,063	344,063	344,063
Total expenditure	389,831	345,063	344,063	344,063
Net budget	0	0	0	0

Note 21: School expenditure budget comprises funding allocated to individual schools

Note 22: this page excludes funding allocated to special schools/pupil referral units and funding for designated SEN centres in mainstream schools, which are now shown under the Schools and Special Educational Needs/Disabilities service, and funding allocated to maintained nursery schools and to nursery classes in state maintained schools, which is now shown within Commissioning and Prevention. All of these categories were previously shown under schools

The table also excludes the core budgets for academies, which are deducted from Surrey's Dedicated Schools Grant and paid directly to the academies by the Education Funding Agency (2016/17: £228.4m, 2017/18 £277.8m)

Apart from the Dedicated Schools Grant, almost all of the school related grants are paid to Surrey as specific amounts to be passed on to named schools and the county council has no discretion over its distribution

Detailed budget movement by year

	2017/18 £000	2018/19 £000	2019/20 £000
Pressures and changes			
<u>Demand</u>			
Pupil numbers	10,962		
less one off funding from previous year underspend	-484	-1,000	
Academy conversions	-53,849		
Changes in Dedicated Schools Grant	39,209	1,000	
Changes in other government grants	4,162		
Total demand	0	0	0
<u>Legislation</u>			
Central services levy on schools	-2,259		
New delegation to schools	862		
Dedicated Schools grant	1,397		
Total legislation	0	0	0
Total pressures and changes	0	0	0



John Stebbings
Chief Property Officer



Kevin Foster
Chief Operating Officer

What we do

Orbis is a partnership between Surrey and East Sussex County Councils that aims to provide seamless and resilient business services to the public sector, creating a compelling alternative to other providers. This decision is built on the successful collaboration between Surrey and East Sussex County Councils, established through a joint procurement function in 2012, and the provision of transactional shared services since April 2013.

The Orbis Partnership incorporates the following services: Human Resources and Organisational Development, Property, IT, Procurement, Finance (including Internal Audit), and Business Operations (Shared Services).

We are responsible for:

- Providing seamless resilient and flexible business services, whilst achieving savings for the partnered authorities, which will be used to sustain services for the residents of Surrey and East Sussex.
- Bringing together services to create sufficient scale to drive shared efficiencies, enables us to share skills and knowledge, and invest in technology that could otherwise be prohibitively expensive for each organisation alone.
- Delivering value to customers and residents through our expertise, innovation and passion.
- Bringing on public sector partners and, where appropriate, providing services to public sector clients in order to grow and create income opportunities.

For more information on what we do, contact john.stebbing@surreycc.gov.uk

Our challenges and opportunities

As local authorities, we face the challenge of needing to deliver higher quality services to the taxpayer, at a lower cost. Working in partnership will enable us to share knowledge, skills, and experience to identify the best and most innovative approach to ensuring we remain sustainable and maximise the use of our resources, while continuing to provide a quality service.

By integrating our services and expanding our economies of scale, adopting common practices and jointly investing in technology, it is anticipated we will achieve significant savings, which will be used to sustain services for the residents of Surrey and East Sussex. Our ambition is for the partnership to grow, and we hope to bring on additional partners as Orbis develops.

Our key actions

We will focus on developing our partnership and implementing Orbis during 2017/18 to drive joint benefits and realise efficiencies.

1. Developing and implementing single service management structures.
2. Implementing new performance management and development approaches.
3. Collaborating with and integrating Brighton and Hove City Council into the Partnership.

Our budget

Net Revenue Expenditure	=£50.7m	Management, £2.5m			Procurement, £3.5m		
		Business Ops, £5.2m	Finance, £9.0m	HR & OD, £5.2m	ITD, £16.8m		Property, £9.4m
Contribution to Orbis	=£50.7m	East Sussex CC, £15.3m			Surrey CC, £35.4m		

Orbis Partnership Joint Operating Budget

Chief Property Officer: John Stebbings

Chief Operating Officer: Kevin Foster

Orbis is a collaborative local authority partnership established under a Joint Committee with East Sussex County Council (ESCC), to deliver Business Services. The Joint committee is responsible for delivering services from a Joint Operating budget. SCC and ESCC contribute to the Joint Operating budget in proportion to their service delivery requirements, currently 70% and 30% respectively.

The Joint Operating budget comprises primarily of staffing costs. The staff within the Orbis partnership manage budgets for each council. For example staff within Property manage the cost of utilities for SCC's buildings. Budgets that are managed in this way are not part of the Joint Operating budget and are shown on separate schedules within the MTFP as 'budgets managed by the Orbis partnership'.

Policy Budget (by activity)

	2016/17	2017/18	2018/19	2019/20
Orbis Operating Budget	£000	£000	£000	£000
Business Operations	5,171	5,194	5,161	5,253
Finance	9,421	9,001	8,137	8,254
Human Resources	5,250	4,764	4,213	4,278
Information Technology & Digital Management ²³	17,005	16,833	15,966	16,203
Procurement	3,496	3,192	3,228	3,278
Property	10,274	9,377	8,692	8,831
Net budget ⁴	53,105	50,655	47,725	48,460
Funding:				
Contribution and contract income	-9,503	-10,370	-10,535	-10,703
Total funding	-9,503	-10,370	-10,535	-10,703
Expenditure:				
Staffing	57,470	55,308	52,457	53,273
Non staffing	5,138	5,717	5,803	5,890
Total expenditure	62,608	61,025	58,260	59,163
Net budget ⁴	53,105	50,655	47,725	48,460

	2016/17	2017/18
FTE ⁵	1,322	1,280

	2017/18	2018/19	2019/20
Summary budget movement	£000	£000	£000
Prior year budget	53,105	50,655	47,725
Pressures and changes	1,425	921	735
Savings: efficiencies	-3,875	-3,851	0
Movements	-2,450	-2,930	735
Revised budget ⁴	50,655	47,725	48,460
SCC Contribution	35,386	33,339	33,852
ESCC Contribution	15,269	14,386	14,608
	50,655	47,725	48,460

Orbis Partnership Joint Operating Budget

Continued....

Summary SCC	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
SCC Contribution to Orbis	37,189	35,386	33,339	33,852
Investment	856	2,199	1,493	177
Net budget ⁴	38,045	37,585	34,832	34,029

Note 4: Net Budget supported by general government grants and reserves.

Note 5: The FTE numbers do not include non-establishment staff

Note 23: Management costs include an adjustment to ensure that the cost of pension contributions is similar in both SCC and ESCC

Orbis Partnership Joint Operating Budget

Detailed budget movement by year ²⁴

	2017/18	2018/19	2019/20	
	£000	£000	£000	
Pressures and changes				
<u>Inflation</u>				
General inflation	114	114	116	
Pay inflation	866	832	787	
Income inflation	-162	-165	-168	
Total inflation	818	781	735	
<u>Market / Service Delivery:</u>				
Virements	387			
Total market / service delivery	387	0	0	
<u>Other changes</u>				
Delivering the Orbis Partnership, collaborative IT	220	140		
Total other changes	220	140	0	
Total Pressures and changes	1,425	921	735	
Savings				
<u>Savings: Efficiencies</u>				
Orbis Business Plan ²⁵	-3,875	-3,851		
Total Continuing Savings	-3,875	-3,851	0	
Total savings	-3,875	-3,851	0	
Savings by service ²⁵				
	2017/18	2018/19	2019/20	RAG
	£000	£000	£000	
Business Operations	-500	-125		A
Finance	-525	-994		G
Human Resources	-400	-625		G
Information Technology & Digital	-1,099	-1,258		G
Management	-100	0		G
Procurement	-345	-15		G
Property	-906	-834		G
Total Net Savings	-3,875	-3,851	0	
Assessment of achievability				
of savings	2017/18	2018/19		RAG
	£000	£000		
Some Issues	-500	-125		A
Progressing	-3,375	-3,726		G
	-3,875	-3,851		

Note 24: Movements for total Orbis Operating Budget, current SCC contribution is 70%

Note 25: Savings are as per the Orbis Business Plan allocated between the Orbis Operating Budget and the Budgets managed on behalf of SCC & ESCC



Simon Pollock
Head of Business
Operations
Surrey CC

Our purpose

Our purpose is to provide high quality back office services to Surrey and East Sussex County Councils as well as to a range of public sector partners. We aim to provide upper quartile performance at lower quartile costs. We are responsible for:

- managing the payroll for over 500 organisations, making well over one million payments a year
- providing pensions administration for over 200 public sector employers
- processing and paying over 600,000 invoices a year
- hiring over 3,000 staff a year
- booking over 30,000 delegates onto training courses per annum
- working to reduce the unit costs of running a high volume transactional service to ensure that we provide our residents with the best possible value.

For more information on what we do, contact simon.pollock@surreycc.gov.uk

Our challenges and opportunities

Our service exists in a highly commoditised market, most of the work that we undertake can be outsourced to other providers. Our challenge is to consistently provide our services at a higher quality and lower cost than any alternative supplier. Where we cannot achieve this we will look to commission another organisation to provide our services to ensure that our residents receive better value for their council tax. Where we can outperform others, we will look to provide our services to other public sector organisations ensuring that the maximum number of taxpayers benefit from our performance.

Our key actions

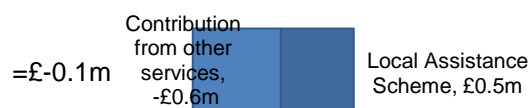
We will prioritise three actions for 2017/18 to support achievement of the council's three corporate strategy goals of *wellbeing*, *economic prosperity* and *resident experience*.

1. We will integrate the transactional services of Surrey and East Sussex County Councils with those of Brighton & Hove City Council to provide greater economies of scale, resilience and opportunity for growth.
2. Reduce the costs of operating our back office services by 10%.
3. Maintain high levels of customer and staff satisfaction.

Our budget

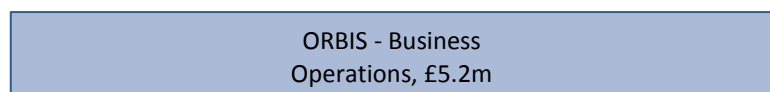
The Business Operation service manages budgets on behalf of Surrey County Council and budgets that are part of the Orbis Partnership Joint Operating Budget. The charts below show how Business Operations service's spending has been allocated for 2016/17.

Orbis - Managed
Budget for SCC



Orbis - Joint
operating
budget*

=£5.2m



Budgets Managed by the Orbis Partnership - Business Operations

Assistant Director: Simon Pollock

Policy Budget (by activity)

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Local Assistance Scheme	508	518	528	538
Contribution from Other Services ²⁶	-281	-581	-587	-593
Net budget ⁴	227	-63	-59	-55
<u>Expenditure:</u>				
Staffing	150	153	156	159
Non staffing ²⁷	77	-216	-215	-214
Total expenditure	227	-63	-59	-55
Net budget ⁴	227	-63	-59	-55

	2016/17	2017/18
FTE	5	5

Summary budget movement	2017/18 £000	2018/19 £000	2019/20 £000
Prior year budget	227	-63	-59
<u>Pressures and changes:</u>			
Pay inflation	3	3	3
Non Pay Inflation	7	1	1
<u>Market / Service Delivery:</u>			
Virements	-300		
Movements	-290	4	4
Revised budget	-63	-59	-55

Note 4: Net Budget supported by general government grants and reserves.

Note 26: Recharges to other council services are included in the budgets managed by the Orbis Partnership. The recharged services are for the council's DBS checks and transactional services provided to Commercial Services.

Note 27: Recharges are shown as reduced expenditure, hence the negative non staffing budget from 2017/18.



Sheila Little
Director of Finance
Surrey CC

Our purpose

To support the council and its partners to make the most of every pound and ensure improved outcomes for residents through providing a responsive, expert service that promotes continual improvement, sustains financial resilience and optimises public value. We are responsible for:

- ensuring sound financial stewardship of council resources
- leading and directing the council to build and sustain a robust financial strategy
- providing financial advice and challenge to enable the council and its partners to carry out their functions legally and effectively
- driving and supporting service transformation, organisational change and the investment strategy
- providing strategic leadership for the council on risk, governance and insurance services
- providing strategic direction and advice to the Surrey Pension Committee.

For more information on what we do, contact sheila.little@surreycc.gov.uk

Our challenges and opportunities

Our greatest challenge is assuring the council's financial resilience in an environment of ever increasing demographic demand pressures in core services. Together with increasing complexity in particular for adult and children social care services there is huge pressure on service budgets. Added to this is the challenge of continuing to deliver significant savings and efficiencies year after year. The scale for 2017/18 is unprecedented (at £93m) and a further £30m remains to be identified. In light of reserves already being at relatively low levels, these will not be applied at the outset. In terms of opportunities local government responsibilities may well change in the relative short term with an increased emphasis on integrated partnership working. In particular health, 100% local retention of business rates and devolution means it is important for us to strengthen our skills, capacity and capability to continue to provide quality finance services. The move towards an integrated Orbis Finance Leadership Team provides an opportunity to achieve this.

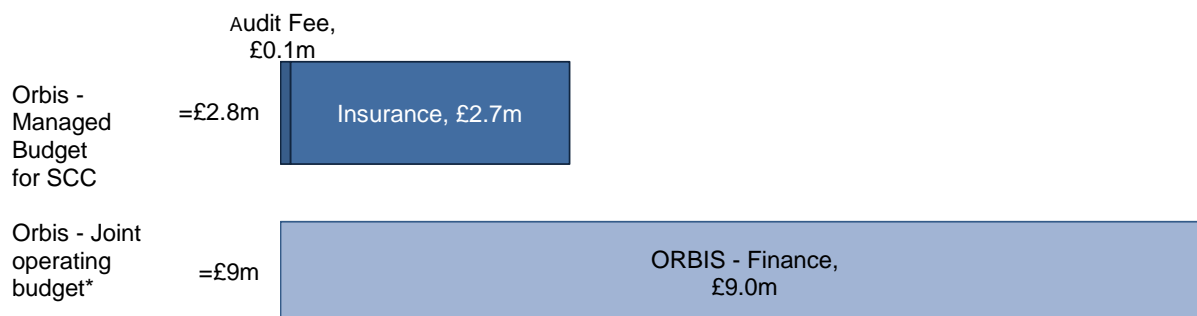
Our key actions

We will prioritise the following actions for 2017/18 to support achievement of the council's corporate strategy goals.

1. Support services to deliver the council's current Medium Term Financial Plan and ensure plans and milestones are tracked.
2. Shape, proactively drive and support the Sustainability Review Board work to ensure further savings are identified by the organisation to move the budget to be more sustainable in the long term.
3. Proactively work with Government Departments (in particular DCLG, DfE) to influence and shape the strategic changes to Local Government funding for future years.
4. Influence partners on the development of the Border to Coast Pensions Partnership to ensure it is in the interests of the Surrey Scheme members and acceptable to Government.

Our budget

The Finance Service manages budgets on behalf of Surrey County Council and budgets that are part of the Orbis Partnership Joint Operating Budget. The charts below show how Finance Service's spending has been allocated for 2016/17.



* Surrey County Council contributes 70% to the ORBIS joint operating budget

Budgets Managed by the Orbis Partnership - Finance

Director of Finance: Sheila Little

Policy Budget (by activity)

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Audit Fee	119	147	150	153
Insurance	2,977	2,648	2,755	2,815
Net budget ⁴	3,096	2,795	2,905	2,968

Funding:

Contribution and contract income	-1,423	-1,377	-1,355	-1,383
Total funding	-1,423	-1,377	-1,355	-1,383

Expenditure:

Non staffing	4,519	4,172	4,260	4,351
Total expenditure	4,519	4,172	4,260	4,351

Net budget ⁴	3,096	2,795	2,905	2,968
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	2016/17	2017/18
FTE	0	0

Summary budget movement	2017/18 £000	2018/19 £000	2019/20 £000	RAG
Prior year budget	3,096	2,795	2,905	
<u>Pressures and changes:</u>				
Non pay inflation	67	60	63	
<u>Market / Service Delivery:</u>				
Insurance self fund	307			
Loss of schools income	50	50		
<u>Savings: Efficiencies</u>				
Contribution to insurance reserve	-750			G
2015/16 one-off income 2 years only	25			
Movements	-301	110	63	
Revised budget	2,795	2,905	2,968	

Note 4: Net Budget supported by general government grants and reserves.



Sergio Sgambellone
 Director of Human Resources and Organisational Development – Orbis Partnership

Our purpose

Our primary purpose is **to help Surrey workforce to achieve their very best.** We will continue to support and equip our workforce with the characteristics, attitude, competence and knowledge required to deliver public services which put people at the heart of them, make the best possible use of public money and consistently adapt to take account of changing needs and levels of demand.

We will achieve our primary purpose by:

- growing leaders and managers who model Surrey's values & behaviours, inspire Staff and support them to deliver excellence
- ensuring a strong employer brand and recruitment approach to build a workforce which better reflects the diversity of Surrey's residents
- providing training and development for Surrey's staff, leaders and members to ensure they have the knowledge and skills to consistently achieve high standards
- ensuring staff are safe, healthy & well through a comprehensive well-being offer that help them through changing times and keep them engaged and committed.

Our challenges and opportunities

The organisation faces many challenges, changing needs and expectations of the community, continued austerity within public service and changes in the supply and dynamics of the labour market. We will need to respond by empowering more our people to make the right decisions and the appropriate changes that benefit Surrey's residents. We will put greater focus on developing critical 21st century skills like transformation management, partnership working and effective performance management whilst addressing poor behaviours at work in a speedier and more restorative way to avoid costly, lengthy and unhealthy situations. We are presented with more opportunities for our workforce to think creatively about how things can be done, and we'll encourage them to actively look for and engage with partner organisations with whom they can have even more impact on people's lives and be confident in their decision-making.

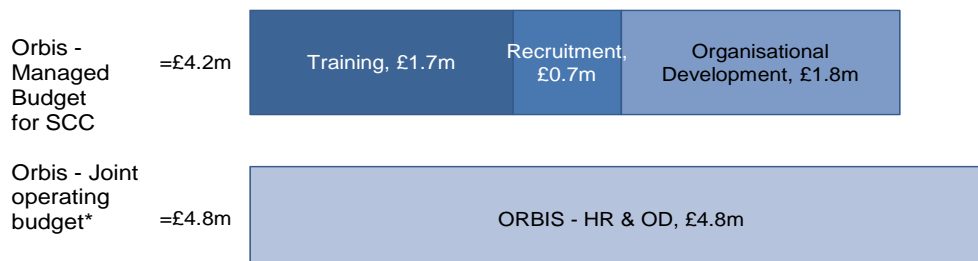
Our key actions

We will prioritise three actions for 2017/18 to strengthen the conditions required for our workforce to actively and positively support the achievement of the council's three corporate strategic goals of *wellbeing*, *economic prosperity* and *resident experience*.

1. Maximise our investment in training & development of our staff, leaders and members with greater focus on transformational and partnership skills.
2. Ensure Surrey staff remain fully engaged, and our managers are fully equipped with the required engagement skills and insight derived by our Annual Staff Survey.
3. Deliver our service at optimum cost by sharing resources through the Orbis partnership with East Sussex County Council and other possible future Partners, and re-design HROD service offer accordingly.

Our budget

The HR & OD service manages budgets on behalf of Surrey County Council and budgets that are part of the Orbis Partnership Joint Operating Budget. The charts below show how HR & OD service's spending has been allocated for 2017/18.



* Surrey County Council contributes 50% of the ORBIS joint operating budget

Budgets Managed by the Orbis Partnership - Human Resources and Organisational Development

Director of HR & OD: Sergio Sgambellone

Policy Budget (by activity)

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Training	2,114	1,735	1,770	1,806
Recruitment	694	693	707	721
Organisational Development	1,782	1,812	1,845	1,879
Net budget ¹	4,590	4,240	4,322	4,406
<u>Funding:</u>				
Contribution and contract income	-65	-20	-20	-20
Total funding	-65	-20	-20	-20
<u>Expenditure:</u>				
Staffing ²⁸	1,805	1,659	1,688	1,718
Non staffing	2,850	2,601	2,654	2,708
Total expenditure	4,655	4,260	4,342	4,426
Net budget ⁴	4,590	4,240	4,322	4,406

	2016/17	2017/18
FTE ²⁸	29	29

Summary budget movement	2017/18 £000	2018/19 £000	2019/20 £000	2016/17 RAG
Prior year budget	4,590	4,240	4,322	
<u>Pressures and changes:</u>				
Pay inflation	32	29	30	
Non pay inflation	57	53	54	
<u>Market / Service Delivery:</u>				
Virements	-16			
<u>Savings: Efficiencies</u>				
Training	-207			G
<u>Savings: Service Transformation</u>				
Apprentices	-216			G
Movements	-350	82	84	
Revised budget	4,240	4,322	4,406	

Note 4: Net Budget supported by general government grants and reserves.

Note 28: Staffing budgets include corporate apprentices and management trainees, these are not included in HR FTE



Matt Scott
Orbis Chief Information Officer

Our purpose

Our purpose is to **enable Surrey to develop and deliver high quality and sustainable services, empowered by Technology, Information and Collective Expertise.** Across the Orbis partnership we are One Service defined by our Digital DNA:

- supporting reliable and resilient systems for approximately 10,000 IT users to ensure they can work effectively, efficiently and in compliance with Security Standards.
- working collaboratively and in partnership with service colleagues to modernise in a period of increasing public demand.
- through our approach to innovation and the use of digital technology we empower council services to deliver an enhanced resident experience.
- commercial customers and partners are attracted by our passion and expertise, through these relationships we support Surrey County Council to deliver public service transformation at a regional level.

For more information on what we do, contact matt.scott@surreycc.gov.uk

Our challenges and opportunities

Local Government Services are delivered in a progressively more complicated world, in terms of the flexibility staff need to work effectively, rising customer expectations and the need to work collaboratively with all of our partners. Surrey County Council has recognised the importance of technology in supporting the transformation of service delivery across the organisation to deliver its corporate priorities. Our services are therefore critical to improving the delivery of services and saving money. We currently have in excess of 100 projects in progress at any one time. We see this as a great opportunity to support the council and its partners to both run the day-to-day business of service delivery and identify innovate new models of delivery. We are committed to modernising our skills and approaches so we can provide the very best service.

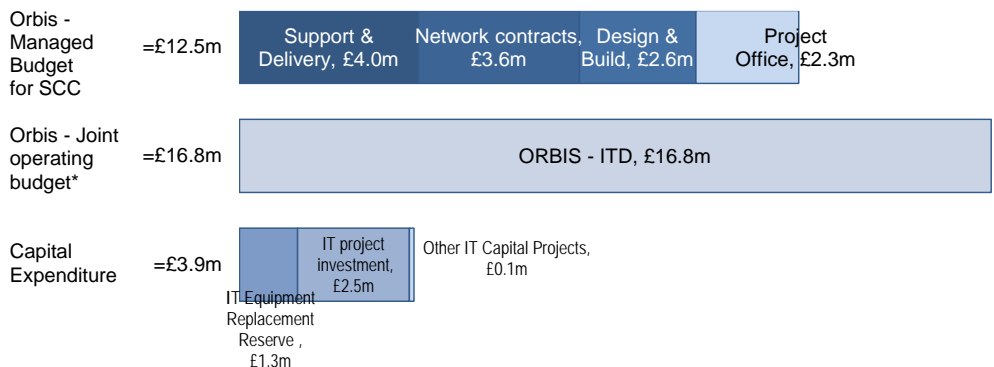
Our key actions

We will prioritise the following actions for 2017/18 to support achievement of the council’s corporate strategy goals.

1. Deliver change management and technical expertise across council transformation programmes including enhanced information management in Children’s Schools and Families services and the integration of Adult Social Care and Health partners.
2. Champion the use of digital technology and innovation approaches across services to enhance resident experience and help manage increasing levels of demand.
3. Improve tools for our users so they can be more productive by completing the upgrades of personal IT equipment (e.g. computers and mobile devices) and communication services for flexible and partnership working (e.g. Wi-Fi, email, information sharing, video conferencing).
4. Deliver public value and efficiency through an integrated Orbis IT & Digital management community with optimised IT infrastructure and support services.

Our budget

The IT & Digital service manages budgets on behalf of Surrey County Council and budgets that are part of the Orbis Partnership Joint Operating Budget. The charts below show how the IT & Digital service’s spending has been allocated for 2017/18.



* Surrey County Council contributes 70% to the ORBIS joint operating budget

Budgets Managed by the Orbis Partnership - Information Technology & Digital

Chief Information Officer: Matt Scott

Policy Budget (by activity)

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Design and Build	2,552	2,616	2,671	2,727
Network Contracts	3,614	3,637	3,607	3,685
Project Office	2,334	2,245	2,292	2,340
Support and Delivery	3,961	4,015	4,087	4,159
Net budget ⁴	12,461	12,513	12,657	12,911

Funding:

Contribution and contract income	-759	-435	-456	-478
Total funding	-759	-435	-456	-478

Expenditure:

Staffing	952	976	995	1,015
Non staffing	12,268	11,972	12,118	12,374
Total expenditure	13,220	12,948	13,113	13,389

Net budget ⁴	12,461	12,513	12,657	12,911
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	2016/17	2017/18
FTE	18	19

Summary budget movement	2017/18 £000	2018/19 £000	2019/20 £000
Prior year budget	12,461	12,513	12,657
Pressures and changes	398	250	254
Savings: efficiencies	-346	-106	0
Movements	52	144	254
Revised budget	12,513	12,657	12,911

Capital Programme	2017/18 £000	2018/19 £000	2019/20 £000	2017-20 £000
Equipment Replacement Reserve	1,300	1,000	1,500	3,800
IMT Project Investment	2,500	2,500	2,500	7,500
Other Projects	84	420	883	1,387
Total Capital Programme	3,884	3,920	4,883	12,687

Note 4: Net Budget supported by general government grants and reserves.

Budgets Managed by the Orbis Partnership - Information Technology & Digital

Detailed budget movement by year

	2017/18	2018/19	2019/20
	£000	£000	£000
Pressures and changes			
<u>Inflation</u>			
General inflation	233	231	234
Pay inflation	17	19	20
Total inflation	250	250	254
<u>Market / Service Delivery:</u>			
Virements	148		
Total other changes	148	0	0
Total Pressures and changes	398	250	254

	2017/18	2018/19	2019/20	RAG
Savings: Efficiencies	£000	£000	£000	
Infrastructure	-270	-30		G
Orbis Business Plan	-76	-76		G
Total Continuing Savings	-346	-106	0	
Total savings	-346	-106	0	



Laura Forzani
Assistant Director
Procurement

Our purpose

Our purpose is to ensure that the contracts awarded by Surrey County Council and East Sussex County Council provide great value for money, and that we use our procurement spend to provide the best possible value for our residents.

We are responsible for:

- Providing professional advice and insight on markets, suppliers and commercial options to help transform service delivery.
- Leading the development of plans for how we spend our money with suppliers from across the private, public and voluntary, community and faith sectors.
- Ensuring that our contracts are developed, awarded and managed in line with best practice, including developing longer term relationships with our key suppliers & markets.

Driving wider value that brings social, economic and environmental benefits by encouraging spend with local firms and identifying employment and skills opportunities through our supply chain.

For more information on what we do, contact laura.forzani@surreycc.gov.uk

Our challenges and opportunities

There are a number of challenges and opportunities to the delivery of our services:

- Managing market and cost pressures in an ongoing period of financial austerity for local government and the wider public sector, whilst in some sectors facing increasing price and demand from the private sector impacting our market influence;
- Delivering successful partnerships and driving collaboration through procurement and integrated commissioning plans, both locally and regionally;
- Maximising the use of technology to drive simpler and more cost effective processes for buyers and suppliers; and
- Ensuring that we have the skills, capability and capacity to deliver against our purpose as a service.

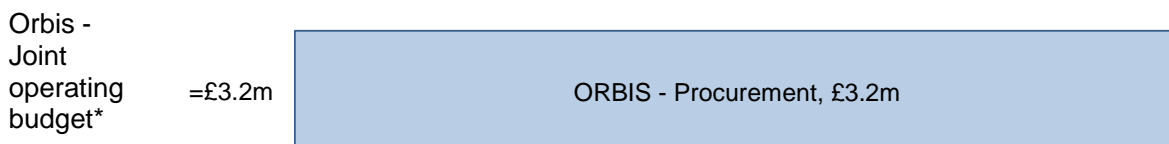
Our key actions

We will prioritise three actions for 2017/18 to support achievement of the corporate strategy goals of our key customers; both for Surrey County Council (*Well-Being, Economic Prosperity and Resident Experience*) and East Sussex County Council (*Driving Economic Growth, Keeping Vulnerable People Safe, Making Best Use of Our Resources and Helping People Help Themselves*):

1. Deliver of the maximum amount of cashable savings through better management of our suppliers, exploring innovative contracting and commercial models and collaborating with others.
2. Deliver innovation and added value by continuing to drive spend through our local suppliers, improved employment and skills opportunities in our supply chain, and further value for our community.
3. Deliver our service at optimum cost by sharing resources through the Orbis partnership.

Our budget

The Procurement Service manages budgets on behalf of Surrey County Council and budgets that are part of the Orbis Partnership Joint Operating Budget. The charts below show how Procurement and Commissioning service's spending has been allocated for 2017/18.



Budgets Managed by the Orbis Partnership - Procurement

Assistant Director: Laura Forzani

Policy Budget (by activity)

	2016/17 £000	2017/18 £000	2018/19 £000	2018/19 £000
Procurement - Adult Social Care category management	853	868	884	900
Net budget ¹	853	868	884	900
<u>Expenditure:</u>				
Staffing	853	868	884	900
Total expenditure	853	868	884	900
Net budget ⁴	853	868	884	900
	2016/17	2017/18		
FTE	14	14		

	2017/18 £000	2018/19 £000	2019/20 £000
Summary budget movement			
Prior year budget	853	868	884
<u>Pressures and changes:</u>			
Inflation	15	16	16
Movements	15	16	16
Revised budget	868	884	900

Note 4: Net Budget supported by general government grants and reserves.



John Stebbings
Chief Property Officer

Our Purpose

To ensure good quality public services for the residents of Surrey through providing the right asset(s), working environment and support to the Surrey community.

We are responsible for:

- providing and maintaining the Surrey estate including schools with a management and maintenance service ensuring fit-for-purpose assets
- working with partners to meet the changing demands and strategy of the communities we serve whilst simultaneously looking at the opportunities and delivery of efficiency savings
- delivery of the school basic need programme in both primary and secondary school places to meet the September 2017 intake
- delivering income opportunities through both our existing estate and through new acquired opportunities to provide revenue income to Surrey to support services.

For more information on what we do, contact john.stebbing@surreycc.gov.uk

Our challenges and opportunities

We will be increasing programme opportunities through South East Business Services approach with East Sussex County Council and developing income opportunities around existing estate not required for continued service need. Challenges include achieving a balance between programme delivery and resources, managing an aging property estate and meeting customer expectation.

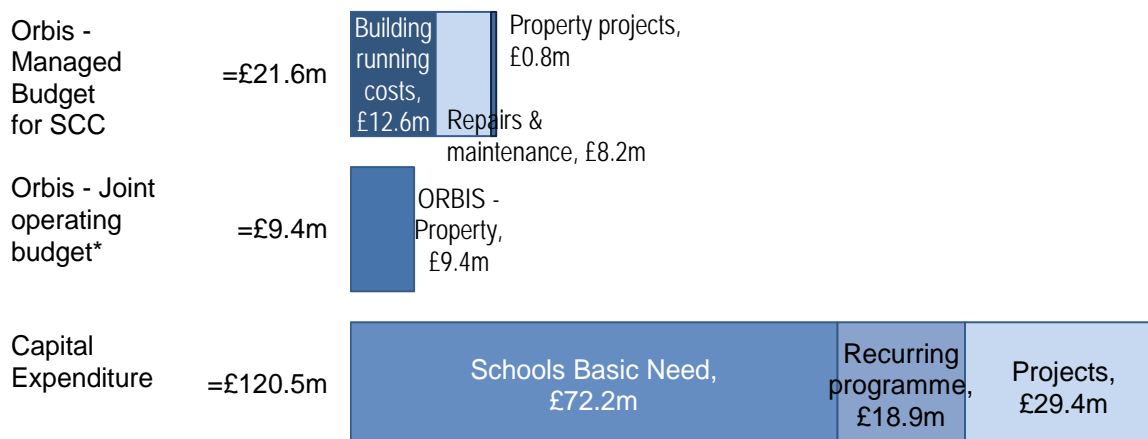
Our key actions

We will prioritise three actions for 2017/18 to support achievement of the council's three corporate strategy goals of *wellbeing, economic prosperity and resident experience*.

1. Develop our offering through our partnership with East Sussex County Council to drive joint efficiency benefits.
2. Deliver school places for the September 2017 intake and plan for extended programme and years.
3. Maintain investment in key estate assets.

Our budget

Property Services manages budgets on behalf of Surrey County Council and budgets that are part of the Orbis Partnership Joint Operating Budget. The charts below show how Property Service's spending has been allocated for 2017/18.



* Surrey County Council contributes 70% to the ORBIS joint operating budget

Budgets Managed by the Orbis Partnership - Property

Chief Property Officer: John Stebbings

Policy Budget (by activity)

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Building Running Costs	12,591	12,641	13,071	13,761
Repairs & Maintenance	7,676	8,188	8,377	8,572
Property Projects	999	757	782	789
Net budget	21,266	21,586	22,230	23,122
<u>Funding:</u>				
Property Income	-8,147	-8,417	-8,827	-9,060
Reimbursements and recovery of costs	-130	-96	-99	-101
Total funding	-8,277	-8,513	-8,926	-9,161
<u>Expenditure:</u>				
Staffing	429	502	510	518
Non staffing	29,114	29,597	30,646	31,765
Total expenditure	29,543	30,099	31,156	32,283
Net budget ⁴	21,266	21,586	22,230	23,122

	2016/17	2017/18
FTE	18	18

Summary budget movement	2017/18 £000	2018/19 £000	2019/20 £000
Prior year budget	21,266	21,586	22,230
Total Pressures and changes	1,060	844	892
Savings: efficiencies	-740	-200	0
Movements	320	644	892
Revised budget	21,586	22,230	23,122

Capital Programme	2017/18 £000	2018/19 £000	2019/20 £000	2017-20 £000
Recurring programmes	18,880	18,867	18,775	56,522
Schools Basic Need	72,229	55,474	13,070	140,773
Projects	29,391	10,338	300	40,029
Total capital programme	120,500	84,679	32,145	237,324

Note 4: Net Budget supported by general government grants and reserves.

Budgets Managed by the Orbis Partnership - Property

Detailed budget movement by year

	2017/18	2018/19	2019/20
	£000	£000	£000
Pressures and changes			
<u>Inflation</u>			
General inflation	935	1,003	1,055
Pay inflation	8	8	8
Income inflation	-166	-167	-171
Total inflation	777	844	892
<u>Market / Service Delivery:</u>			
Managed Print Service	120		
Virements	163		
Total market/service delivery	283	0	0
Total Pressures and changes	1,060	844	892

	2017/18	2018/19	2019/20	
	£000	£000	£000	RAG
Savings: Efficiencies				
Fees	-100			G
Utilities	-200			A
Building Running Costs	-440	-200		A
Total Continuing Savings	-740	-200	0	
Total savings	-740	-200	0	

	2017/18	2018/19	2019/20	
	£000	£000	£000	RAG
Assessment of achievability of savings				
Some Issues	-640	-200	0	A
Progressing	-100	0	0	G
	-740	-200	0	

Budgets Managed by the Orbis Partnership - Property

Capital

	2017/18 £000	2018/19 £000	2019/20 £000	2017/20 £000
<u>School Basic Need</u>	72,229	55,474	13,070	140,773
<u>Recurring programme</u>				
Schools condition maintenance	12,080	12,080	12,080	36,240
Fire risk assessments / minor works / DDA	500	487	400	1,387
Non schools structural maintenance	6,300	6,300	6,295	18,895
Recurring programme	18,880	18,867	18,775	56,522
<u>Project schemes</u>				
Fire Projects	4,064	1,589		5,653
Replace aged demountables	200			200
SEN strategy	4,804	1,443		6,247
Land acquisition for waste	3,667			3,667
Regeneration projects	868			868
Projects to enhance income	1,200	450		1,650
Projects to reprovision and deliver capital receipts	8,010	3,700	300	12,010
Other School Projects	460			460
ASC Schemes	4,000	1,764		5,764
E&I Schemes	2,118	1,392		3,510
Project schemes	29,391	10,338	300	40,029
Capital programme	120,500	84,679	32,145	237,324

Customer Services 2017/18



Mark Irons
Head of Customer
Services

Our purpose

Our purpose is to ensure residents in Surrey experience public services that are easy to use, responsive and value for money. To do this we:

- champion and support the delivery of excellent customer service across the council
- ensure customers have an excellent online experience and find our website easy to use, intuitive and focused on their needs
- provide an effective single point of contact for quickly and efficiently resolving customer enquiries
- manage customer complaints and feedback so we can put any mistakes right and improve our services
- manage Surrey's disabled parking scheme to allow residents with severe mobility problems to live more independent lives.

For more information on what we do, contact mark.iron@surreycc.gov.uk

Our challenges and opportunities

We need to respond to increasing demand on the council's services caused by factors such as an ageing population, higher demand for school places and severe weather events. This needs to be done whilst we respond to increasing customer expectations and changes in the way people are choosing to access our services and contact us. New technology presents the opportunity to respond to these challenges by improving customer experience and efficiency.

Our key actions

We will prioritise the following actions for 2017/18 to support achievement of the council's three corporate strategy goals of *wellbeing*, *economic prosperity* and *resident experience*.

1. Improve customer experience by championing and supporting the delivery of our Customer Promise and our Resident Experience strategy.
2. Make it easier for customers to access and use our services by improving the design of our website and online services.
3. Focus our contact centre on providing essential services to customers and resolving more enquiries at the first point of contact.
4. Make it easier for customers to give us their feedback so we can learn from their experience and improve our services.

Our budget

The council has an operating revenue budget of £1.7 billion. A capital programme worth £386 million is also planned over the next three years. The charts below show how Customer Service's spending has been allocated for 2017/18.

Net Revenue
Expenditure =£3.4m

Customer Services,
£3.4m

Customer Services

Head of Service: Mark Irons

Policy Budget (by activity)

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Customer Services	3,493	3,369	3,259	3,232
Net budget ⁴	3,493	3,369	3,259	3,232
<u>Funding</u>				
Fees & Charges	-138	-139	-140	-142
Total funding	-138	-139	-140	-142
<u>Expenditure:</u>				
Staffing	3,557	3,408	3,297	3,271
Non staffing	74	100	102	103
Total expenditure	3,631	3,508	3,399	3,374
Net budget ⁴	3,493	3,369	3,259	3,232

	2016/17	2017/18
FTE	107	102

	2017/18 £000	2018/19 £000	2019/20 £000
Summary budget movement			
Prior year budget	3,493	3,369	3,259
<u>Pressures and changes</u>			
Funding	-1	-1	-1
Inflation	57	56	54
Service reduction	-180	-165	-80
Movements	-124	-110	-27
Revised budget	3,369	3,259	3,232

Note 4: Net Budget supported by general government grants and reserves.

Customer Services

Detailed budget movement by year

	2017/18 £000s	2018/19 £000s	2019/20 £000s	RAG
Funding changes				
Income Inflation	-1	-1	-1	
Total funding changes	-1	-1	-1	
Pressures and changes				
<u>Virements</u>	-1			
<u>Inflation</u>				
Inflation Pay	57	54	52	
Inflation Non-pay	0	2	2	
Total Inflation	57	56	54	
Total pressures and changes	56	56	54	
Savings				
<u>Service reduction</u>				
No Saturday opening (library calls only taken)	-15			G
Reduce operating hours	-50			G
Libraries reservations & renewals	-45			G
Stop appointment bookings		-105		G
Reduce Complaints Staff	-35	-25		G
Channel Shift	-25	-25	-25	A
Reduce Web and digital	-10	-10	-55	G
Total Service reduction	-180	-165	-80	
Total savings	-125	-110	-27	

Communications 2017/18



Louise Footner
Head of
Communications

Our purpose

Our purpose is to:

- Devise effective communications and engagement to support the strategic priorities.
- Anticipate, research and respond to residents' changing lifestyles to engage with them in ways that suit their needs.
- Deliver activity to provide information and support behaviour change to benefit residents and staff.
- Work in partnership across the council and with other public, private and voluntary sector bodies.
- Ensure we engage and communicate with staff and members in ways that are honest, easy and timely.

For more information, contact louise.footner@surreycc.gov.uk

Our challenges and opportunities

Our challenges and opportunities are to maintain an effective dialogue with residents and staff about the new ways of working and providing services and the scale of savings required. Effective communication and engagement are key to the success of these changes. This brings an increased focus on partnership working and changes to our culture. There are opportunities to improve how we engage with partners, residents, and staff and look at new tools and techniques to do this in the most effective ways.

Our key actions

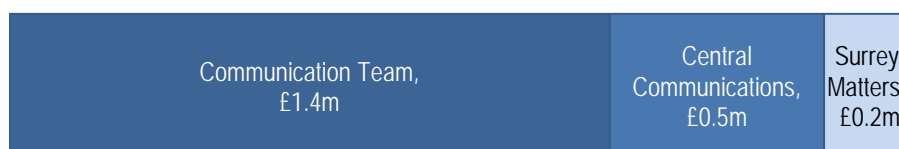
We will prioritise five actions for 2017/18 to support achievement of the council's three corporate strategy goals of wellbeing, economic prosperity and resident experience.

1. Develop opportunities for improved resident engagement and involvement
2. Support and drive the council's activity to develop a culture that supports new ways of working for staff
3. Deliver communications and engagement that promotes and supports the council priorities
4. Promote a one team approach to communications and engagement that reflects the partnership approach to providing services and collaborative working
5. Focus on value for money both in how we deliver communications and engagement and to reflect the financial position of the organisation

Our budget

The council has an operating revenue budget of £1.7 billion. A capital programme worth £386 million is also planned over the next three years. The charts below show how Communications' spending has been allocated for 2017/18.

Net Revenue
Expenditure =£2.1m



Communications

Head of Service: Louise Footner

Policy Budget (by activity)

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Communications Team	1,203	1,396	1,385	1,398
Central Publicity	570	500	394	359
Surrey Matters	224	183	188	192
Net budget ⁴	1,997	2,079	1,967	1,949

Funding

Contributions and contract income	-25	-26	-26	-27
Total funding	-25	-26	-26	-27

Expenditure:

Staffing	1,144	1,332	1,320	1,332
Non staffing	878	773	673	644
Total expenditure	2,022	2,105	1,993	1,976

Net budget ⁴	1,997	2,079	1,967	1,949
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	2016/17	2017/18
FTE	22	31 ²⁹

Summary budget movement	2017/18 £000	2018/19 £000	2019/20 £000	RAG
Prior year budget	1,997	2,079	1,967	
<u>Pressures and changes</u>				
Income Inflation	-2	-1	-1	
Virements	206			
Inflation Pay	22	22	22	
Inflation Non-pay	18	16	13	
Efficiencies / Service transformation	-162	-149	-52	G
Movements	82	-112	-18	
Revised budget	2,079	1,967	1,949	

Notes

Note 4: Net Budget supported by general government grants and reserves.

Note 29: Increased FTE reflects consolidation of staff from other services which achieved a 20% reduction.

Strategic Leadership

Financial Budget

2017/20

Strategic Leadership

Deputy Chief Executive: Julie Fisher

Policy Budget (by activity)

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Strategic Leadership	1,009	915	930	945
Net budget ¹	1,009	915	930	945
<u>Expenditure:</u>				
Staffing	983	889	903	917
Non staffing	26	26	27	28
Total expenditure	1,009	915	930	945
Net budget ⁴	1,009	915	930	945

	2016/17	2017/18
FTE	10	9

Summary budget movement	2017/18 £000	2018/19 £000	2019/20 £000	RAG
Prior year budget	1,009	915	930	
<u>Pressures and changes</u>				
Inflation Pay	15	14	14	
Inflation Non-pay	1	1	1	
Staffing Reduction	-110	0	0	G
Movements	-94	15	15	
Revised budget	915	930	945	

Note 4: Net Budget supported by general government grants and reserves.



Liz Lawrence
Head of Strategy and
Performance

Our purpose

Working with other council services, county councillors and partners we are responsible for:

- helping to maximise the influence of the council locally, regionally and nationally, including efforts to secure greater devolution of powers, functions and fairer funding for Surrey.
- leading a range of economic growth activity, including developing a Strategic Transport Authority for the South East, driving inward investment, advising on aviation issues and ensuring strong engagement with Surrey businesses.
- leading and supporting transformational change in priority areas such as Special Educational Needs, information management in the Children, Schools and Families Directorate and the Transforming Justice programme.
- promoting continuous improvement through resident-friendly performance management, research and evidence-based policy making.

Our challenges and opportunities

2017/18 will continue to provide significant challenges as local authority funding reduces further and demand on services continues to grow. The work outlined above offers opportunities for Surrey to secure longer term economic growth, enhanced productivity and deliver service transformation.

Our key actions

We will prioritise four actions for 2017/18 to support achievement of the council's three corporate strategy goals of *wellbeing*, *economic prosperity* and *resident experience*. We will continue to work with services and partners to:

1. Make a robust case to Government for devolution of powers, functions and funding to deliver better outcomes and value for money for residents and businesses.
2. Ensure that Surrey is prepared and proactive in influencing national policy, including fairer funding for Surrey.
3. Support the transformation of services for Surrey residents responding more effectively to needs, improving outcomes and reducing costs.
4. Secure as good a deal as possible for Surrey in terms of external investment in the county and support business growth, skills development and infrastructure enhancements to benefit the Surrey economy.

Our budget

The council has an operating revenue budget of £1.7 billion. The charts below show how Strategy & Performance's spending has been allocated for 2017/18.

Net Revenue
Expenditure =£2.7m



Strategy & Performance

Head of Service: Liz Lawrence

Policy Budget (by activity)

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Strategy & Performance Team	1,536	1,297	1,248	1,193
Corporate Subscriptions	193	187	190	194
Economic Growth	1,162	1,254	1,264	1,274
Net budget ¹	2,891	2,738	2,702	2,661
<u>Funding</u>				
UK Government grants	-435	-464	-464	-464
Reimbursement & recovery of costs	-317	-322	-327	-332
Total funding	-752	-786	-791	-796
<u>Expenditure:</u>				
Staffing	1,930	1,822	1,782	1,738
Non staffing	1,713	1,702	1,711	1,719
Total expenditure	3,643	3,524	3,493	3,457
Net budget ⁴	2,891	2,738	2,702	2,661

	2016/17	2017/18
FTE	27	27

	2017/18 £000	2018/19 £000	2019/20 £000	RAG
Summary budget movement				
Prior year budget	2,891	2,738	2,702	
Income Inflation	-5	-5	-5	
Virements	28	0	0	
Inflation Pay	32	29	28	
Inflation Non-pay	8	8	8	
Adjustment to NI increase	-3	0	0	
Removal of vacant posts	-213	0	0	G
Service restructure / prioritisation	0	-68	-72	G
Movements	-153	-36	-41	
Revised budget	2,738	2,702	2,661	

Note 4: Net Budget supported by general government grants and reserves.



Helen Atkinson
Director of Public Health
and Adult Social Care

Our purpose

Adult Social Care plans, commissions and provides a wide range of services for adults across Surrey.

Our vision is to promote people's independence and wellbeing through personalised care and support and by working collaboratively with our partners to deliver better outcomes at less cost.

Delivering this vision will mean people in Surrey:

- Stay healthy and are supported to live in their local community with choice and control
- Know about and can access information and services to help prevent and postpone the need for care and support
- Experience social care that is responsive to their needs and seamless between different parts of the system
- Remain safe and feel satisfied with the quality of their care and support

For more information on what we do, contact helen.atkinson@surreycc.gov.uk

Our challenges and opportunities

Challenges – Budget pressures due to an ageing population with a rising prevalence of dementia and growing numbers of young people transitioning from Children's services with complex needs. An increasingly fragile care market with workforce pressures. Unprecedented reductions in local government funding and radical changes in national policy including widened scope of Deprivation of Liberty Safeguards and implementation of the Transforming Care plan.

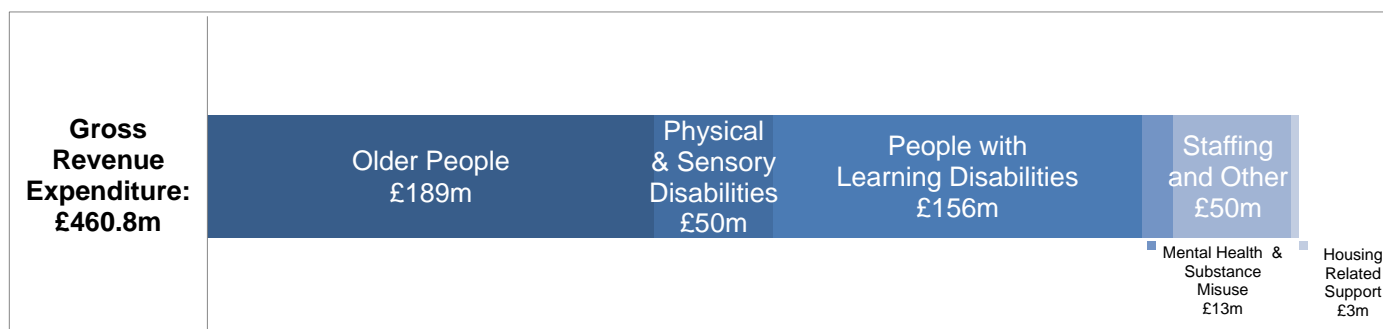
Opportunities – Collaborating with health partners to deliver local integrated community-based health and social care. Using technology to enable new and creative models of delivery to be implemented. Encouraging people to build networks of support amongst their family, friends and communities. Developing a range of flexible accommodation with care and support. Growing a sustainable workforce. Responding to the opportunities of the emerging Sustainability and Transformation Plans and health care devolution.

Our key actions

We will prioritise four actions for 2017/18 to support achievement of the council's corporate strategy goals of *wellbeing, economic prosperity* and *resident experience*:

- 1. Whole systems demand management** - Promoting independence and resilience, signposting people towards informal community based services and offering preventative interventions. We will deliver this through:
 - Health and social care integration
 - Accommodation with care and support
 - Family, friends and communities
 - Optimising young peoples' transition
 - Correct application of legislation
- 2. Sustainable markets and resources** – Implementing long term and sustainable pricing and workforce strategies together with our partners. We will deliver this through:
 - Market management and pricing strategies
 - Sustainable workforce development
- 3. Safeguarding and quality** - Protecting people from harm and ensuring care and support services are high quality and safe. We will deliver this through:
 - Making safeguarding personal
 - Highest standards of safeguarding practice
 - Multi-agency quality assurance
- 4. Deliver efficiency savings of £26m** - Operating within the cash envelope allocated to the services to deliver better outcomes at less cost

Our budget



Adult Social Care

Strategic Director: Helen Atkinson

Policy Budget (by activity)

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Older People (all care 65+)	183,321	188,234	191,848	200,554
Physical & Sensory Disabilities (18-64)	39,849	43,650	44,736	46,270
People with Learning Disabilities (18-64)	139,724	153,615	162,292	173,845
Mental Health & Substance Misuse (18-64)	9,909	11,078	11,867	12,880
Carers	7,253	6,148	6,169	6,189
Assessment & Care Management	29,125	31,718	31,790	31,570
Management & Support	20,020	17,788	18,077	18,117
Housing Related Support	8,220	8,529	5,908	5,194
Income	-96,424	-99,138	-100,713	-101,931
Net budget ⁴	340,997	361,623	371,974	392,688

Funding:

other UK Government grants	-580	-80	-80	-80
Contribution and contract income	-44,395	-44,553	-44,553	-44,553
Fees & charges	-47,204	-50,087	-51,663	-52,882
Reimbursements and recovery of costs	-4,246	-4,418	-4,417	-4,417
Total funding	-96,425	-99,138	-100,713	-101,932

Expenditure:

Staffing (salaries)	61,282	62,681	62,561	62,645
Non pay staffing	3,594	3,529	3,600	3,672
Contracts & Care packages	372,546	394,550	406,525	428,303
Total expenditure	437,422	460,760	472,686	494,620
Net budget ⁴	340,997	361,622	371,973	392,688

2016/17 2017/18

FTE	1,859	1,754
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	2017/18 £000	2018/19 £000	2019/20 £000
Summary budget movement			
Prior year budget	340,997	361,622	371,973
Pressures and changes	46,563	28,918	30,404
Savings	-25,938	-18,567	-9,689
Movements	20,625	10,351	20,715
Revised budget	361,622	371,973	392,688

Note 4: Net Budget supported by general government grants and reserves

Adult Social Care

Policy Budget (by activity)	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000
Older People (all care 65+)				
Nursing	45,093	49,972	54,220	59,174
Residential General - External	41,944	41,661	42,523	44,389
Residential Dementia - External	15,755	17,104	17,775	18,610
Residential In-House Provision	3,822	1,509	820	873
Home Care - External	48,223	45,863	46,554	48,783
Supported Living	0	5,140	4,981	4,933
Extra Care - External	0	1,370	1,328	1,315
Reablement In-House Provision	7,333	8,000	8,149	8,301
Extra Care In-House Provision	1,196	1,257	1,280	1,302
Direct Payments	8,901	8,316	7,669	7,029
Day Care - External	2,380	2,308	2,303	2,315
Day Care In-House Provision	180	137	140	142
Respite Care	1,670	1,385	1,405	1,428
Transport Services	385	323	316	309
Other Care	6,439	3,889	2,385	1,651
Total Older People	183,321	188,234	191,848	200,554
Physical & Sensory Disabilities (18-64)				
Nursing	3,040	3,069	2,747	2,338
Residential General - External	6,944	6,759	7,177	7,644
Residential Dementia - External	99	264	266	268
Home Care	7,682	7,674	8,539	9,670
Supported Living	0	2,220	2,247	2,303
Extra Care	0	368	368	372
Direct Payments	11,917	12,507	12,402	12,416
Day Care - External	894	840	839	849
Respite Care	139	292	292	295
Transport Services	157	178	183	187
Other Care - External	8,977	9,479	9,676	9,928
Total Physical & Sensory Disabilities	39,849	43,650	44,736	46,270
People with Learning Disabilities (18-64)				
Nursing	1,395	1,095	1,089	1,074
Residential General - External	63,481	65,051	65,227	68,140
Residential Dementia - External	139	224	226	228
Residential In-House Provision	4,796	5,368	5,465	5,562
Home Care - External	34,602	6,995	9,943	13,257
Supported Living - External	0	36,531	40,398	43,754
Extra Care	0	29	31	32
Supported Living / Home Care In-House Provision	563	576	585	594
Direct Payments	13,380	14,675	15,833	17,195
Day Care - External	13,862	16,084	16,118	16,226
Respite Care	1,854	2,344	2,479	2,642
Transport Services	1,788	1,981	2,287	2,603
Other Care - External	3,864	2,662	2,611	2,538
Total People with Learning Disabilities	139,724	153,615	162,292	173,845

Adult Social Care

Policy Budget (by activity)	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000
Mental Health & Substance Misuse (18-64)				
Nursing	304	354	398	450
Residential General	2,595	2,817	3,048	3,315
Residential Dementia	254	116	118	119
Home Care	3,713	851	1,422	2,129
Supported Living	0	3,884	3,881	3,924
Direct Payments	699	670	619	564
Day Care	53	72	72	73
Respite Care	6	37	37	38
Transport Services	5	1	1	1
Other Care	2,280	2,276	2,271	2,267
Total Mental Health & Substance Misuse	9,909	11,078	11,867	12,880
Carers Expenditure				
Other Care	5,122	4,224	4,224	4,224
Direct Payments	2,131	1,924	1,945	1,965
Total Carers Expenditure	7,253	6,148	6,169	6,189
Other Expenditure				
Assessment & Care Management	29,125	31,718	31,790	31,570
Management & Support	20,020	17,788	18,077	18,117
Housing Related Support	8,220	8,529	5,908	5,194
Total Other Expenditure	57,365	58,035	55,775	54,881
Gross Expenditure	437,421	460,760	472,687	494,619
Income				
UK Government Grants	-580	-80	-80	-80
Fees & Charges	-47,204	-50,087	-51,663	-52,882
Joint Working Income	-42,119	-41,551	-41,551	-41,551
Joint Funded Care Package Income	-2,275	-3,002	-3,002	-3,002
Reimbursements & recovery of costs	-4,246	-4,418	-4,417	-4,416
Total Income	-96,424	-99,138	-100,713	-101,931
Net Expenditure	340,997	361,622	371,974	392,688

Adult Social Care

Detailed budget movement by year

	2017/18 £000s	2018/19 £000s	2019/20 £000s	RAG
Pressures and changes				
<u>Inflation</u>				
Care Inflation relating to market pressures	9,558	10,256	11,279	
Pay Inflation	5,280	1,118	1,138	
Total Inflation	14,838	11,374	12,417	
<u>Market (exc inflation)/ Service Delivery</u>				
Permanent Virements	-392	0	0	
Changes to significant Block Contracts	1,252	0	752	
Changes to Joint Funded care package income	-726	0	0	
Ongoing impact of underachievement against 2016/17 MTFP savings target	17,559	0	0	
Replacement of planned one off savings	947	1,000	0	
Sourcing Review Invest to Save funding changes	0	0	-250	
Continuing Health Care Invest to Save funding changes	-485	93	0	
Cessation of outsourcing of Occupational Therapy work	-355	0	0	
Cease in ADL smart care licences	-46	0	0	
Reduced cost for Deprivation of Liberty Safeguard assessments	-2,200	0	0	
Adapt ASC training scheme to better meet Directorate needs	-114	-89	0	
Reduction in Reablement service CQC registration costs	-22	-8	-7	
ASC Staffing Changes	-697	0	0	
Other Changes	13	0	0	
Total Market	14,734	996	495	
<u>Demand</u>				
Full year effect of existing care packages - Non-Transition	4,318	3,959	3,662	
Future year demand pressures - Non-Transition	6,836	5,819	6,353	
Full year effect of existing care packages - Transition	3,462	3,041	3,338	
Future year Transition cases	5,252	5,305	5,358	
Total Gross Demand Pressures	19,868	18,124	18,711	
Changes to Fees & Charges income	-2,877	-1,576	-1,219	
Total Net Demand Pressures	16,991	16,548	17,492	
Total Pressures and changes	46,563	28,918	30,404	

Adult Social Care

Detailed budget movement by year

	2017/18 £000s	2018/19 £000s	2019/20 £000s	RAG
Savings				
<u>Efficiency/Service Transformation Savings</u>				
<u>Whole Systems Demand Management</u>				
Family, Friends and Community support - core	-2,500	-1,000	0	G
Family, Friends and Community support - stretch	-1,000	-1,000	0	A
Transport care packages review	-500	0	0	A
Demand Management	-4,021	-692	-26	R
Optimisation of Transition pathways	-1,000	-1,000	-1,000	G
Section 256 client group savings	-2,000	-1,750	-1,750	G
Targeted strategic shift from residential care to community based provision for people with disabilities	-1,268	-1,268	-616	A
Expansion of extra care services	0	0	-768	G
Strategic review of Older People In-house services	-2,664	-741	0	G
Ensure correct application of National Continuing Health Care framework	-3,000	-2,500	-2,500	G
Resolution of significant outstanding CHC disputes / assessments	-2,100	-1,500	0	G
Contracts & Grants Review	-1,250	-490	0	A
Housing Related Support decommissioning / retendering of social exclusion services	-453	-2,620	-714	A
Support package guidelines for Older People community care services	-1,141	-1,539	-797	G
Closure of Surrey Information Hubs	0	-412	0	G
Total Whole Systems Demand Management	-22,897	-16,513	-8,171	
<u>Market Management and Pricing Strategies</u>				
Optimisation of main block contract rates	-75	-77	-80	G
Optimisation of other contract & grant rates	-368	-348	-338	G
Commissioning for Older People with learning disabilities	-663	-255	0	A
Strategic Supplier Review Rebates	-1,000	0	0	A
Surrey Choices efficiency programme	0	-300	-300	A
Day Care Commissioning Review	-575	-575	0	A
Total Market Management and Pricing Strategies	-2,681	-1,554	-718	
<u>Workforce Development</u>				
Optimise staff travel	-110	0	0	G
Workforce synergies	-250	-500	-800	A
Total Workforce Development	-360	-500	-800	
Total savings	-25,938	-18,567	-9,689	
Assessment of achievability of savings				
	2018/19 £000	2019/20 £000	2020/21 £000	
At Risk	-4,021	-692	-26	R
Some Issues	-6,959	-7,008	-2,430	A
Progressing	-14,958	-10,867	-7,233	G
	-25,938	-18,567	-9,689	



Helen Atkinson
Strategic Director,
Adult Social Care &
Public Health

1. Our purpose

Our purpose is to improve and protect the health of people living and working in Surrey. We work closely with partner organisations to understand and address the wider issues that influence people's health locally and:

- provide public health information and understanding to enable decisions that are based on people's need and what is effective.
- commission services that support people to make positive changes to their health that are relevant throughout their life.
- work with partners to protect Surrey residents from communicable diseases and environmental hazards.

For more information on what we do, contact helen.atkinson@surreycc.gov.uk

2. Our challenges and opportunities

This year we will align our prevention work with the three Sustainability Transformation Plan (STP) areas, local CCG prevention plans and local social care integration programme. A key challenge to overcome in supporting this will be the need to bring together the various data systems involved to allow the provision of linked intelligence across the system. The opportunities presented by health devolution in Surrey Heartlands will also be actively explored and developed while continuing to commission services and provide support across the County.

While continuing to identify efficiencies and savings within public health, we will continue to focus on communities experiencing the poorest health outcomes and work to minimise the impact of service changes and budget reductions upon the most vulnerable.

3. Our key actions

We will prioritise the following five actions for 2017-18 to support achievement of the Council's corporate strategy goals of Wellbeing, Economic prosperity and Resident experience

1. Inform the provision of pharmacy services locally through undertaking and publishing a comprehensive Pharmaceutical Needs Assessment by March 2018
2. Review and develop the provision of substance misuse services locally through the mobilisation of a new integrated service by March 2018.
3. Support local CCGs and partner organisations through both providing intelligence and evidence to inform the cost-effectiveness of commissioning decisions and wider programmes, and improving the public health related services and outcomes prioritised within our local STPs.
4. Take action to address the wider determinants of health by reducing the impact of environmental factors on health, including air quality, housing and the use of tools, such as health impact assessments.
5. Continue to work with the Surrey CCGs and CSF colleagues in the design of joint commissioning processes, including the developing Family Hubs, Women and Children's STP mandate and Children's Community Health contract.

4. Our budget

Gross Revenue
Expenditure =£37.9m

Public Health, £37.9m

Gross Revenue
Income =£37.9m

Public Health, £37.9m

Public Health

Strategic Director: Helen Atkinson

Policy Budget (by activity)

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Public Health	324	0	0	0
Net budget ⁴	324	0	0	0
<u>Funding:</u>				
Other UK Government grants	-38,452	-37,504	-36,529	-35,579
Contribution and contract income	0	-400	0	0
Total funding	-38,452	-37,904	-36,529	-35,579
<u>Expenditure:</u>				
Staffing	2,425	2,470	2,515	2,561
Non staffing	947	783	785	787
Contracts & Care packages	35,404	34,651	33,229	32,231
Total expenditure	38,776	37,904	36,529	35,579
Net budget ⁴	324	0	0	0

2016/17 2017/ 18

FTE 48 46

	2017/18 £000	2018/19 £000	2019/20 £000	RAG
Summary budget movement				
Prior year budget	0	0	0	
<u>Inflation</u>				
Pay inflation	47	45	46	
Non pay inflation	7	2	2	
Total inflation	54	47	48	
<u>Market / Service Delivery</u>				
Permanent virement	-324	0	0	
Replacement of use of public health reserve	2,674	0	0	
Public health initiatives delivered through other council services	1,806	1,173	-14	
Service transformation	-4,115	-2,595	-984	
Investment in services	411	0	0	
Service reduction - Health checks	-21	0	0	
Other changes	243	0	0	
Other grant reductions	0	400	0	
Total Market / Service Delivery	674	-1,022	-998	
<u>Legislative: Grant reductions</u>	949	975	950	
<u>Efficiencies / Service Transformation savings</u>				
Substance misuse provision redesign	-500			A
Alcohol Identification and Brief Advice (IBA) removal	-400			A
Lifestyle services (smoking/ child weight management) reduction	-255			A
Public health services redesign	-187			A
Public mental health service redesign	-335			A
Savings	-1,677			
Revised budget	0	0	0	

Note 4: Net Budget supported by general government grants and reserves

Emergency Management 2017/18



Our Purpose



Ian Good
Head of Emergency
Management

Our purpose is to ensure that wellbeing of residents and communities during an emergency and to protect the economic prosperity of the county during periods of disruption. The team now provides the services to both the County Council and Surrey Fire and Rescue. To do this we are responsible for:

- working with partners in the Surrey Local Resilience Forum to ensure provide a coordinated response to emergencies
- ensuring the resilience of the council services by maintaining a robust Business Continuity Management System to protect critical services to residents
- working with organisers of major events to ensure that safety requirements and the needs of residents are addressed as part of the event planning.

For more information on what we do, contact ian.good@surreycc.gov.uk

Our challenges and opportunities

Surrey is a safe and prosperous community. To maintain this prosperity we will be working to ensure that the risks facing residents are understood and where necessary we have the emergency response arrangements in place to support those in need during incidents. We expect to see changes to the types and frequency of severe weather events and will need to continue to work with partners to ensure that the impacts of threats posed by extremists are anticipated and where required there are means in place to manage the consequences.

Our key actions

We will prioritise four actions for 2017/18 to support achievement of the council's three corporate strategy goals of *wellbeing, economic prosperity and resident experience*.

1. Ensure that the council's response to emergencies meets the needs of residents and businesses with a higher regard to the vulnerable in our communities.
2. Continue to support communities in increasing their resilience to local risks and threats in line with the changes to the National Risk Assessments.
3. Supporting our suppliers in increasing the resilience of their services provided to residents as part of our Business Continuity planning.
4. With our partners, promote Surrey as a place to do business through the safe and effective delivery of major events in the county.
5. Work with partners in Sussex Local Resilience Forum to capture the benefits of greater collaboration to ensure an effective response to Surrey Residents.

Our budget

The council has an operating revenue budget of £1.7 billion. The charts below show how Emergency Management's spending has been allocated for 2017/18.

Net Revenue
Expenditure =£0.5m

Emergency
Management, £0.5m

Emergency Management

Head of Service: Ian Good

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Emergency Management	502	489	477	465
Net budget ⁴	502	489	477	465
<u>Funding:</u>				
Contribution and contract income	-42	-63	-84	-106
Total funding	-42	-63	-84	-106
<u>Expenditure:</u>				
Staffing	487	495	503	512
Non Staffing	57	57	58	59
Total expenditure	544	552	561	571
Net budget ⁴	502	489	477	465

	2016/17	2017/18
FTE	12	12

Summary budget movement	2017/18 £000	2018/19 £000	2019/20 £000	RAG
Prior year budget	502	489	477	
<u>Pressures and changes</u>				
Pay Inflation	8	8	8	
Virement	-1	0	0	
<u>Savings</u>				
Income Generation	-20	-20	-20	A
Movements	-13	-12	-12	
Revised budget	489	477	465	

Note 4: Net Budget supported by general government grants and reserves.



Russell Pearson
Chief Fire Officer

Our purpose

Our purpose is to make Surrey the safest it can be. The Service is responsible for;

- Providing Fire and Rescue services to a population of 1.169m people, covering an area of 644 square miles, predominantly urban with 62 miles of motorway, the most densely populated county in SE England
- Attending approximately 12,000 incidents a year on average, dealing with a range of emergency situations, not just fires and road traffic collisions which comprise the majority. We undertake contingency planning with other emergency services for major incidents, respond to flooding incidents, deal with hazardous materials accidents, advise and enforce business fire safety legislation.
- Raising awareness among the most vulnerable people in order to reduce the numbers and effects of fires, road traffic collisions and other preventable emergencies.
- Moving from re-active to pro-active intervention, increasing our efficiency and prevention activity, and working more closely with fire services and other emergency services to protect and reduce risk to our communities.

For more information on what we do, contact russell.pearson@surreycc.gov.uk

Our challenges and opportunities

The increasing financial pressures faced by public services and the demand for traditional fire and rescue services falling hitherto, emphasise the need to consider alternative models of delivery. Significant savings can be found through meaningful collaboration with Police, Ambulance and other fire services. This work is already strongly underway and now that the Government has enacted legislation to require collaboration between emergency services, we will explore all opportunities to deliver efficiencies whilst keeping our residents and businesses at the heart of what we do. This is in keeping with the emphasis on partnership and public service transformation to improve the resident experience by reducing overlaps and filling in gaps in service provision and enabling better targeted prevention and protection activities.

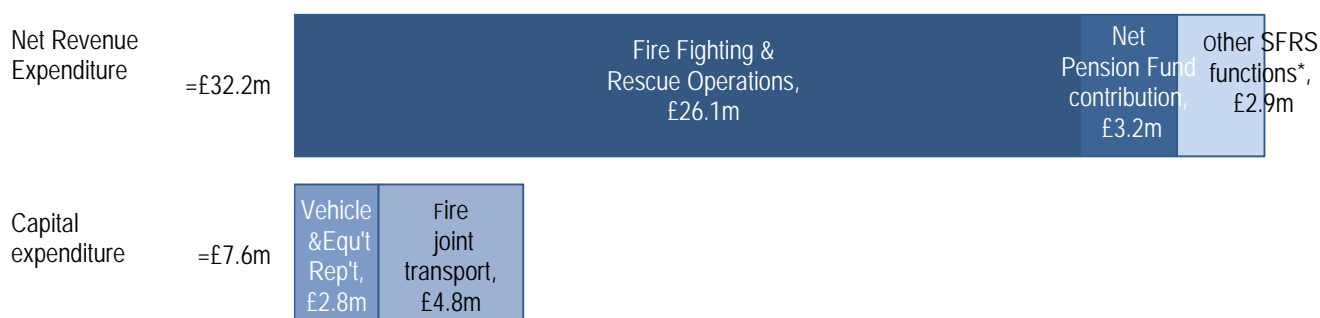
Our key actions

We will prioritise four actions for 2017/18 to support achievement of the council's three corporate strategy goals of *wellbeing, economic prosperity and resident experience*.

1. Deliver and/or work towards delivering the nine actions in the Public Safety Plan 2016-2025.
2. Work closely with partners for the joint benefit of residents, businesses and our staff.
3. Anticipate changes to the demographic profile across Surrey to identify and target residents and businesses most at risk in our communities.
4. Develop a comprehensive Integrated Risk Management Plan setting out how, with a reducing budget, we will continue to deliver efficient and effective Prevention, Protection and Response with Resilience into the future.

Our budget

The council has an operating revenue budget of £1.7 billion. A capital programme worth £386 million is also planned over the next three years. The charts below show how the Surrey Fire and Rescue Service's spending has been allocated for 2017/18.



* other functions include Community Safety and Emergency Planning

Surrey Fire and Rescue Service

Chief Fire Officer: Russell Pearson

Policy Budget (by activity)

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Fire Fighting & Rescue Operations	26,953	26,052	23,962	22,553
Pension Fund	3,220	3,253	3,285	3,320
Support Functions	1,503	1,373	1,292	1,209
Community Fire Safety	1,208	1,221	1,234	1,248
Fire Service Emergency Planning	313	316	319	323
	33,197	32,215	30,092	28,653
Funding				
UK Government grants	-9,778	-8,639	-12,025	-11,277
Fire Pension Employee Contributions	-2,604	-2,630	-2,657	-2,683
Fees & charges	-39	-39	-39	-40
Property income	-12	-12	-12	-13
Contribution and contact income	-313	0	0	0
Reimbursement & recovery of costs	-826	-833	-842	-850
Total funding	-13,572	-12,153	-15,575	-14,863
Expenditure:				
Staffing	27,635	26,620	24,402	22,865
Non staffing	3,913	3,620	3,693	3,767
Pension Payments	15,221	14,128	17,572	16,884
Total expenditure	46,769	44,368	45,667	43,516
Net budget ⁴	33,197	32,215	30,092	28,653

	2016/17	2017/18
FTE	648	608

	2017/18 £000	2018/19 £000	2019/20 £000
Summary budget movement			
Prior year budget	33,197	32,215	30,092
Pressures and changes			
Income Inflation	-129	-118	-152
Virements	-24	0	0
Market/Service delivery	1,826	0	0
Inflation	515	495	513
Efficiency / service transformation	-3,170	-2,500	-1,800
Movements	-982	-2,123	-1,439
Revised budget	32,215	30,092	28,653

Note 4: Net Budget supported by general government grants and reserves.

Surrey Fire and Rescue Service

Detailed budget movement by year

	2017/18 £000s	2018/19 £000s	2019/20 £000s	RAG
Funding changes				
Income Inflation	-129	-118	-152	
Total funding changes	-129	-118	-152	
Pressures and changes				
<u>Virements</u>	-24			
<u>Inflation</u>				
Inflation Pay	292	282	260	
Inflation Non-pay	223	213	253	
Total inflation	515	495	513	
<u>Market/Service delivery</u>				
Reinstate Vehicle & Equipment Replacement Reserve contributions	1,470			
Cost pressures	173			
Isle of Wight end of contract	183			
Total Market/Service delivery	1,826	0	0	
Total pressures	2,317	495	513	
Savings				
<u>Efficiency / service transformation</u>				
Capital financing of Vehicle & Equipment Replacement	-1,470			G
Fire cover Reconfiguration	-900	-1,600	-900	A
Contingency cover and specialist rescue - review / reduction	-300			A
Blue Light collaboration - Fleet savings	-200			A
Blue Light collaboration - Mobilising	-200			A
Implementation of Immediate Response Vehicles		-800	-800	A
Senior Management restructure	-50			G
Savings in Back Office & Support functions	-50	-100	-100	A
Total Service reduction	-3,170	-2,500	-1,800	
Net budget movements	-982	-2,123	-1,439	

Highways and Transport 2017/18

Our purpose



Lucy Monie, Head of Highways & Transport

Our purpose is to enable safe, reliable journeys and the growth of prosperous places, now and in the future. As Highway Authority and Lead Local Flood Authority what we do and the powers we have are largely governed by statute. We are responsible for assets which include over 3000 miles of road network, 1800 bridges and structures and 3,262 miles of footway.

We will contribute to the council's three corporate goals of Wellbeing, Economic Prosperity and Resident Experience by:

- ✚ making the network safer for all users, building community resilience and enabling healthier and sustainable travel options
- ✚ enabling housing and other developments through new infrastructure, improving network availability, increasing opportunities for Surrey residents and businesses
- ✚ keeping the network in good condition, improving resident engagement with the service, enabling a more free flowing network, achieving real efficiencies

For more information on what we do contact highways@surreycc.gov.uk or lucy.monie@surreycc.gov.uk

Challenges and Opportunities

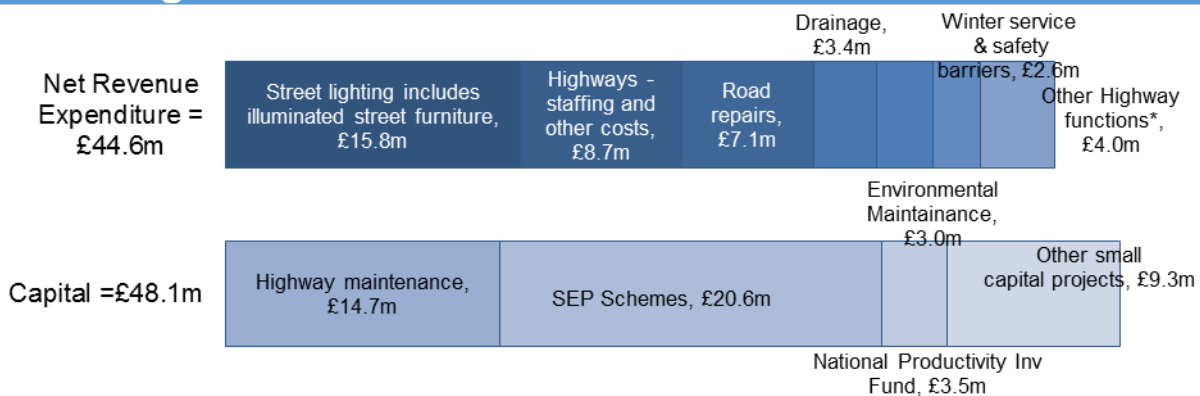
Our challenges include: budget uncertainty, managing one of the busiest networks in the country and the wear and tear and congestion that results, high levels of customer expectation, a depreciating network and skills and supply chain shortages. Our opportunities centre on securing longer term funding and best value from our supply chain, whilst working with our partners to achieve greater efficiencies. Our five-year business plan (2016-21) sets out how we will work to deliver our services in the context of the challenges we face and how we will exploit opportunities to deliver maximum value.

Key Actions

We will prioritise five actions for 2017/18 to support achievement of the council's three corporate goals:

1. Continue to implement our 5 year business plan, asset management strategy and performance framework to ensure the successful delivery of our strategic outcomes
2. Keep our roads safe by repairing defects within agreed timescales
3. Improve and renew priority pavements, particularly to support vulnerable users
4. Resurface and treat roads to ensure the resilience of our highway network
5. Support economic prosperity with an infrastructure investment programme and by delivering flood alleviation schemes

Our budget



* other functions include Local Schemes, Bridges, other structures and Traffic Signals

** include bridge strengthening, drainage and developer s106 schemes

Highways and Transport

Head of Service: Lucy Monie

Policy Budget (by activity)

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Roads	6,230	7,074	7,305	7,531
Traffic Signals	777	1,011	1,033	1,063
Environmental Maintenance	2,816	3,000	2,389	2,463
Signs and Lines	910	985	514	530
Bridges and Structures	1,254	1,571	1,611	1,661
Drainage	3,347	3,446	3,514	3,578
Winter Service and Safety Barriers	2,601	2,632	2,714	2,798
Street Lighting and Furniture	15,390	15,810	16,225	16,665
Local Schemes	2,150	450	465	480
Parking	0	0	0	0
Highways - Staffing and Other Costs	8,900	8,672	8,959	9,294
Further savings to be identified	0	0	-178	-356
Net budget ⁴	44,375	44,651	44,551	45,706

Funding:

Other UK Government grants	0	-92	-98	-104
Fees & charges	-3,680	-4,009	-4,111	-4,178
Joint working income	-3,531	-3,601	-3,673	-3,747
Reimbursements and recovery of costs	-339	-413	-420	-428
Total funding	-7,550	-8,115	-8,303	-8,457

Expenditure:

Staffing	15,325	15,409	15,671	15,937
Contracts	3,092	3,244	3,212	3,189
Non staffing	33,508	34,114	33,972	35,037
Total expenditure	51,925	52,766	52,854	54,163

Net budget ⁴	44,375	44,651	44,551	45,706
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	2016/17	2017/18
FTE	370	371

	2017/18 £000	2018/19 £000	2019/20 £000
Summary budget movement			
Prior year budget	44,375	44,651	44,551
Pressures and changes	2,535	1,318	1,333
Savings	-2,259	-1,418	-178
Movements	276	-100	1,155
Revised budget	44,651	44,551	45,706

Note 4: Net Budget supported by general government grants and reserves

Capital Programme	2017/18 £000	2018/19 £000	2019/20 £000	2017-20 £000
Highway maintenance	14,693	15,943	12,889	43,525
Bridge strengthening	2,300	1,706	3,151	7,157
Flooding & Drainage	1,409	1,393	1,261	4,063
Local transport schemes	400	400	400	1,200
Safety barriers	968	957	867	2,792
Traffic Signal Replacement	750	1,515	945	3,210
Highways Vehicle Replacement	200	120	0	320
National Productivity Investment Fund	3,451	3,451	3,451	10,353
Highways Maintenance Challenge Fund	500	0	0	500
Flood resilience schemes	1,150	500	500	2,150
River Thames scheme	500	500	500	1,500
Developer funded schemes	1,200	1,200	1,200	3,600
Strategic Economic Plan Schemes	20,582	14,053	5,323	39,958
Total capital programme	48,103	41,738	30,487	120,328

Strategic Economic Plan Schemes	2017/18 £000	2018/19 £000	2019/20 £000	2017-20 £000
A217 Strategic Maintenance ³⁰	1,266	0	0	1,266
A23 Strategic Maintenance ³⁰	1,000	3,182	0	4,182
A30/A331/Meadows Gyrotory Corridor	300	1,650	1,385	3,335
Blackwater Valley STP - Phase 1	200	0	0	200
Dorking Transport Package - Phase 1	200	0	0	200
Epsom A24 Resilience ³⁰	1,644	0	0	1,644
Epsom Banstead STP	953	3,789	0	4,742
Epsom Town Centre Plan E ³⁰	1,949	0	0	1,949
Greater Redhill STP	3,223	0	0	3,223
Guildford Town Centre Transport Package	1,630	3,162	1,170	5,962
Runnymede Roundabout ³¹	5,111	0	0	5,111
Wider Network Benefits East	1,666	0	0	1,666
Wider Staines - Phase 1a & 1b	1,440	2,270	1,240	4,950
Unallocated Contribution	0	0	1,528	1,528
Total Strategic Economic Plan Schemes	20,582	14,053	5,323	39,958

Note 30: Identified schemes have additional budget included within the highways maintenance line

Note 31: Identified schemes have additional budget included within the flood resilience line

Highways and Transport

Detailed budget movement by year

	2017/18	2018/19	2019/20
	£000	£000	£000
Pressures and changes			
<u>Inflation</u>			
Pay Inflation	260	262	267
Non pay inflation	1,029	1,056	1,066
Total Inflation	1,289	1,318	1,333
<u>Legislation</u>			
Flood Grant	-92	0	0
Total Legislation	-92	0	0
<u>Market/Service Delivery</u>			
Highways safety defects	1,100		
Virements	238		
Total Market/Service Delivery	1,338		
Total Pressures and changes	2,535	1,318	1,333

	2017/18	2018/19	2019/20	RAG
	£000	£000	£000	
Savings				
<u>Efficiency/Service Transformation</u>				
Highways Information Team Income	-40	-40		A
Integrated Team structure	-200			G
E&I Support Functions	-141			G
Total Efficiency/Service Transformation	-381	-40		
<u>Service Reduction</u>				
Local committee Funding	-1,700			A
Reactive maintenance		-1,200		A
Total Service Reduction	-1,700	-1,200		
Unidentified Savings	-178	-178	-178	G
Total savings	-2,259	-1,418	-178	

Assessment of achievability	2017/18	2018/19	2019/20	RAG
of savings	£000	£000	£000	
Some Issues	-1,740	-1,240	0	A
Progressing	-519	-178	-178	G
Total savings	-2,259	-1,418	-178	

Place Development and Waste Management 2017/18



Trevor Pugh, Strategic Director & Lead for Waste Management

Purpose

Our purpose is to enable the growth of prosperous and sustainable places. We deliver this through facilitating sustainable development, the maintenance & improvement of the countryside and providing safe, sustainable travel and transport options. We are responsible for a number of statutory functions including: the management of waste disposal (over 580,000 tonnes of waste per annum), the regulation of waste and minerals developments, and the promotion of road safety to minimise collisions and reduce casualties.

We will contribute to the council's three corporate goals of Wellbeing, Economic Prosperity and Resident Experience by:

- working with partners to manage Surrey's waste in the most efficient, effective, economic and sustainable manner.
- enabling sustainable development of places, through new infrastructure and by providing healthier and sustainable travel options
- enabling access to the countryside whilst protecting its biodiversity
- ensuring our service priorities are delivered in the most efficient way

For more information on what we do, contact:

lesley.harding@surreycc.gov.uk for queries about Place Development or trevor.pugh@surreycc.gov.uk for queries about Waste Management



Lesley Harding, Head of Place Development

Challenges and Opportunities

Our challenges include: budget uncertainty and year on year reductions; the impact of increasing numbers of school children and the planning issues associated with building new schools for them, pressures on transport as a consequence of an ageing population, increasing waste volumes and the impact of traffic congestion; and rising levels of road casualties amongst some groups, notably cyclists. The opportunities we have identified include: building on strong relationships with partners to deliver savings and efficiencies, ensuring that new development supports the delivery of priority infrastructure to support growth, building on our successful volunteering programmes and on the opportunities of our attractive countryside.

Key Actions

We will prioritise five actions for 2017/18 to support achievement of the council's three corporate goals:

1. Work with partners to reduce the cost of waste management by increasing recycling and reducing the amount produced and sent to landfill
2. Work with partners to develop a single, aligned approach to create a more efficient waste management system
3. Work with partners, and identify funding, to ensure that we can provide the infrastructure and transport required to support the growth of places
4. Provide an effective planning applications process to enable the delivery of 2800 school places
5. Improve access to the countryside, whilst protecting its biodiversity and maximising commercial opportunities.

Our Budget



* other functions include place and sustainability and other costs

Place Development and Waste Management

Strategic Director: Trevor Pugh

Head of Service: Lesley Harding

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Waste Management	55,810	58,053	60,721	65,704
Countryside	2,004	1,640	1,322	1,147
Place and Sustainability	672	428	387	346
Travel and Transport	18,929	18,472	19,090	19,718
Place Development - Management and other costs ³²	917	101	107	114
Directorate wide costs & savings ³³	-235	504	696	830
Planning and Development	2,632	2,089	1,981	2,017
Further savings to be identified	-1,008	-23	-224	-424
Net budget ⁴	79,721	81,264	84,080	89,452
Funding:				
UK Government grants	-1,525	-1,862	-1,570	-1,562
Fees & charges	-1,981	-2,642	-2,838	-2,894
Contribution and contract income	-550	-541	-552	-563
Reimbursement & recovery of costs	-2,481	-2,947	-2,973	-3,025
Total funding	-6,537	-7,992	-7,933	-8,044
Expenditure:				
Staffing	9,843	9,713	9,646	9,718
Contracts	65,955	68,067	70,857	76,229
Non staffing	10,460	11,476	11,510	11,549
Total expenditure	86,258	89,256	92,013	97,496
Net budget ⁴	79,721	81,264	84,080	89,452

	2016/17	2017/18
FTE ⁵	200	200

	2017/18 £000	2018/19 £000	2019/20 £000
Summary budget movement			
Prior year budget	79,721	81,264	84,080
Pressures and changes	8,581	6,394	6,117
Savings	-7,038	-3,578	-745
Movements	1,543	2,816	5,372
Revised budget	81,264	84,080	89,452

Note 4: Net Budget supported by general government grants and reserves.

Note 5: The FTE numbers do not include non-establishment staff (e.g. School Crossing Patrol employees).

Note 32: 2016/17 includes budgets that have since transferred to Highways and Transport.

Note 33: Directorate-wide costs and savings are shown here for presentational purposes only, and relate to activities across the Environment & Infrastructure Directorate (including Highways & Transport).

Capital Programme	2017/18	2018/19	2019/20	2017-20
	£000	£000	£000	£000
Rights of way (including structures)	175	175	175	525
Basingstoke canal	150	150	150	450
Road safety schemes	200	200	200	600
Closed landfill site maintenance	77	50	50	177
Developer funded schemes: S106	400	400	400	1,200
E&I Developer funded schemes: CIL ³⁴	465	909	1,488	2,862
Total Capital Programme	1,467	1,884	2,463	5,814

Note 34: CIL - Community Infrastructure levy

Place Development and Waste Management

Detailed budget movement by year

	2017/18	2018/19	2019/20
	£000	£000	£000
Pressures and changes			
<u>Inflation</u>			
Pay Inflation	188	182	182
Non pay inflation	3,088	3,150	3,106
Total Inflation	3,276	3,332	3,288
PI <u>Demand</u>			
DI Waste volumes and cost	5,345	5,954	-502
Total Demand	5,345	5,954	-502
<u>Market/Service Delivery</u>			
Transfer to/from Waste sinking fund	199	-2,892	3,331
Virements	-239		
Total Market/Service Delivery	-40	-2,892	3,331
Total Pressures and changes	8,581	6,394	6,117

	2017/18	2018/19	2019/20	RAG
	£000	£000	£000	
Savings				
<u>Efficiency/Service Transformation and Service Reduction</u>				
Local Transport Review	-735			G
Road Safety Review	-100			G
Countryside review	-350	-350	-200	G
Planning and Development review	-350	-150		G
E&I Support functions	-59	-100		G
Place and Sustainability review	-200	-50	-50	G
Waste- Kerbside recycling performance	-1,334	-151	-155	A
Waste-Recycling management	-1,115	-58	-57	A
Waste-Single waste approach	-1,587	-2,020	-70	A
Waste-Community Recycling Centres and Transfer Stations	-1,300	-500		A
Waste- Contract Structure	-1,000			A
Waste-Materials Management	792	1	-13	G
Total Efficiency/Service Transformation and Service Reduction	-7,338	-3,378	-545	
<u>Unidentified Savings</u>				
Marginal gains	-200	-200	-200	G
Fall out of previous year one off saving	500			G
Total Unidentified Savings	300	-200	-200	
Total savings	-7,038	-3,578	-745	

Note 32: 2016/17 includes budgets that have since transferred to Highways and Transport.

	2017/18	2018/19	2019/20	RAG
	£000	£000	£000	
of savings				
Some Issues	-6,336	-2,729	-282	A
Progressing	-702	-849	-463	G
Total savings	-7,038	-3,578	-745	

Communities Support Function

Financial Budget

2017/20

Communities Support Function

Head of Service: Tracy Waters

Policy Budget (by activity)

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Directorate Support	919	779	790	804
Net budget ⁴	919	779	790	804
<u>Funding</u>				
Reimbursements and recovery of costs	-134	-169	-171	-173
Total funding	-134	-169	-171	-173
<u>Expenditure:</u>				
Staffing	1,045	916	932	947
Non staffing	8	32	29	30
Total expenditure	1,053	948	961	977
Net budget ⁴	919	779	790	804

	2016/17	2017/18
FTE	26	26

Summary budget movement	2017/18 £000	2018/19 £000	2019/20 £000	RAG
Prior year budget	919	779	790	
<u>Pressures and changes</u>				
Income Inflation	-1	-1	-2	
Inflation Pay	16	14	15	
Inflation Non-pay	0	1	1	
Support Function Review	-155	-3	0	G
Movements	-140	11	14	
Revised budget	779	790	804	

Note 4: Net Budget supported by general government grants and reserves.



Jane Last
Head of Community
Partnership and Safety

Our purpose

Our purpose is to facilitate local democratic decision making, to engage residents to get involved and have their say about their local communities and to work with partners to shape place and ensure residents remain healthy, safe and confident about their future. We are responsible for:

- increasing and improving the opportunities for residents to be involved in local decision making within their communities
- leading cross-county approaches for community safety that make residents feel safer
- developing strong partnership working to help transform services for residents
- working with District and Borough partners to encourage governance and projects that focus on place

For more information on what we do, contact janel@surreycc.gov.uk

Our challenges and opportunities

To increase the participation of residents in decision making and their local communities, we will utilise evolving technology to improve the range and quality of conversations we have with ever wider groups of residents. To help residents feel safer we will work in partnership to transform the way services are delivered to residents, focussing on preventing problems from occurring and strengthening communities to respond when they do.

Our key actions

We will prioritise five actions for 2017/18 to support achievement of the council's three corporate strategy goals of *wellbeing*, *economic prosperity* and *resident experience*.

1. Increase resident engagement through the use of evolving technology and our work with services and partners
2. Increase residents safety by leading work with partners on domestic abuse, PREVENT and serious organised crime
3. Actively encourage democratic governance models that support development of place
4. Increase community resilience by supporting residents to develop local groups and action plans
5. Maximise the benefit of funding sources to enable projects that enhance our local and military communities

Our budget

The council has an operating revenue budget of £1.7 billion. A capital programme worth £386 million is also planned over the next three years. The charts below show how Community Partnerships and Safety's spending has been allocated for 2017/8.

Community Partnership & Safety

Net Revenue
Expenditure =£3.2m

Comm Partnerships, £1.1m	Member Allocations, £0.7m	Comm Imp Fund, £0.5m	Comm Safety, £0.9m
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Community Partnership & Safety

Head of Service: Jane Last

Policy Budget (by activity)

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Community Partnerships	1,101	1,107	1,103	1,098
Member Allocations	834	729	729	729
Community Improvement Fund	550	500	264	264
Community Safety	398	905	907	909
Net budget ⁴	2,883	3,241	3,003	3,000

Funding

Reimbursements and recovery of costs	-162	-162	-163	-165
Total funding	-162	-162	-163	-165

Expenditure:

Staffing	1,220	1,242	1,260	1,280
Non staffing	1,775	2,161	1,906	1,885
Total expenditure	2,995	3,403	3,166	3,165

Net budget ⁴	2,833	3,241	3,003	3,000
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	2016/17	2017/18
FTE	25	25

Summary budget movement

	2017/18 £000	2018/19 £000	2019/20 £000	RAG
Prior year budget	2,833	3,241	3,003	
Income Inflation	-2	-2	-2	
Virements	516	0	0	
Inflation Pay	19	20	21	
Inflation Non-pay	2	2	1	
Members allocation reduction	-105	0	0	G
Community Improvement Fund	0	-236	0	G
Marginal Savings	-22	-22	-23	G
Movements	408	-238	-3	
Revised budget	3,241	3,003	3,000	

Note 4: Net Budget supported by general government grants and reserves.

Coroner

Financial Budget

2017/20

Coroner

Coroner: Giles Adey

Policy Budget (by activity)

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
County Coroner	1,775	1,739	1,714	1,727
Net budget ⁴	1,775	1,739	1,714	1,727
<u>Expenditure:</u>				
Staffing	392	396	400	404
Non staffing	1,383	1,343	1,314	1,323
Total expenditure	1,775	1,739	1,714	1,727
Net budget ⁴	1,775	1,739	1,714	1,727

	2016/17	2017/18
FTE	2	2

Summary budget movement	2017/18 £000	2018/19 £000	2019/20 £000	RAG
Prior year budget	1,775	1,739	1,714	
<u>Pressures and changes</u>				
Inflation Pay	4	4	4	
Inflation Non-pay	24	27	27	
Seek efficiencies and streamline processes	-64	-56	-18	G
Movements	-36	-25	13	
Revised budget	1,739	1,714	1,727	

Note 4: Net Budget supported by general government grants and reserves.



Steve Ruddy
Head of Trading
Standards

Our purpose

The Trading Standards service exists to:

- protect individuals, communities and businesses from harm and financial loss
- help business to thrive by maintaining a Fair Trading environment
- improve the health and wellbeing of people and communities
- fulfil our statutory responsibilities to deliver consumer and public protection services across Buckinghamshire and Surrey

For more information on what we do, contact
steve.ruddy@bucksandsurreytradingstandards.gov.uk

Our challenges and opportunities

We need to build on the benefits of a joint Trading Standards service; creating a stronger more effective service; identifying opportunities for growth whilst continuing to reduce the cost to residents. We need to continue to manage the tension between local needs and government expectations of the service.

An ongoing and increasing challenge is to work with others to tackle organised cross border consumer crime, rogue traders, scams, and the growth of electronic crime. In doing so we need to ensure we protect the most vulnerable in our communities who are often deliberately targeted and exploited.

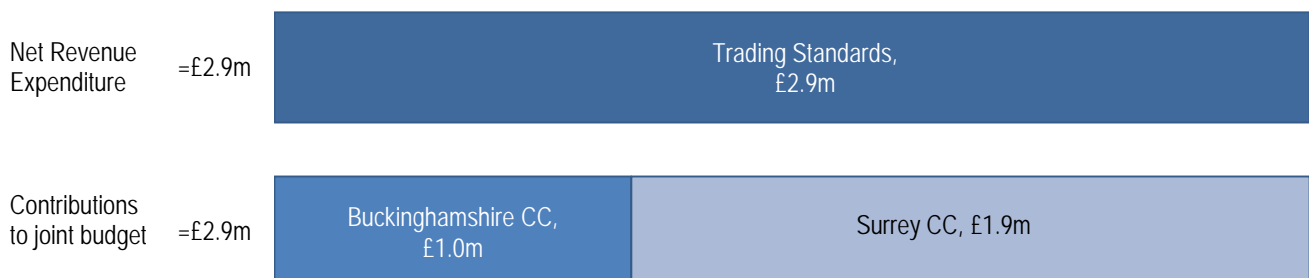
Our key actions

We will support the delivery of both Councils' strategic goals. For Surrey they are Wellbeing, Economic Prosperity and Resident Experience. For Buckinghamshire they are Safeguarding Our Vulnerable; Creating Opportunities and Building Self Reliance; and Ensuring Buckinghamshire is Thriving and Attractive. **Our Key Actions will be:**

1. Protecting the most vulnerable, increasing the financial savings for residents, and stopping rogue traders operating in Buckinghamshire and Surrey.
2. Helping businesses to thrive and supporting economic growth: We will help businesses comply with their legal responsibilities and enhance public protection by expanding our chargeable business support services and increasing the number and impact of our business partnerships.
3. Improving wellbeing and public health; tackling the supply of unsafe or dangerous products and working to maintain the integrity of the food chain, including food quality and nutrition.
4. Enhance prevention through the use and reach of social media, TS Alert, volunteers, and other initiatives to raise awareness of scams, rogue traders and unsafe products.
5. Strengthen the sense of one service, embedding our values, supporting and developing our staff, to enable us to better protect residents and support businesses.

Our budget

The council has an operating revenue budget of £1.7 billion. The charts below show how Trading Standard's spending has been allocated for 2017/18.



Trading Standards ³⁵

Head of Service : Steve Ruddy

Policy Budget (by activity)

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Trading Standards	3,039	2,850	2,724	2,696
Net budget ²	3,039	2,850	2,724	2,696
<u>Funding:</u>				
Fees & Charges	-290	-488	-626	-665
Reimbursements and recoveries of costs	-346	-349	-354	-358
Total funding	-636	-837	-980	-1,023
<u>Expenditure:</u>				
Staffing	3,320	3,371	3,426	3,479
Non Staffing	355	316	278	240
Total expenditure	3,675	3,687	3,704	3,719
Net budget ²	3,039	2,850	2,724	2,696
SCC Contribution	2,006	1,881	1,798	1,779
Buckinghamshire County Council Contribution	1,033	969	926	917
Joint Budget	3,039	2,850	2,724	2,696

	2016/17	2017/18
FTE	75	74

Summary budget movement	2017/18 £000	2018/19 £000	2019/20 £000	RAG
Prior year budget	3,039	2,850	2,724	
<u>Pressures and changes</u>				
General Inflation	59	60	60	
Income Inflation	-7	-9	-11	
<u>Efficiency / service transformation</u>				
Further savings (marginal gains)	-46	-44	-44	G
Buckinghamshire Partnership	-86	-37	-2	G
Additional income generation	-109	-96	-31	G
Movements	-189	-126	-28	
Revised budget	2,850	2,724	2,696	

Note 4: Net Budget supported by general government grants and reserves.

Note 35: Trading Standards is run in partnership with Buckinghamshire County Council (BCC) and managed by a joint committee. SCC and BCC contribute towards the net costs of the service, in the proportion 66% and 34% respectively



Peter Milton
Head of Cultural
Services

Our purpose

Our purpose is to provide a range of relevant, dynamic services which enhance the quality of life of Surrey residents by delivering accessible, high quality, inspirational and enjoyable cultural and learning activities, and information for all people living in or visiting Surrey. We are responsible for the following services:

- Library Services used by nearly one third of Surrey residents, including 52 libraries – ten of which are successfully operated by volunteers.
- Exploring, protecting and improving access to Surrey’s heritage and the county’s archives and records, including publishing over 20 million records online and achieving over 5 million views of those records.
- Ensuring that local residents have access to new skills, leisure interests and new knowledge, by providing 2,200 adult learning courses at seven adult learning centres and approximately 115 external venues. Provision includes courses for Family Learning and for 1,180 learners who declared Learning Difficulty and/or Disability.
- Ensuring that as many people as possible experience positive outcomes in terms of Education, Health & Wellbeing, Sense of Place and Economic Prosperity through engagement with the Arts, working with more than 350 Surrey schools to support music education and working with local groups, communities and partner organisations to promote great arts for everyone in Surrey.
- Smooth and efficient registration of approximately 12,000 deaths, 20,000 births, conducting approximately 2,200 citizenship ceremonies, 4,000 marriages / civil partnerships and issuing approximately 125,000 copies of birth, death, marriage and civil partnership certificates.

For more information on what we do, contact peter.milton@surreycc.gov.uk.

Our challenges and opportunities

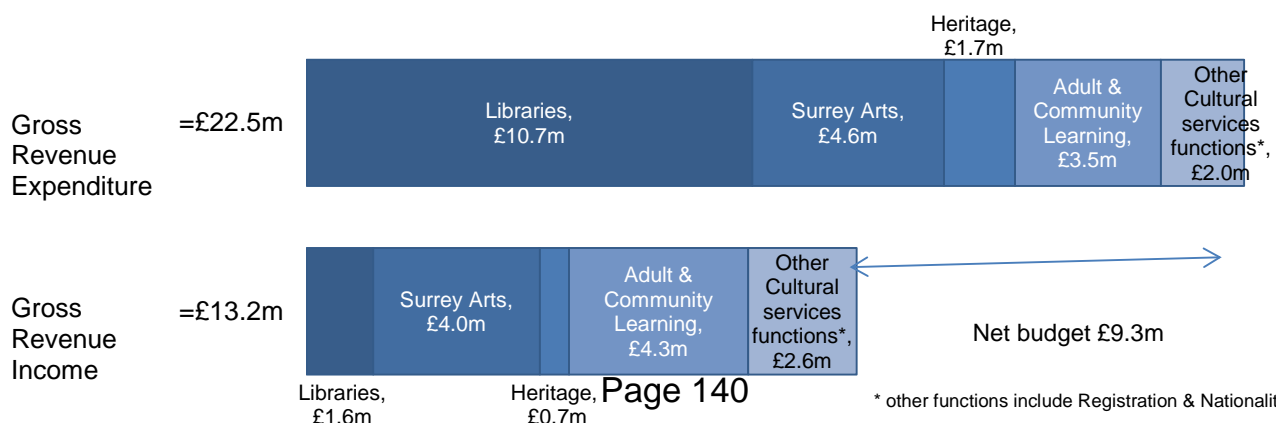
The main challenge we face in the coming year is to maintain the quality and breadth of services with diminishing resources. We must meet the needs of existing service users, and provide services relevant to them at the same time as addressing demands of demographic and social change. Creative, resourceful approaches to service delivery will provide opportunities to work closely with partners, making the most of facilities and resources. Advances in technology will make it easier to communicate with the public and deliver services that meet their aspirations.

Our key actions

We will prioritise five actions for 2017/18 to support achievement of the council’s three corporate strategy goals of *wellbeing*, *economic prosperity* and *resident experience*.

1. Develop a single affordable strategy to secure the future of our library service and deliver a wider range of services from our libraries.
2. Grow and protect income to fund services by maintaining existing grants, finding new sources of income and maximising new commercial income streams.
3. Continue to implement business efficiencies and investigate the best arrangements for the delivery of cultural services in Surrey.
4. Increase volunteering by 5%, and involve local people in shaping and developing services, supporting them to live well.
5. Continue to develop digital technology for the efficient delivery of our services and improved customer contact, and introduce processes that improve user experience.

Our budget



Cultural Services

Head of Service: Peter Milton

Policy Budget (by activity)

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Libraries	9,307	9,089	8,719	8,679
Surrey Arts	519	528	302	320
Heritage	991	1,006	937	927
Adult & Community Learning	-829	-869	-909	-955
Registration & Nationality Service	-584	-619	-653	-679
Supporting Cultural Services	156	153	151	150
Net budget ⁴	9,560	9,288	8,547	8,442
<u>Funding</u>				
UK Government grants	-3,692	-3,811	-3,811	-3,811
Fees & charges	-8,510	-8,543	-8,753	-8,961
Contributions from OLA's	-267	-268	-271	-274
Joint working income	-29	-29	-30	-31
Property income	-186	-190	-193	-197
Reimbursement & recovery of costs	-448	-460	-471	-482
Total funding	-13,132	-13,301	-13,529	-13,756
<u>Expenditure:</u>				
Staffing	18,729	19,007	18,781	18,847
Non staffing	3,963	3,582	3,295	3,351
Total expenditure	22,692	22,589	22,076	22,198
Net budget ⁴	9,560	9,288	8,547	8,442

	2016/17	2017/18
FTE ³⁶	529	529

	2017/18 £000	2018/19 £000	2019/20 £000
Summary budget movement			
Prior year budget	9,560	9,288	8,547
<u>Pressures and changes</u>			
Income Inflation	-174	-177	-181
Virements	-5		
Inflation	373	370	360
Efficiency / Service transformation	-466	-934	-284
Movements	-272	-741	-105
Revised budget	9,288	8,547	8,442

Cultural Services

Detailed budget movement by year

	2017/18 £000s	2018/19 £000s	2019/20 £000s	RAG
Funding changes				
Income Inflation	-174	-177	-181	
Total funding changes	-174	-177	-181	
Pressures and changes				
Virements	-5			
<u>Inflation</u>				
Inflation Pay	302	304	300	
Inflation Non-pay	71	66	60	
Total inflation	373	370	360	
Total Pressure and changes	368	370	360	
Savings				
<u>Efficiency / Service transformation</u>				
Libraries redesign service delivery		-180		G
Cultural Savings		-250		A
Libraries - Reduction to Resources budget	-246	-100		G
Libraries - Reclassification	-121			G
Libraries - Develop Community Supported Offer		-220		A
Libraries - Team Staffing reductions	-30	-46	-208	G
Arts - Reduce subsidy of on-line services	-15			G
ACL - Improve Marketing	-22	-23	-28	G
Registration - increase income	-26	-25	-16	G
Heritage restructure		-85	-25	A
Other savings	-6	-5	-7	G
Total Service reduction	-466	-934	-284	
Net budget movement	-272	-741	-105	



Ann Charlton,
Director of Legal
Democratic and Cultural
Services

Our purpose

Our purpose is to:

- Provide excellent leadership team support in order to ensure that the senior leaders of the organisation are assisted and enabled to carry out their functions efficiently and effectively.
- Ensure the decision making processes, compliance and scrutiny functions of the council are efficient and effective, enabling the business of the Council to be carried out in a transparent and accountable manner.
- Support and contribute to the delivery of the council's strategic goals.
- Drive and support service transformation and organisational change.
- Deliver professional advice and support to others through our Civic Support Team, Information Governance Team and School Appeals Service

For more information on what we do, contact ann.charlton@surreycc.gov.uk

Our challenges and opportunities

The demand for democratic services continues to grow in an environment which is increasingly more complex and where the resources available to undertake the necessary activities are reducing. The pursuit of new models of service delivery, coupled with a growing partnership and collaborative agenda support the need for activities which cross organisational boundaries more frequently. There is increasing emphasis on introducing new and different approaches to service delivery in order to manage tighter budgets. These arrangements require professional support to ensure they are scrutinised effectively and decisions are taken in a manner that promotes democracy. They also require efficient and effective support as demands on the leadership team are increased.

Our key actions

We will prioritise five actions for 2017-18 to support achievement of the Council's corporate strategy goals of Wellbeing, Economic prosperity and Resident experience:

1. Implement the plans for the 2017 county council elections, including the delivery of an Induction Programme that meets the South East Employers' Charter Plus standard and equips new and returning Members with the knowledge and skills necessary to fulfil their roles effectively.
2. Ensure that our Cabinet, Regulatory and Scrutiny processes enable Members to take efficient, effective and transparent decisions and enhance the opportunities for residents to influence and shape Council services.
3. Increase collaborative working both with other services, to ensure that officers understand the political structure of the council and are able to work effectively with Members, and with partners to support the delivery of the Council's key priorities and ensure the Council is meeting its statutory duties.
4. Develop our staff, ensuring that they are equipped with the right knowledge and skills to deliver a high quality service and contribute innovative ideas to help meet the challenges in the year ahead.
5. Help the Council meet its budgetary requirements by ensuring value for money, optimising the income generated by the School Appeals Service and exploring other options for income generation.

Our budget

The council has an operating revenue budget of £1.7 billion. A capital programme worth £386 million is also planned over the next three years. The charts below show how Legal and Democratic Service's spending has been allocated for 2017/18.

Net
Revenue
Expenditure

=£5.8m



Democratic Services

Head of Service: Katie Booth

Policy Budget (by activity)

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Democratic Services Team	1,910	1,918	1,927	1,936
Member Allowances & Expenses	2,090	2,110	2,129	2,150
Voluntary & Community Sector Support	484	462	450	437
Local Elections	16	1,350	17	17
Net budget ⁴	4,500	5,840	4,523	4,540
Funding				
UK Government grants	-61	-66	-66	-66
Reimbursement & recovery of costs	-161	-164	-167	-172
Total funding	-222	-230	-233	-238
Expenditure:				
Staffing	1,929	1,942	1,951	1,961
Non staffing	2,793	4,128	2,805	2,817
Total expenditure	4,722	6,070	4,756	4,778
Net budget ⁴	4,500	5,840	4,523	4,540

	2016/17	2017/18
FTE	49	46

Summary budget movement	2017/18 £000	2018/19 £000	2019/20 £000	RAG
Prior year budget	4,500	5,840	4,523	
<u>Pressures and changes</u>				
Income Inflation	-3	-3	-3	
Virement	-1			
Local Elections	1,333	-1,333		
Inflation	77	85	86	
Modern Council	-44	-44	-44	G
Voluntary Sector reduction	-22	-22	-22	G
Movements	1,340	-1,317	17	
Revised budget	5,840	4,523	4,540	

Note 4: Net Budget supported by general government grants and reserves.



Ann Charlton,
Director of Legal
Democratic and Cultural
Services

Our purpose

Our purpose is to:

- Ensure the decision making processes, compliance, governance and scrutiny functions of the council are efficient and effective, enabling the business of the Council to be carried out in a transparent, accountable and lawful manner.
- Provide support and legal advice in order to contribute to the delivery of the Council's strategic goals.
- Drive and support service transformation and organisational change.
- Deliver professional support to others through our Civic Support Team, Information Governance Team and School Appeals Service
- Ensure excellent joint working with other services.

For more information on what we do, contact ann.charlton@surreycc.gov.uk

Our challenges and opportunities

The demand for legal services continues to grow, in an environment that is complex and where resources are reducing. A particular area of growth is child protection where there has been an unprecedented increase in volume and complexity. The growing partnership and collaborative agenda, drives the need for activities which cross organisational boundaries. There is increasing emphasis on introducing different approaches to service delivery in order to manage tighter budgets. These arrangements require professional support to ensure they are scrutinised effectively and decisions are taken in a manner that promotes democracy. Provision of legal advice is also necessary to enable consideration of relevant options and to ensure that any changes are implemented lawfully. The creation of Orbis Public Law, a partnership with the legal teams of East and West Sussex and Brighton and Hove is an opportunity to reduce costs and increase opportunities for legal staff.

Our key actions

We will prioritise four actions for 2017-18 to support achievement of the Council's corporate strategy goals of Wellbeing, Economic prosperity and Resident experience:

1. Continue to develop Orbis Public Law as we enter into a financial year where we have a single shadow budget
2. Ensure the Council is meeting its statutory duties and that our Cabinet, Regulatory and Scrutiny processes enable Members to take efficient, effective and transparent decisions while enhancing the opportunities for residents to influence and shape Council services.
3. With Orbis colleagues, focus on priority areas for integration – these are child protection and advocacy and commercial work and are key to reducing spend and increasing income generation.
4. Develop our staff, equipping them with the knowledge and skills to deliver a high quality and resilient service and to contribute innovative ideas to help meet the challenges in the year ahead.

Our budget

The council has an operating revenue budget of £1.7 billion. A capital programme worth £386 million is also planned over the next three years. The charts below show how Legal Service's spending has been allocated for 2017/18.

Net Revenue
Expenditure

=£4m

Legal Services,
£4.0m

Legal Services

Head of Service: Sarah Baker

Policy Budget (by activity)

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Legal Services	3,915	3,975	3,898	3,923
Net budget ⁴	3,915	3,975	3,898	3,923
Funding				
Reimbursement & recovery of costs	-327	-404	-412	-420
Total funding	-327	-404	-412	-420
Expenditure:				
Staffing	3,487	3,594	3,509	3,526
Non staffing	755	785	801	817
Total expenditure	4,242	4,379	4,310	4,343
Net budget ⁴	3,915	3,975	3,898	3,923

	2016/17	2017/18
FTE	80	79

Summary budget movement	2017/18 £000	2018/19 £000	2019/20 £000	RAG
Prior year budget	3,915	3,975	3,898	
Pressures and changes				
Income Inflation	-7	-8	-8	
Virements	15	0	0	
Childcare cases	100	0	0	
Inflation Pay	55	57	56	
Inflation Non-pay	15	16	16	
Remove vacant posts	-48	0	0	G
Increased Income in line with current achievement	-70	0	0	G
Management change Orbis Public Law	0	-142	0	G
Other Changes	0	0	-39	G
Movements	60	-77	25	
Revised budget	3,975	3,898	3,923	

Note 4: Net Budget supported by general government grants and reserves.

Central Income & Expenditure

Financial Budget

2017/20

Central Income & Expenditure

Director of Finance: Sheila Little

Policy Budget (by activity)

	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000
Pensions back funding	11,146	11,146	11,146	11146
Redundancy & Compensation	6,487	8,641	8,641	8641.0098
Other Initiatives	-2,250	-2,057	-4,099	-2496
Apprenticeship Levy		1,250	1,250	1250
Land Drainage Precept	1,098	1,125	1,153	1182.1836
Contribution to/from reserves & provisions	-673	1,698	3,956	10721
Interest Payable	17,739	11,525	11,688	12454
Minimum Revenue Provision	26,479	21,418	23,683	25964
Government Grants	-174,764	-150,080	-106,550	-82790
Council Tax & Business rates	-672,200	-718,570	-756,653	-778678
Interest Receivable	-495	-415	-836	-1047
Net budget	-787,433	-814,319	-806,621	-793,653

Funding:

Council Tax	-614,903	-634,867	-651,603	-671,001
Council Tax - Adult Social Care Precept	-11,829	-31,034	-51,292	-52,805
Business Rates	-45,468	-52,669	-53,758	-54,872
Revenue Support Grant	-67,078	-28,000	-4,450	
Business Rate Top-up Grant	-59,406	-58,552	-60,347	-45,078
RSG Transitional Relief	-11,926	-12,175		
Other UK Government Grants	-36,354	-51,353	-41,753	-37,712
Income form Investments	-495	-415	-836	-1,047
Total funding	-847,459	-869,065	-864,039	-862,515

Expenditure:

Non staffing	60,026	54,746	57,418	68,862
Total expenditure	60,026	54,746	57,418	68,862

Net budget -787,433 -814,319 -806,621 -793,653

	2017/18	2018/19	2019/20
	£000	£000	£000
Summary budget movement			
Prior year budget	-787,433	-814,319	-806,621
Pressures & changes	-2,202	10,382	15,970
Savings	-24,684	-2,684	-3,002
Movements	-26,886	7,698	12,968
Revised budget	-814,319	-806,621	-793,653

Central Income & Expenditure

Detailed budget movement by year

	2017/18 £000	2018/19 £000	2019/20 £000	
Pressures & Changes				
Funding	-18,801	5,222	24	
Legislation				
Land Drainage Precept	27	28	29	
Market/Service Delivery				
Interest Payable	2,860	344	-134	
Minimum Revenue Provision	2,814	3,401	5,786	
Pension Fund Deficit Funding	1,802	1,806	1,911	
Contributions to Reserves	2,982	5,257	6,765	
Other Initiatives	5,916	-3,869	1,589	
Redundancy	2,000			
Pensions back funding	-1,802	-1,807		
Total Pressures & Changes	-2,202	10,382	15,970	
	0	0	0	
	2017/18	2018/19	2019/20	
	£000	£000	£000	RAG
Savings				
Efficiency/Service Transformation				
Public Health (Other Initiatives)	-1,805	-1,173	14	R
Treasury Management (Interest Payable)	-8,600	-500	500	G
Other Initiatives	-2,503			G
Pension Fund contribution for Members	-165			G
Minimum Revenue Provision	-8,000	-1,011	-3,516	G
Education Services Grant	-3,000			G
Contributions to Reserves	-611			G
Total Savings	-24,684	-2,684	-3,002	
	0	0	0	

SUSTAINABILITY REVIEW BOARD – REPORT March 2017

Introduction

1. At its meeting on 31 January 2017, the Cabinet agreed to establish a Sustainability Review Board comprising three cross party Members, the Strategic Director for Adult Social Care and Public Health, the Deputy Chief Executive and the Director of Finance. As part of the recommendation, the Cabinet requested the board bring back an initial report to the Cabinet meeting on 28 March 2017 on progress towards identifying £30m permanent service reductions and up to a further £22m one-off reductions required to achieve a balanced budget in 2017/18.
2. As any service reductions identified as part of this process would be new reductions and have not been included in the medium term financial plan to date, it is anticipated that it would be challenging to ensure a full-year effect as a number may need consultation and further work to make the changes required. Therefore the savings have been modelled on the assumption that these savings have a part-year effect equivalent to one quarter of the year (approximately £8m). The additional one-off savings of £22m included in the terms of reference for the Sustainability Review Board is in recognition of this and to help ensure a balanced budget for 2017/18.
3. At the time of making the recommendation, the Cabinet also recommended a council tax rise of 14.99% so the work of the Sustainability Review Board was in the context of identifying the additional savings that would be required should a referendum deliver a “no” vote. The County Council subsequently approved a council tax rise of 4.99% and therefore the additional £30m savings are required to balance the budget for 2017/18.
4. In his budget statement, the Chancellor announced additional grant funding of £2bn over 3 years for social care. This equates to £7.5m for Surrey in 2017/18 which may reduce the current £30m gap but does not resolve the issue. The Section 151 Officer has confirmed that the council’s reserves are at minimum safe levels and it would be unwise to use these to balance the 2017/18 budget without considering all other options. Any additional reserves used in 2017/18 would have to be replenished in 2018/19 and therefore a focus on identifying a solution for the £30million gap in 2017/18, rising to £41million in 2018/19 is key.

Approach taken by the Board

5. The Sustainability Review Board met a number of times between 7 February and 20 March 2017. These sessions have focused on reviewing the budgets and opportunities across all the council’s functions. The Board has also taken time to review and understand the pressures and savings proposed for the Medium Term Financial Plan 2017-22 (including the additional £93m of savings) as well as any benchmarking data available to understand the context in which the council is operating.
6. The Sustainability Review Board found that the benchmarking information currently available to the council is limited and does not in most cases provide a full picture of both financial and performance data in one place. The Board would recommend that officers involved in the Sustainability Review Board look into options to increase the council’s benchmarking capability, particularly how others fulfil their statutory obligations, balancing the benefits of benchmarking against any costs associated.

7. In agreeing an approach, the Sustainability Review Board has focused on protecting those service areas where the council is making the greatest positive impact for residents and ensuring that in proposing any further service reductions, the council would still meet its legal obligations. The council has a number of statutory responsibilities it must deliver as a county council which form the basis of the council's delivery model. The way in which these are delivered is of course open to some level of local choice and therefore whilst the Board has taken account of statutory versus non-statutory functions, it has not ruled anything as being out of scope as it is important to consider the way the council delivers services fully, irrespective of the statutory and non-statutory distinction.
8. The Board has also consulted widely and Members were invited to private sessions with scrutiny boards to discuss opportunities and approaches within their remit. Members have actively engaged in these discussions and the Board would like to thank them for their support.
9. The scrutiny board sessions have re-affirmed that there are no quick fixes or significant new ideas that would easily solve the budget challenges but have helped to test out opportunities and form the basis for the themes presented to the Cabinet in this report.

Findings

10. In the short period of time the Sustainability Review Board has been working, it has not been possible to identify savings to the level required to balance the budget for 2017/18. The council has made £450m annual savings in the budget over the last 5 years and is already proposing an additional £93m of savings in 2017/18 so it is unsurprising that there are no simple changes that can be made at this stage.
11. The Board has identified some additional opportunities for the Cabinet to consider, which are detailed in Annex 1. The Board recognises that some of these savings would be visible to residents and will not be widely welcomed by Members or residents. However, in the context of the financial challenges and need to balance the budget, they were felt viable to make within the council's legal responsibilities and deliverable during 2017/18. The full-year effect of these savings would be between £3-5m depending on the scale of reduction chosen and some are relatively easy to implement from the start of the financial year. Many are also reversible and could be reviewed in future years should the financial position improve.
12. The Sustainability Review Board has also identified a number of themes and service areas which it would recommend the Cabinet asks officers to investigate further given their potential to deliver savings in 2017/18 and longer-term. This work needs to be started immediately and pursued at pace to ensure that savings are made during 2017/18 and transformation plans in place to ensure the savings targets for 2018/19 are met. The Board also recommends that the council has a renewed focus on income generation and looks for commercial opportunities to support vital services for residents.

Place-based Approach

13. A key theme that arose consistently in discussions with all scrutiny boards was the use of assets and co-location of services. Members were able to give a number of examples of facilities they had visited in Surrey and elsewhere where public sector services were brought together in one place, enabling residents to access services more easily and generating a strong community feel.

14. The Board felt that a place-based approach to service delivery needed to be developed, bringing together the full range of services residents access locally (family services, youth services, children centres, health, libraries, adult community learning, leisure activities etc.) and consider how best to arrange these going forward – taking a needs-led rather than brick-based approach. Through this approach and effective involvement of key partners, such as Districts and Boroughs and CCGs and the voluntary, community and faith sector, a more strategic map of public services needs to be developed which maximises the use of the public estate as well as clarifying how best to target services to residents. This should also be extended to include wider infrastructure needs and help to inform a further review of transport including bus subsidies and the impact of any further changes being made to Surrey’s transport strategy.
15. Work is underway within the council to develop a Surrey-wide view of assets, mapping what services will look like in five years’ time and developing options for how the council uses its assets most effectively to support this. The Sustainability Review Board would endorse this as the right approach and suggests that this is accelerated. There is also felt to be a role for local/joint committees to play in the local discussions given Members’ community leadership role. With the election this provides an excellent opportunity for new Members to provide some objective challenge to the process.
16. The Board felt that this approach would lead to both financial benefits as well as improved outcomes for residents if resourced appropriately. Ensuring that the right resources, particularly in relation to property services, are in place is critical to this and will require some further investment.

Central Services

17. The second theme identified by the Board relates to central services and ensuring these are effectively utilised across the council without duplication. At present, the council has a combination of directorate-based and central resources in a range of functions such as policy and performance, commissioning, research and intelligence. They provide different roles and whilst these functions need to be retained in some capacity, the Board felt that a more streamlined, matrix management approach could be considered which aligns with the council’s wider business support model. The Board would recommend a review be undertaken to identify any areas for efficiency, considering how the central teams and service roles interact and reducing duplication by developing shared functions across directorates. The Continuous Improvement and Productivity Network led a piece of work gathering data on these areas as part of the Support Functions Review and tested the approach with Communications. The Board would suggest that this could be broadened out to other similar corporate functions as identified above, whilst also continuing to review whether any further savings could be made in the Communications’ Service. This work should also take account of any opportunities there might be across Orbis as well as linking with the back office workstream within Surrey Heartlands Sustainability Transformation Plan when considering Adult Social Care and Children, Schools and Families functions. The Board would also recommend a review of major IT projects be undertaken to ensure that only projects with a critical business need or those which support cost savings are resourced.

Benchmarking

18. The council has traditionally used two sources of information for benchmarking. The first is using nationally available statistical data sets that provide the levels of expenditure for various services and comparing these to populations, either total or by age. Whilst providing a good high level picture, these do not relate the expenditure to performance. The second source has been through services joining benchmarking clubs. These have

been useful to compare transactional performance for services, but are again limited for comparing outcomes, and dependent on the number of local authorities joining the benchmarking club.

19. In recent years a number of providers have started to use digital technology to take available data from various sources to provide a more granular and more current / up-to-date level of comparative benchmarking. This is an area that officers are currently investigating.

Member Allowances

20. The current Scheme of Member Allowances is in place until May 2017 and the Independent Remuneration Panel has begun work to consider the current scheme, aiming to make recommendations to the County Council in October 2017. Given the financial challenges and the council's desire to protect vital frontline services, the Sustainability Review Board felt that any increase in allowances at this time would not be appropriate and a thorough review of special responsibility allowances should be undertaken to ensure that only the most essential roles are in place, reducing the numbers of Special Responsibility Allowances. It is suggested that this report and the Medium Term Financial Plan, along with the minutes of the County Council meeting on 7 February 2017, are shared with the Independent Remuneration Panel to ensure they consider the financial environment as part of their review.

Staffing

21. The council has made significant budget savings over the last 5 years but during the same period, the headcount has remained relatively stable. However, it is recognised that although reductions have been made to the headcount within a wide range of services across the council, it has also taken on responsibility for additional functions during this time such as public health and has seen increasing demand on services. Significant savings have also been reported to People, Performance and Development Committee in relation to senior leadership roles within the organisation although some Members have questioned whether this has led to an increase in roles further down the management structure. In line with Council Overview Board's recommendation to the Cabinet on 31 January 2017, the Sustainability Review Board would support a continued review of staffing roles and levels and salaries across the council, particularly at a senior level (those included in senior pay grades).
22. Agency and contractor spend is another key challenge for the organisation. Work continues in this area, with a focus in areas of social care on converting locums to permanent staff and controls in place across the organisation more widely to limit spend on agency staff and contractors. The Board endorses a continuation of these controls, with a continued focus to ensure that agency spending is reduced wherever possible. A review of HR policies relating to recruitment of agency staff, flexible retirement etc. and whether these are being used appropriately within the organisation, to ensure a lean, flexible and fit for purpose workforce is also recommended.

Income Generation

23. The Sustainability Review Board has identified a number of services that could be stretched further and aim to be self-funding. These are included in Annex 1. The Board feels all services need to take a more business-like approach and continue to look for further opportunities to generate revenue where appropriate in order to support vital services for residents (an example provided by Resident Experience Board being coffee shops in community spaces such as libraries.) This may include a need to consider an

alternative delivery vehicle in some instances, such as a local authority trading company or trust arrangement. Ensuring the council's recruitment processes include a focus on commercial skills and that this expertise is targeted towards the priority areas within the council will assist services in moving to a self-funding basis.

Grass Cutting

24. The Medium-Term Financial Plan proposes some reductions in the budget for grass-cutting. From discussions with the service, it would be possible to reduce the budget by another £500,000 whilst still ensuring the council meets its legal duties. This is another area the Cabinet may wish to consider although as a year's notice is required, this would be a saving for 2018/19 rather than 2017/18.

Social Care

25. This is the Council's largest area of spend and also the area which is experiencing the largest increases in demand. The Board recognises that this makes it challenging to make further savings.

SEND/Children's Services

26. These are two of the largest areas of spend in Children, Schools and Families. There are also already significant, challenging savings targets attributed to these areas, particularly around SEND. Bearing this in mind and given recent inspection outcomes, the Board did not feel that additional savings should be made in this area in 2017/18 and could present a regulatory risk. The Board would however suggest that this is kept under review as the savings and service improvements are delivered to ensure any further opportunities are realised.

Adult Social Care

27. As the population continues to live longer, demand for Adult Social Care is rising with increasingly complex demands. The Board would encourage officers to work with partners in looking for alternative ways to meet residents' needs, ensuring flexibility in the approach so that all options can be considered and the council makes best use of the support available in Surrey's communities. The Board would also support a focus on looking at where the council can do things differently, with two specific examples below.

Accommodation with Care and Support

28. The Sustainability Review Board strongly supports the Accommodation with Care and Support Programme to ensure the council is able to support residents to live independently in the future whilst managing its financial pressures. This is one of Adult Social Care's key priorities and work is underway to deliver against this across all client groups but the Board would endorse an acceleration of this work.
29. The Cabinet approved the business case for the council to offer land to the market to deliver 600 affordable extra care flats over the next 10 years and the current medium term financial plan includes savings associated with an increase in the number of people with learning disabilities living in supported housing rather than residential care settings. From the analysis of future needs, it is anticipated that if further provision was available in Surrey then more residents could benefit from accommodation with care and support, leading to improved outcomes and further savings for the council as well as Health.

30. The Sustainability Review Board recommends that this programme is reviewed and market testing undertaken to see if it could be extended and accelerated if the council was able to increase the resources to deliver this. As an indication of the savings it could deliver, financial modelling shows that the average net amount saved on care costs per resident moving to Extra Care housing is £4,600 per annum when compared to the alternative care costs. Based on an Extra Care housing scheme of 50-60 flats, this equates to an annual average saving of approximately £280,000 per scheme.

Learning Disabilities

31. Another priority for the council is continuing to improve the support to people with learning disabilities. From discussions with the scrutiny boards and the Cabinet Member for Adult Social Care, Wellbeing and Independence the Board felt that there were opportunities to review the way the council currently structures its social care services. This review would consider the potential to have a learning disabilities service which supported residents throughout life with a strong driver to encourage independence and employability. Whilst the Board recognised that there is different legislation in place for children and adults, a single service approach would help to ensure the full pathway is considered and remove any artificial handover points, focussing instead on a smoother transition as needs change. This in turn will improve residents' experience and may also lead to cost savings in the packages of care being put in place.
32. It was felt that a review of the legislation around Learning Disabilities and SEND should be undertaken in order to ascertain whether there is scope to charge 'top up fees' for those wishing to pay for enhanced service provision above what the council legally has to provide. This would then allow service users a choice but not at an additional cost to the council.

Conclusion

33. In line with the original recommendation of the Cabinet, the Sustainability Review Board has focused on identifying areas which could contribute to the additional savings required in 2017/18. These are outlined in Annex 1 and in most cases could be permanent reductions or one-offs which could be reinstated in future years should alternative service reductions be identified or the financial position improves.
34. In doing this work, the Board has also identified a number of areas where accelerating work or taking a different approach could result in further savings and improved outcomes for residents. The place-based approach is key to this, ensuring that services work together at a local level and makes best use of the council's resources to deliver vital services to residents.
35. Despite a full review of council services the Board has not been able to identify the level of savings required. Further work is paramount for longer term sustainability and the medium term transformation work to implement the activities and themes identified is seen as high priority with a view to start realising potential savings by quarter four of 2017/18.

Recommendations

The Cabinet:

- Asks the Director of Finance to consider the options to increase the council's benchmarking capability, balancing the benefits against any costs associated.

- Considers the Sustainability Board’s proposals for service reductions in 2017/18 as part of the Medium Term Financial Plan 2017/20.
- Commissions further work on the themes identified by the Sustainability Review Board to commence immediately.

<u>Function</u>	<u>Description</u>	<u>2017/18 saving</u>
Communications	Stop Surrey Matters. Move to digital communications wherever possible, including print on demand service of key documents. Paper-free committee meetings by end of first year of new council.	£250,000
Members Allocations	Propose to stop for next two years and then review.	£729,000
Community Improvement Fund	Propose to stop for next two years and then review.	£264,000
Surrey Growth Strategy	Propose a review of this – saving based on removing full budget.	Up to £670,000
Local Committee Highways Schemes	Propose to stop in 2017/18 and then review.	£450,000
Fire Contingency crewing/specialist rescue	Remove this provision.	£418,000
Heritage	Target for service to be self-funding in the longer term.	Up to £1,381,000*
Arts & Music	Target for service to be self-funding in the longer term.	Up to £394,000*

Total Full-Year Effect**£4,556,000**

***Note:** The figures in the table indicate the saving potential should the function become fully self-funded. The Board does not feel this is achievable in one year but the Cabinet may wish to propose an increased income target to work towards this.

Chris Megainey
Department for Communities & Local Government
Fry Building
2 Marsham Street
London
SW1P 4DF

28 February 2017

Dear Chris

Re: Use of Adult Social Care Precept 2017/18

In reply to your letter of 21 February 2017 I am writing to confirm that Surrey County Council has increased its council tax to fund adult social care services in 2017/18.

Surrey County Council's council tax has increased by 4.99% in 2017/18, which includes a 3% precept for adult social care.

I have completed the table below, comparing the changes in adult social care budgets (including estimated central support cost apportionment and running costs) with those of other non-ringfenced services, including and excluding precept.

	2016-17 budget (£000)	Total ASC 2017-18 precept (£000)	2017-18 budget (£000)	ASC % change 2016-17 to 2017-18 budget excluding precept
Budget for non-ringfenced services	269,213		246,668	-8.4%
Budget for Adult Social Care	367,170	19,205	388,390	0.5%

This table is being completed within a short notification timescale and ahead of the date for the 2017/18 RA form. Whilst every effort has been made to ensure it meets the RA form's criteria and definitions, further work will be undertaken to allocate central support costs and the democratic core costs to ensure accuracy. This may lead to some changes when the RA form is returned.

Below is a description of how my authority proposes to use the funding from the precept, in support of this table.

The table above shows that the budget for Adult Social Care (ASC) is increasing by £23.2m. This clearly demonstrates that the 2017/18 ASC precept income of £19.2m



is being used to support increased investment in ASC to fund rapidly growing demand for local authority funded care and support.

I certify that the authority will use the funding above 2% to improve the way social care services are delivered in my area. This income will be used to fund increases in fees paid to social care providers that are essential to maintain local market sustainability.

Yours

Handwritten signature of Kevin Kilburn in black ink, consisting of stylized initials and a long horizontal stroke.

Kevin Kilburn – Deputy Section 151 Officer

Handwritten signature of Helen Atkinson in black ink, consisting of stylized initials and a long horizontal stroke.

Helen Atkinson – Strategic Director for Adult Social Care and Public Health

Service:

Overall

Note	<u>Renewal of existing:</u>	Financials		Page
	Fees and charges and policies Cabinet to note Goods/ service for which charge is made	Income yield for 2016/17 £000s	Income yield for 2017/18 £000s	
	Adult Social Care	47,204	50,087	2
	Children Services	-	33	4
	Commissioning and prevention	3,051	2,320	5
	Cultural Services	8,510	8,543	7
	Customer Services	138	139	16
	Place Development & Waste	1,981	2,642	17
	Fire and Rescue Service	39	39	25
	Highways & Transport	3,680	4,009	27
	Schools and SEND	29,128	29,429	31
	Trading Standards	290	488	32
	Renewal Total	94,021	97,730	

Service:

Adult Social Care

Note	Renewal of existing: Fees and charges and policies Cabinet to note Goods/ service for which charge is made	Rates (incl VAT)			Financials		Notes	
		2016/17 charge £	2017/18 charge £	% change	Income yield for 2016/17 £000s	Income yield for 2017/18 £000s	Effective date of new rate	Charge set nationally/ locally?
1	<u>Residential care for people with learning disabilities - Weekly charges:</u> Arundel Badger's Wood Coveham Hillside Mallow Crescent Langdown Rodney House	£1,024.00 £1,106.00 £1,536.00 £907.00 £1,294.00 £1,244.00 £1,362.00	£1,024.00 £1,106.00 £1,536.00 £907.00 £1,294.00 £1,244.00 £1,362.00	0% 0% 0% 0% 0% 0% 0%				Locally Locally Locally Locally Locally Locally Locally
2	<u>Residential care for people with learning disabilities - Respite, charge per night:</u> Arundel Badger's Wood Coveham Hillside Mallow Crescent Langdown Rodney House	£146.29 £158.00 £219.43 £129.57 £184.86 £177.71 £194.57	£146.29 £158.00 £219.43 £129.57 £184.86 £177.71 £194.57	0% 0% 0% 0% 0% 0% 0%				Locally Locally Locally Locally Locally Locally Locally
3	<u>Services for Older People:</u> Residential weekly charge Residential nightly charge Brook Unit at Park Hall (specifically, older LD clients) Day Service (excl. meals) - per weekday hour Day Service (excl. meals) - per weekend hour Day Service (excl. meals) - per public holiday hour Night Service (excl. bedroom and meals) - per weekday hour Night Service (excl. bedroom and meals) - per weekend hour Night Service (excl. bedroom and meals) - per public holiday hour Service Delivery: Home Care, per hour Service Delivery: Supported Living, per hour of staff provision (charge as package) Accessing premises only - per hour, all buildings In-house Home Based Care (after Reablement) and Extra Care - per hour	£642.68 £91.81 £1,163.00 £6.18 £8.02 £10.08 £9.58 £12.73 £15.88 £16.50 £16.50 £2.00 £16.10	£642.68 £91.81 £1,163.00 £6.18 £8.02 £10.08 £9.58 £12.73 £15.88 £16.50 £16.50 £2.00 £16.10	0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0%				Locally Locally Locally Locally Locally Locally Locally Locally Locally Locally Locally Locally Locally
	Sub Total				-	-		
1-3	<u>Comments/ special considerations</u> Rates used in Social Care assessment - income generated from this rate will be included under Care Act charging yield .							

Note	Fees and charges Goods / service for which charge is made	2016/17 charge £	2017/18 charge £	% change	Income yield for 2016/17 £000s	Income yield for 2017/18 £000s	Effective date of new rate	Charge set nationally/ locally?
4	Residential - Care Act	Subject to financial assessment	Subject to financial assessment					National Charging Policy
	Community Care Services - Care Act	Subject to financial assessment	Subject to financial assessment					National Charging Policy with local discretion
	Charge for putting in place arrangements to meet care and support needs for an individual who has capital above upper capital limit: Residential/Nursing (16/17): or care at home (Oct 16)							Locally
	Initial fee	Year 1: £295	Year 1: £295					
	Ongoing annual charge after year 1 for Residential/Nursing	£75.00	£125.00	67%				
	Ongoing weekly charge for care at home from start (from Oct 16)	£5.00	£5.00					
	Where ASC arranges a funeral instead of District or Borough	£400.00	£400.00					
	<u>Deferred Payment agreement policy charges</u>							
	1. Legal setup fees	£250.00	£450.00	80%				Locally
	2. Administration charges	Year 1: £215	Year 1: £295					Locally
		Following Years: £75	Following Years: £125	67%				
	3. Legal redemption fee (for removal of deferred charge)	£125.00	£250.00	100%				Locally
	4. Variable fees for:	Variable, on market rates	Variable, on market rates					Locally
	- Land Registry charges and search fees							Locally
	- Valuation fees							Locally
	- Debt recovery costs							Locally
	<u>Charging Policies applied in determining an Individuals Charge</u>							
5	Minimum charge for client assessments	£2.00	£2.00					Locally
6	Standard minimum disability related expenditure disregard	£20.00	£20.00					Locally
	Capital limit - community care services	£24,500.00	£24,500.00					Nationally
	Capital limit - residential care services	£23,250.00	£23,250.00					Nationally
	Respite care allowance	£20.00	£20.00					Locally
	<u>Deputyship fees are charged in line with the Lord Chancellor's rates for Local Authority Deputies</u>	Various	Various					Locally
	Sub Total				£47,204	£50,087		
	<u>Comments/ special considerations</u>							
4	Care Act and Care and Support (Charging and Assessment of Resources) Regulations 2014							
5	If assessed to pay less than £2 then no charge is made.							
6	Rates used as disregards within Financial Assessments							

Service:

Children's Service

Note	Renewal of existing: Fees and charges and policies Cabinet to note Goods/ service for which charge is made	Rates (incl VAT)			Financials		Notes	
		2016/17 charge £	2017/187 charge £	% change	Income yield for 2017/17 £000s	Income yield for 2017/18 £000s	Effective date of new rate	Charge set nationally/ locally?
	Child Employment Team							
	New chaperone applications	£40	£40	0%	} 0 } 33	01/04/2017	No	
	Re-registering chaperones	£0	£20			01/04/2017	No	
	Professional DBS checks for all chaperones	£69	£69	0%		01/04/2017	No	
	Bespoke chaperone training courses	£750	£750	0%		01/04/2017	No	
	Late performance licence application	£25	£25	0%		01/04/2017	No	
	Sub Total				0	33		

Note: last year the income was assessed to be a reimbursement but now is been reassessed as a fees and charge

Service:

Commissioning and Prevention

Note	Renewal of existing: Fees and charges and policies Cabinet to note Goods/ service for which charge is made	Rates (incl VAT)			Financials		Notes	
		2016/17 charge £	2017/18 charge £	% change	Income yield for 2016/17 £000s	Income yield for 2017/18 £000s	Effective date of new rate	Charge set nationally/ locally?
	Early Help - Youth Support Service							
	Surrey Outdoor Learning							
	Surrey Outdoor Learning Session rate (3 hours) for Groups of Young	£143	£146	2%	2,060	1,891	01/04/2017	Locally
	Food per 24 hours per person (3 meals)	£19	£20	4%				Locally
	Adult Development sessions (3 hours)	£285	£290	2%				Locally
	Accommodation							
	Log Cabin per night	£270	£276	2%				
	Teepee per person per night	£6	£7	3%				
	Yurt per person per night	£9	£10	11%				
	Camping per person per night	£6	£6	0%				
	Cleaning Charges							
	Cabin Cleaning charge	£70	£90	29%				
	Yurt per person	£3	£4	33%				
	Holiday Course per day per person	£40	£43	6%				Locally
	Professional training for Adults per person per day	£79	£90	14%				Locally
	Duke of Edinburgh							
	Provision of Duke of Edinburgh Award Scheme Books - Bronze & Silver	£36	£36	0%	149	25	01/04/2017	Locally
	Provision of Duke of Edinburgh Award Scheme Books - Gold	£42	£42	0%				Locally

Service:

Commissioning and Prevention

Active Surrey									
Club and Coach Conference	£40	£50	25%	}	}	66	66	01/04/2017	Locally
Club and Coach Conference - Early bird booking	£40	£40	0%						Locally
GYC workshops - standard	£35	£35	0%						Locally
GYC workshops - discount	£20	£30	50%						Locally
GYC workshops - out of county	£43	£43	0%						Locally
GYC 1st Aid - standard	£70	£70	0%						Locally
GYC 1st Aid - discount	£35	£65	86%						Locally
GYC 1st Aid - out of county	£80	£80	0%						Locally
GYC workshop bespoke	£560	£560	0%						Locally
GYC 1st Aid bespoke	£750	£750	0%						Locally
Elite renewal discount	£18								Locally
Elite renewal standard	£20								Locally
Wristband	£1	Activity							Locally
Sports Bottles	£3	ceased							Locally
Beanie	£4			Locally					
Baseball Caps	£5			Locally					
<u>Early Help - Early Years</u>									
Childcare sector - training and development courses - full day	£25	£25	0%	}	}	176	162	01/04/2017	Locally
Childcare sector - training and development courses - half day	£15	£15	0%						
<u>Early Help - Children's Centres</u>									
2 Childcare at school managed children's centres		- set locally by each Children's Centre	0%	500	-				Locally
School managed children's centres - locally generated income from fees and charges		- set locally by each Children's Centre	0%	100	176			01/04/2017	Locally
Sub Total						3,051	2,320		

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Note 1 : Surrey Outdoor learning has reviewed activity levels in light of recent experience and expected trends. This has resulted in a reduction in overall income yield matched by commensurate reduction in costs.

Note 2: Yield has reduced as two children centres managing arrangement have changed to the host schools receiving the income directly.

Service: Cultural Services

Note	Renewal of existing:	Rates (incl VAT)			Financials		Notes	
	Fees and charges and policies Cabinet to note	2016/17 charge	2017/18 charge	% change	Income yield for 2016/17	Income yield for 2017/18	Effective date of new rate	Charge set nationally/ locally?
	Goods/ service for which charge is made	£	£		£000s	£000s		
	Libraries							
	Overdue books, adult books per open day	0.25	0.27	8%			01/04/2017	Locally
	Overdue adult books, maximum charge	7.50	8.10	8%			01/04/2017	Locally
	Overdue books, young adult/children's books on an adult ticket, per open day	0.07	0.07	0%			01/04/2017	Locally
	Overdue young adult/children's books, maximum charge	2.10	2.10	0%			01/04/2017	Locally
	Overdue books, administrative charge for reminder @ 6 weeks	2.50	3.00	20%			01/04/2017	Locally
	Exempt overdue charges for adult books for over 70's	0.05	0.27	440%			01/04/2017	Locally
	Replacement library card	2.00	2.00	0%			01/04/2017	Locally
	-----	-----	-----	-----	-----	-----	-----	-----
	Entertainment DVD lowest popularity/length per week	2.00	2.00	0%			01/04/2017	Locally
	Entertainment DVD low popularity/length, per week	2.50	2.50	0%			01/04/2017	Locally
	Overdue charge low/lowest cost entertainment DVD, per open day	0.50	0.50	0%			01/04/2017	Locally
	Maximum overdue charge for low/lowest cost entertainment DVD, 40 days	15.00	10.00	-33%			01/04/2017	Locally
	Entertainment DVD high popularity/length per week	3.00	3.00	0%			01/04/2017	Locally
	Entertainment DVD multiple disc set/length per week	6.00	6.00	0%			01/04/2017	Locally
	Overdue charge high/highest cost entertainment DVD, per open day	0.60	0.60	0%			01/04/2017	Locally
	Maximum overdue charge for high/highest cost entertainment DVD, 40 days	18.00	10.00	-44%			01/04/2017	Locally
	Information DVD, overdue charge per open day	0.25	0.27	8%			01/04/2017	Locally
	Information DVD, maximum overdue charge	7.50	8.10	8%			01/04/2017	Locally
	-----	-----	-----	-----	-----	-----	-----	-----
	Music CD single disc, per week	1.00	1.00	0%			01/04/2017	Locally
	Music CD, two or more in set, per week	1.50	1.50	0%			01/04/2017	Locally
	Music CD overdue charge per open day	0.25	0.27	8%			01/04/2017	Locally
	Music CD, maximum overdue charge	7.50	6.60	-12%			01/04/2017	Locally
	Spoken word CD, single or set of two, 3 week loan	1.00	1.50	50%			01/04/2017	Locally
	Spoken word CD, set of 3/4/5, 3 week loan	2.00	2.50	25%			01/04/2017	Locally
	Spoken word CD, set of six or more, 3 week loan	2.50	2.50	0%			01/04/2017	Locally
	Spoken word CD overdue charge per open day	0.25	0.27	8%			01/04/2017	Locally
	Spoken word CD, maximum overdue charge	7.50	8.10	8%			01/04/2017	Locally
	Spoken word cassettes, adult titles, single	0.40	0.40	0%			01/04/2017	Locally
	Spoken word cassettes, adult titles, 2/3 cassettes	0.50	0.50	0%			01/04/2017	Locally
	Spoken word cassettes, adult titles, 4 or more	1.50	1.50	0%			01/04/2017	Locally

Service:

Cultural Services

Note	Renewal of existing: Fees and charges and policies Cabinet to note Goods/ service for which charge is made	Rates (incl VAT)			Financials		Notes	
		2016/17 charge	2017/18 charge	% change	Income yield for 2016/17	Income yield for 2017/18	Effective date of new rate	Charge set nationally/ locally?
		£	£		£000s	£000s		
	Libraries (Cont)							
	Spoken word Cassette overdue charge per open day	0.25	0.27	8%			01/04/2017	Locally
	Spoken word Cassette, maximum overdue charge	7.50	8.10	8%			01/04/2017	Locally
	Children spoken word CD/cassette overdue charge per day on an adult card	0.07	0.07	0%			01/04/2017	Locally
	Children's spoken word CD/Cassette, on an adult card, maximum overdue charge	2.10	2.10	0%			01/04/2017	Locally
	Language courses overdue charge per open day	0.25	0.27	8%	1,261	1,261	01/04/2017	Locally
	Language courses, maximum overdue charge	7.50	8.10	8%			01/04/2017	Locally
	Request for adult book in Surrey library stock	1.50	1.75	17%			01/04/2017	Locally
	On line request for adult book in Surrey library stock	0.75	0.75	0%			01/04/2017	Locally
	Reservation fee for reading groups per title	3.00	3.25	8%			01/04/2017	Locally
	Request for periodical article	10.00	25.00	150%			01/04/2017	Locally
	Copy of periodical article, per A4 sheet	0.25	0.25	0%			01/04/2017	Locally
	Request for adult book not in Surrey library stock obtained <u>within</u> the UK	10.00	25.00	150%			01/04/2017	Locally
	Request for adult book not in Surrey library stock obtained <u>outside</u> the UK	12.00	0.00	-100%			01/04/2017	Locally
	Renewal of inter library loan (first renewal)	2.00	2.00	0%			01/04/2017	Locally
	Renewal of inter library loan (second renewal)	2.00	2.00	0%			01/04/2017	Locally
	On line request for audio book/music CD/Video or DVD	0.75	0.75	0%			01/04/2017	Locally
	Request for audio book/music CD/Video or DVD	1.50	1.75	17%			01/04/2017	Locally
	Replacement of a lost/damaged item still in print (refunded if lost item found within 12 months)	Full replacement price	Full replacement price				01/04/2017	Locally
	Replacement of a lost/damaged item out of print	Suppliers average price	Suppliers average price				01/04/2017	Locally
	Use of a computer - a further two hours	5.00	5.00	0%			01/04/2017	Locally
	Use of a computer, non-member guest log-in, two hours	5.00	5.00	0%			01/04/2017	Locally

Service:

Cultural Services

Note	Renewal of existing: Fees and charges and policies Cabinet to note Goods/ service for which charge is made	Rates (incl VAT)			Financials		Notes	
		2016/17 charge £	2017/18 charge £	% change	Income yield for 2016/17 £000s	Income yield for 2017/18 £000s	Effective date of new rate	Charge set nationally/ locally?
	Libraries (Cont)							
	Performing Arts, reservation fee (per title) for sets ordered in advance	4.00		-100%			under review	Locally
	Performing Arts, inter-library loan fee per application to other library authorities	10.00		0%			under review	Locally
	Performing Arts, annual subscription	10.00 £20 to £22		0%			under review	Locally
	Performing Arts, loan of vocal scores, per month	from £5 to £8	under review	0%			under review	Locally
	Performing Arts, loan of packaged vocal sets, per month	from £4 to £6		0%			under review	Locally
	Performing Arts, loan of orchestral sets, per month	from £9 to £11		0%			under review	Locally
	Performing Arts, loan of play sets, per month	5.00		0%			under review	Locally
	Printing , Photocopying and Fax services	from £0.10 to £4.50	from £0.10 to £4.50	0%			01/04/2017	Locally
	Author talks	Various	Various				01/04/2017	Locally
	Loan of headphones	0.50	0.50	0%			01/04/2017	Locally

Service:

Cultural Services

Note	Renewal of existing:	Rates (incl VAT)			Financials		Notes	
	Fees and charges and policies Cabinet to note	2016/17 charge	2017/18 charge	% change	Income yield for 2016/17	Income yield for 2017/18	Effective date of new rate	Charge set nationally/ locally?
	Goods/ service for which charge is made	£	£		£000s	£000s		
	Heritage							
	Baptism certificates	28.00	28.00	0%			01/04/2017	National
	Marriage certificates	10.00	10.00	0%			01/04/2017	Locally
	Certified copies of other documents	15.00	15.00	0%			01/04/2017	Locally
	Postage	1.00-5.00	1.00-5.00	0%			01/04/2017	Locally
	Photocopy, A4 & A3 per sheet	0.70	0.80	14%			01/04/2017	Locally
	A0 copies of 25" OS maps out of copyright	12.00	12.00	0%			01/04/2017	Locally
	Removal of staples, pins etc from archive materials for photocopying	18.00	20.00	11%			01/04/2017	Locally
	Prints from microfilm/microfiche, A3 or A4	0.70	1.00	43%			01/04/2017	Locally
	Copies of microfiche, up to 4	24.00	24.00	0%			01/04/2017	Locally
	Copy of each additional microfiche	6.00	6.00	0%			01/04/2017	Locally
	Copies of microfilm	81.50	0.00	-100%			01/04/2017	Locally
	Printouts from internet/CD ROMs on site at SHC, per sheet	0.15	0.20	33%			01/04/2017	Locally
	Colour print outs from Sites and Monument Record, per sheet	1.20	1.20	0%			01/04/2017	Locally
	Photography permit, one day	10.00	12.00	20%			01/04/2017	Locally
	Photography permit, five days	30.00	36.00	20%			01/04/2017	Locally
	Talk by a member of staff to groups within Surrey	65.00	70.00	8%			01/04/2017	Locally
	Tour of SHC, group of up to 15 people	50.00	60.00	20%			01/04/2017	Locally

Service: Cultural Services

Note	Renewal of existing:	Rates (incl VAT)			Financials		Notes	
	Fees and charges and policies Cabinet to note	2016/17 charge	2017/18 charge	% change	Income yield for 2016/17	Income yield for 2017/18	Effective date of new rate	Charge set nationally/ locally?
	Goods/ service for which charge is made	£	£		£000s	£000s		
	Heritage (Cont)							
	Digital image	7.50-25.0	7.50-25.0	0%			01/04/2017	Locally
	Postage, per digital image order overseas	5.00	5.00	0%			01/04/2017	Locally
	Reproduction historic map, John Speed 1610	12.00	12.00	0%			01/04/2017	Locally
	Reproduction historic map, John Blaeu 1645	12.00	12.00	0%			01/04/2017	Locally
	Reproduction historic map, Emanuel Bowen c. 1753-1760	10.00	10.00	0%	373	379	01/04/2017	Locally
	Postage of maps, UK	3.50	3.50	0%			01/04/2017	Locally
	Postage of maps, overseas	5.00	5.00	0%			01/04/2017	Locally
	Postage of books from shop	on application	on application	0%			01/04/2017	Locally
	Paid research service, per half hour	18.00	20.00	11%			01/04/2017	Locally
	One to one surgeries, per hour	36.00	40.00	11%			01/04/2017	Locally
	Filming fee, per day	200.00	200.00	0%			01/04/2017	Locally
	Publication fee: scholarly, non-profit making, with print runs < 1,000copies, per image	10.00	10.00	0%			01/04/2017	Locally
	Publication fee: books with print runs > 1,000 copies, per image	40.00	40.00	0%			01/04/2017	Locally
	Publication fee, book and magazine covers, per image	60.00	60.00	0%			01/04/2017	Locally
	Publication fee, TV, film, video stills or moving image, per image	60.00	60.00	0%			01/04/2017	Locally
	Publication fee, digital publication intranet only, per image	10.00	10.00	0%			01/04/2017	Locally
	Publication fee, digital publication commercial use, per image	40.00	40.00	0%			01/04/2017	Locally
	Publication fee, digital publication non profit CD ROM, per image	10.00	10.00	0%			01/04/2017	Locally
	Publication fee, commercial interior design and decoration, per image	60.00	60.00	0%			01/04/2017	Locally
	Publication fee, postcards, greeting cards, calendars, giftware, mugs, posters etc, per image	60.00	60.00	0%			01/04/2017	Locally
	Historic Environment Record planning consultation	100.00	100.00	0%			01/04/2017	Locally
	Talk at SHC or other venue, per ticket	5.00	5.00	0%			01/04/2017	Locally
	Colour copies from tithe maps A4	1.20	1.20	0%			01/04/2017	Locally
	Colour copies from tithe maps A3	1.70	1.70	0%			01/04/2017	Locally
	Archive sources packs for schools already made up	36.00	36.00	0%			01/04/2017	Locally
	Archive sources packs for schools requiring new research	56.00	56.00	0%			01/04/2017	Locally

Service:

Cultural Services

Note	Renewal of existing: Fees and charges and policies Cabinet to note Goods/ service for which charge is made	Rates (incl VAT)			Financials		Notes	
		2016/17 charge £	2017/18 charge £	% change	Income yield for 2016/17 £000s	Income yield for 2017/18 £000s	Effective date of new rate	Charge set nationally/ locally?
1	Adult & Community Learning Course fees, per hour Course fees for learners with learning difficulties	6.10 - 9.01 3.00	6.10 - 9.00 3.50	17%	1,784	1,823	01/04/2017 01/04/2017	Locally Locally

Service: Cultural Services

Note	Renewal of existing:	Rates (incl VAT)			Financials		Notes	
	Fees and charges and policies Cabinet to note	2016/17 charge	2017/18 charge	% change	Income yield for 2016/17	Income yield for 2017/18	Effective date of new rate	Charge set nationally/ locally?
	Goods/ service for which charge is made	£	£		£000s	£000s		
	Registration & Nationality Service							
	Full certificate of birth/death/marriage, on day of registration	4.00	4.00	0%			01/04/2017	National
	Full certificate of birth/death/marriage, from a current register standard service	7.00	7.00	0%			01/04/2017	National
	Full certificate of birth/death/marriage, from a completed register standard service	10.00	10.00	0%			01/04/2017	National
	Short birth certificate from a current register, standard service	7.00	7.00	0%			01/04/2017	National
	Short birth certificate from a completed register, standard service	10.00	10.00	0%			01/04/2017	National
	Civil partnership certificates, on day of registration	4.00	4.00	0%			01/04/2017	National
	Civil partnership certificates, after day of registration standard service	10.00	10.00	0%			01/04/2017	National
	Notice of marriage or civil partnership	35.00	35.00	0%			01/04/2017	National
	Certificates, additional fee for While you Wait service (in addition to statutory fees above)	15.00	20.00	33%			01/04/2017	Local
	Certificates, additional fee for Priority service (in addition to statutory fees above)	6.00	8.00	33%			01/04/2017	Local
	Amendment fee	35.00	40.00	14%			01/04/2017	Local
	Commemorative certificate	5.00	5.00	0%			01/04/2017	Local
	Non refundable booking fee for ceremonies (included in fees below)	100.00	100.00	0%			01/04/2017	Local
	Marriage/civil partnership at Register Office, Monday - Thursday	140.00	155.00	11%			01/04/2017	Local
	Marriage/civil partnership at register office, Friday	210.00	225.00	7%			01/04/2017	Local
	Marriage/civil partnership at register office, Saturday	275.00	290.00	5%			01/04/2017	Local
	Statutory register office ceremony	46.00	46.00	0%			01/04/2017	National
	Civil Partnership Conversion to Marriage Statutory Fee	45.00	45.00	0%			01/04/2017	National
	Attend venue for civil marriage/civil partnership, Monday - Thursday	425.00	440.00	4%			01/04/2017	Local
	Attend venue for civil marriage/civil partnership, Friday	485.00	495.00	2%			01/04/2017	Local
	Attend venue for civil marriage/civil partnership Saturday	525.00	545.00	4%			01/04/2017	Local
	Attend venue for civil marriage/civil partnership, Sunday and bank holidays	575.00	595.00	3%			01/04/2017	Local
	Marriage/civil partnership, small room at Artington House or Tylney Room at The Mansion	80.00	100.00	25%			01/04/2017	Local
	Renewal of vows and naming ceremonies at register offices, Monday -Thursday	168.00	186.00	11%			01/04/2017	Local
	Renewal of vows and naming ceremonies at register offices, Friday	252.00	270.00	7%			01/04/2017	Local
	Renewal of vows and naming ceremonies at register offices, Saturday	330.00	348.00	5%			01/04/2017	Local
	Renewal of vows/naming ceremony at another venue, Monday-Thursday	264.00	474.00	80%			01/04/2017	Local
	Renewal of vows/naming ceremony at another venue, Friday	342.00	540.00	58%			01/04/2017	Local

Service: Cultural Services

Note	Renewal of existing:	Rates (incl VAT)			Financials		Notes	
	Fees and charges and policies Cabinet to note				Income yield for 2016/17	Income yield for 2017/18	Effective date of new rate	Charge set nationally/ locally?
	Goods/ service for which charge is made	2016/17 charge £	2017/18 charge £	% change	£000s	£000s		
	Registration & Nationality Service (Cont)							
	Renewal of vows/naming ceremony at another venue, Saturday	360.00	594.00	65%			01/04/2017	Local
	Renewal of vows/naming ceremony at another venue, Sunday	408.00	654.00	60%			01/04/2017	Local
	Licensing premises for civil ceremonies, one room	2,000.00	2,000.00	0%			01/04/2017	Local
	Licensing premises for civil ceremonies, each additional room	220.00	240.00	9%			01/04/2017	Local
	Licensing premises for civil ceremonies, appeal/review following rejection/revocation (non refundable)	350.00	500.00	43%			01/04/2017	Local
	Nationality application checking service, single application, adult or child	84.00	90.00	7%			01/04/2017	Local
	Nationality application checking service, additional appointment	36.00	36.00	0%			01/04/2017	Local
	Citizen ceremony fee, Individual. Additional fee for private ceremony	90.00	95.00	6%			01/04/2017	Local
	Citizen ceremony fee family. Additional fee for private ceremony	150.00	155.00	3%			01/04/2017	Local
	Citizenship ceremony fee received from the Home Office for each new citizen	80.00	80.00	0%			01/04/2017	National
	Certificates, next day special delivery (in addition to stat fees above)	16.00	18.00	13%			01/04/2017	Local
	Certificate Search Fee (non-refundable). Included in certificate fee	5.00	5.00	0%			01/04/2017	Local
	Certificate post to UK address	1.00	1.00	0%	2,500	2,577	01/04/2017	Local
	Certificate post Recorded	2.00	2.00	0%			01/04/2017	Local
	Certificate post 1st class overseas	2.00	2.00	0%			01/04/2017	Local
	Marriage/civil partnership at register office, Sunday and Bank Holidays	325.00	340.00	5%			01/04/2017	Local
	Additional out of hours ceremony fee 17:01 - 20:00	200.00	200.00	0%			01/04/2017	Local
	Additional out of hours ceremony fee 20:01 - 09:29	400.00	400.00	0%			01/04/2017	Local
	Renewal of vows and naming ceremonies at register offices, Sunday and BH	390.00	408.00	5%			01/04/2017	Local
	Licensing amendment fee	40.00	40.00	0%			01/04/2017	Local
	Citizen ceremony fee for additional adult in family for private ceremony	46.00	50.00	9%			01/04/2017	Local
	JCAP (joint citizenship and passport service)	18.00	18.00	0%			01/04/2017	Local
	EPRS (european permanent residence service)	24.00	36.00	50%			01/04/2017	Local
	PD2 (change of name on passport form)	18.00	18.00	0%			01/04/2017	Local

Service:

Cultural Services

Note	Renewal of existing:	Rates (incl VAT)			Financials		Notes			
	Fees and charges and policies Cabinet to note	2016/17 charge	2017/18 charge	% change	Income yield for 2016/17	Income yield for 2017/18	Effective date of new rate	Charge set nationally/ locally?		
	Goods/ service for which charge is made	£	£		£000s	£000s				
	Surrey Arts									
	Children's music lessons (10per term), varies depending on number of participants and length of lesson	42.00 - 364.00	43.00 - 379.00		}	}	01/04/2016	Local		
	Adult music lessons (10 week term), varies depending on number of participants and length of lesson	66.00 - 388.00	68.00 - 379.00						01/04/2016	Local
	Tuning up programme (10 sessions per term)	49.00	50.00	2%					01/04/2016	Local
	Primary festivals concerts ticket	7.00	8.00	14%					01/04/2016	Local
	Ensemble membership	49.00 - 66.00	52.00 - 69.00						01/04/2016	Local
	Instrument hire, per term	17.00	20.00	18%					01/04/2016	Local
	Assisted purchase admin fee	5%, max £50	5%, max £50						01/04/2016	Local
	Examination administration fee, per entry	7.50	8.00	7%					01/04/2016	Local
	School recitals	105.00 - 210.00	n/a				2,592	2,503	01/04/2016	Local
	Gatton residential course	110.00 - 286.00	127.00 - 320.00						01/04/2016	Local
	Artists open studios	40.00 - 277.00	45.00 - 295				01/04/2016	Local		
	Wardrobe hire, per item first seven days	1.10 - 33.00	1.25-35.00				01/04/2016	Local		
	Wardrobe hire, per item further 7days	25% of first week fee	25% of first week fee				01/04/2016	Local		
	Wardrobe membership	50.00 - 70.00	45.00-70.00				01/04/2016	Local		
	Wardrobe friends membership	15.00	n/a				01/04/2016	Local		
	Concert ticket sales	4.00 - 25.00	4.00 - 35.00				01/04/2016	Local		
	Arts Events (boys dance, junior art school)	Various	Various				01/04/2016	Local		
	Sub Total				8,510	8,543				

Service:

Customer Services

Note	Renewal of existing: Fees and charges and policies Cabinet to note Goods/ service for which charge is made	Rates (incl VAT)			Financials		Notes	
		2016/17 charge £	2017/18 charge £	% change	Income yield for 2016/17 £000s	Income yield for 2017/18 £000s	Effective date of new rate	Charge set nationally/ locally?
	Blue Badge Parking	£10	£10	0%	138	139	01/04/2017	Nationally
	Sub Total				138	139		

Service: Place Development - Planning & Development

Note	Renewal of existing: Fees and charges and policies Cabinet to note Goods/ service for which charge is made	Rates (incl VAT)			Financials		Notes	
		2016/17 charge £	2017/18 charge £	% change	Income yield for 2016/17 £000s	Income yield for 2017/18 £000s	Effective date of new rate	Charge set nationally/ locally?
	<u>Request for pre-application discussions</u> <u>Level 2 (Initial discussions with the planning authority to progress a development proposal)</u> Major Applications:							
1	Site Visit Meeting	1,602	1,602	0%			01/04/2017	locally
1	Office Meeting	1,278	1,278	0%			01/04/2017	locally
1	Written Advice	810	810	0%			01/04/2017	locally
	Minor Applications							
1	Site Visit Meeting	792	792	0%			01/04/2017	locally
1	Office Meeting	468	468	0%			01/04/2017	locally
1	Written Advice	540	540	0%			01/04/2017	locally
	<u>Level 3 (Where an initial meeting has taken place, to further scope the proposal and to provide relevant detailed advice on the content of a planning application)</u>							
1	Further meetings (deposit of £250 required and then invoiced at hourly rate per hour for planning officers)	240	240	0%			01/04/2017	locally
	Further meetings including specialists (deposit of £500 per topic area required)							
1	- Attendance by specialists	cost + VAT	cost + VAT	0%			01/04/2017	locally
1	- Planning Officer attendance hourly rate	240	240	0%			01/04/2017	locally
1	Written Advice	810	810	0%			01/04/2017	locally
1	County applications, new buildings, new floor space less than 40m2	195	195	0%			01/04/2017	nationally
1	County applications, new buildings, new floor space 40-75 m2	385	385	0%			01/04/2017	nationally
1	County applications, new buildings, new floor space greater than 75 m2 (but less than 3,750 m2), for each 75m2 or part thereof	385	385	0%			01/04/2017	nationally

Service: Place Development - Planning & Development

Note	Renewal of existing: Fees and charges and policies Cabinet to note Goods/ service for which charge is made	Rates (incl VAT)			Financials		Notes	
		2016/17 charge £	2017/18 charge £	% change	Income yield for 2016/17 £000s	Income yield for 2017/18 £000s	Effective date of new rate	Charge set nationally/ locally?
1	County applications, new buildings, new floor space greater than 3,750 m2,	£19,049 + £115 for each 75m2 in excess of 3750m2, max £250,000	£19,049 + £115 for each 75m2 in excess of 3750m2, max £250,000	0%	109	111	01/04/2017	nationally
1	County application for change of use	385	385	0%			01/04/2017	nationally
1	County application for construction of car parks or service roads	195	195	0%			01/04/2017	nationally
1	County application for construction of all weather pitch, for each 0.1 hectare or part thereof	195	195	0%			01/04/2017	nationally
1	County application for other equipment (light columns/play equipment) if permission required	195	195	0%			01/04/2017	nationally
1	Waste related applications, site area not more than 15 hectares, per 0.1 hectare or part thereof	195	195	0%			01/04/2017	nationally
1	Waste related applications, site area greater than 15 hectares, per 0.1 hectare or part thereof	£29,112 +£1115 for each 0.1 hectare above 15 hectares, max £65,000	£29,112 +£1115 for each 0.1 hectare above 15 hectares, max £65,000				01/04/2017	nationally
1	Minerals related applications, site area not more than 15 hectares, per 0.1 hectare or part thereof	195	195	0%			01/04/2017	nationally
1	Planning monitoring visits to closed sites	110	110	0%			01/04/2017	nationally
1	Planning compliance visits to mineral extraction and waste sites (a maximum six chargeable visits p.a. per site)	331	331	0%			01/04/2017	nationally
	Sub Total				109	111		
	<u>Comments/ special considerations</u>							

Service: Place Development - Planning & Development

Note	Renewal of existing: Fees and charges and policies Cabinet to note Goods/ service for which charge is made	Rates (incl VAT)			Financials		Notes	
		2016/17 charge £	2017/18 charge £	% change	Income yield for 2016/17 £000s	Income yield for 2017/18 £000s	Effective date of new rate	Charge set nationally/ locally?
1	The Planning Fees Regulations were subject to a full update in 2012, with some revisions to the details 2013 (imposing requirement to refund on applications not determined within a specified period plus other amendments that do not change the fees levied) A letter from DCLG dated 21st February 2017 indicated that the statutory fees will be increased by 20% from July 2017 if the Local Authority commits to invest the additional fee income in their Planning Department. Surrey intends to accept this recommendation and a response is due by the 13th March 2017.							

Service: Place Development - Transport Development Planning

Note	Renewal of existing: Fees and charges and policies Cabinet to note Goods/ service for which charge is made	Rates (incl VAT)			Financials		Notes	
		2016/17 charge	2017/18 charge	% change	Income yield for 2016/17	Income yield for 2017/18	Effective date of new rate	Charge set nationally/ locally?
1	Vetting of developers construction, improvement or alterations to the highway prior to adoption as part of the highway (s278/s38 agreements)	12% of estimated construction cost	12% of estimated construction cost	N/A	742	1,295	01/04/2017	locally
	PRE-PLANNING ADVICE Residential development written response or meeting							
	a) 1-4 Dwellings	186	186	0%			01/04/2017	locally
	b) 5 - 9 Dwellings	432	432	0%			01/04/2017	locally
	c) 10 - 24 Dwellings	738	738	0%			01/04/2017	locally
	d) 25 - 49 Dwellings	1,230	1,230	0%			01/04/2017	locally
	e) 50 - 80 Dwellings	1,848	1,848	0%			01/04/2017	locally
	f) 81 - 250 Dwellings	2,592	2,592	0%			01/04/2017	locally
	g) 251 - 500 Dwellings	4,920	4,920	0%			01/04/2017	locally
	h) 501 - 2000 Dwellings	7,380	7,380	0%			01/04/2017	locally
3	i) 2001 or more	7,380	Variable					
	Commercial and retail development written response or meeting				55	56		
	Gross floor area							
	a) up to 100m2	186	186	0%			01/04/2017	locally
	b) 101 - 500m2	744	744	0%			01/04/2017	locally
	c) 501 - 1,000m2	1,236	1,236	0%			01/04/2017	locally
	d) 1,001 - 2,000m2	1,968	1,968	0%			01/04/2017	locally
	e) 2,001 - 5,000m2	2,220	2,220	0%			01/04/2017	locally
	f) 5,001 - 7,500m2	2,592	2,592	0%			01/04/2017	locally

Service: Place Development - Transport Development Planning

Note	Renewal of existing: Fees and charges and policies Cabinet to note Goods/ service for which charge is made	Rates (incl VAT)			Financials		Notes		
		2016/17 charge	2017/18 charge	% change	Income yield for 2016/17	Income yield for 2017/18	Effective date of new rate	Charge set nationally/ locally?	
3	g) 7,501 - 10,000m2	4,920	4,920	0%	}	}	01/04/2017	locally	
	h) 10,001m2 - 25,000m2	7,380	Variable				01/04/2017	locally	
	Historic Environment Record search fees								
	Standard Search	90	96	7%	}	}	01/04/2017	locally	
	Priority Search	150	156	4%			20	25	01/04/2017
	2 Farm Environment Plans								
Small site search	90	90	0%	}	}	01/04/2017	nationally		
Large site search	180	180	0%			1	1	01/04/2017	nationally
Sub Total					818	1,377			
<u>Comments/ special considerations</u>									
1 The percentage remains the same, although it is anticipated that we will generate a higher yield due to increased activity.									
2 New rates are provisional tbc by expert consultation									
3 Price on request dependent on scale of project									

Service: Place Development - Travel & Transport

Note	Renewal of existing: Fees and charges and policies Cabinet to note Goods/ service for which charge is made	Rates (incl VAT)			Financials		Notes			
		2016/17 charge £	2017/18 charge £	% change	Income yield for 2016/17 £000s	Income yield for 2017/18 £000s	Effective date of new rate	Charge set nationally/ locally?		
1 & 3	Charges for spare seats on SCC run school coaches for non entitled scholars, per term children under 16 years	167	169	1%	} 565	} 606	01/09/2017	locally		
1 & 3	Charges for spare seats on SCC run school coaches for non entitled scholars, per term children aged 16 - 19	232	233	1%					01/09/2017	locally
3	Post 16 (subsidised) travel pass - student fare card (bus)	25	25	0%					01/09/2017	locally
2 & 3	SEN concessionary fare seats per term children under 16 years	167	169	1%						
2 & 3	SEN concessionary fare seats per term children aged 16 - 19	232	233	1%					01/09/2017	locally
4	Replacement coach or bus pass (child) £5 for 1st & 2nd replacement £10 for 3rd or subsequent in an academic year	5	5	0%						
4	Replacement rail pass (child)	10	10	0%					01/09/2017	locally
7	SEND Post 16 contribution towards transport	233	233	0%					01/09/2017	locally
	DBS checks for transport contractors (drivers and escorts)	70	70	0%			56	56	01/04/2017	locally
	DBS replacement card fee (when drivers/esc change company)	5	5	0%			2	2	01/04/2017	locally
	Replacement of Concessionary bus pass (people aged 60+ and disabled people)	5	5	0%	-	-	01/04/2017	locally		
5	Bus Stop suspension charge to utilities / developers for 1 day	120	120	0%	} 61	} 63	01/04/2017	locally		
5	Bus Stop suspension charge to utilities / developers for 2 days or more	240	240	0%					01/04/2017	locally
6	Personal Injury Collision (PIC) New site data (supply of data to consultants)	144	150	4%	} 10	} 10	01/04/2017	locally		
6	Personal Injury Collision (PIC) Repeat site data (supply of data to consultants)	84	90	7%					01/04/2017	locally
6	Personal Injury Collision (PIC) No PIC data at site	42	54	29%					01/04/2017	locally
	Sub Total				694	737				
	Comments/ special considerations									
1	Fees are increased in line with inflation - CPI or RPI, whichever is the lower (September)									
2	Fees increased in 2016-17 in line with fee rates for mainstream concessionary travel. In future fees will be increased in line with inflation - CPI or RPI, whichever is the lower									
3	Will be reviewed/revised September 17 by Education - expected increase by RPIX									
4	Replacement costs not anticipated to change in 17/18 - but to be reviewed by Education.									
5	Bus Stop Suspension rates are in line with TfL charges. Continually reviewed									
6	Road safety collision data; rates reviewed in line with 12 other councils in year 16/17 and standardised on PIC fee average									
7	Post 16 SEND contribution started Sept 16 for Y12 students, will be expanded to Y13 in Sept 17. Rate will be same as Mainstream concessionary seats, reduced rate available to lower income students.									

Service: Place Development - Place & Sustainability

Note	Renewal of existing: Fees and charges and policies Cabinet to note Goods/ service for which charge is made	Rates (incl VAT)			Financials		Notes	
		2016/17 charge £	2017/18 charge £	% change	Income yield for 2016/17 £000s	Income yield for 2017/18 £000s	Effective date of new rate	Charge set nationally/ locally?
1	Bikeability, cycle training, level 1, per trainee (group)	11	15	36%	323	359	01/09/2017	locally
1	Bikeability, cycle training, level 2, per trainee (small groups)	23	30	30%			01/09/2017	locally
1	Bikeability, cycle training level 1 per trainee (FSM)	5.50	5.50	0%			01/09/2017	locally
1	Bikeability, cycle training, level 2, per trainee (FSM)	11.50	11.50	0%			01/09/2017	locally
1	Pedals	3	5	67%			01/09/2017	locally
1	Pedals (FSM)	3	3	0%			01/09/2017	locally
	Customised training	tbc	tbc				01/09/2017	locally
	Renewal Total				323	359		
	Comments/ special considerations							
1	Fees reviewed in year in line with school academic year (September 2017). Agreed by Cabinet 20th September 2016.							

Service: Place Development - Countryside

Note	Renewal of existing:	Rates (incl VAT)			Financials		Notes	
	Fees and charges and policies Cabinet to note Goods/ service for which charge is made	2016/17 charge £	2017/18 charge £	% change	Income yield for 2016/17 £000s	Income yield for 2017/18 £000s	Effective date of new rate	Charge set nationally/ locally?
	Utilities temporary closure of Rights of Way (RoW) by Notice (5 day)	432	440	2%	4	5	01/04/2017	locally
1	Utilities temporary closure of Rights of Way (RoW) by Order (6 month)	748	762	2%	13	15	01/04/2017	locally
	Diversion of ROW at request of landowner (rate per hour)	48	49	2%	15	23	01/04/2017	locally
2	Landowner Statements & Highways Statements & Declarations	480	489	2%	} 5	} 5	01/04/2017	locally
2,4	Highways Statements and Declarations	240	245	2%			01/04/2017	locally
1,4	Temporary Closure Order - Extensions	604	615	2%			01/04/2017	locally
3,4	Enforcement (various provisions of the Highways Act 1980)	384	391	2%		} 10	01/04/2017	locally
	Sub Total				37	58		
	<u>Comments/ special considerations</u> Yield column is an estimate particularly for first 2 fees; no control over closures 1 Variable (+£96 on charge for extra paths and advertising) 2 Variable (+£50 on charge for additional parcels) 3 Variable (+works/contractor costs) 4 Not reported 2016/17							

Service:

Surrey Fire and Rescue Service

Note	<u>Renewal of existing:</u>	Rates (incl VAT)			Financials		Notes			
	Fees and charges and policies Cabinet to note Goods/ service for which charge is made	2016/17 charge £	2017/18 charge £	% change	Income yield for 2016/17 £000s	Income yield for 2017/18 £000s	Effective date of new rate	Charge set nationally/ locally?		
	Cost recovery for "special services", per hour	£371	N/A		}	}	01/04/2017	locally		
	First appliance for the first hour	£371	£420	13.2%				locally		
	Additional appliance(s) and/or additional hours	N/A	£328					locally		
	Extracts from Fire Reports, per report	£78	£102	30.1%				locally		
	Photocopies of maps and plans (Up to A3 size) (Price per building)	£18	£30	67.8%				locally		
	Additional copies (Price per building)	N/A	£6					39	39	locally
	OBJECT REMOVAL/ REMOVAL FROM OBJECTS ***	£371	£174	-53.1%				locally		
	ENTRY/EXIT	£371	£258	-30.5%				locally		
	LARGE ANIMAL	£371	£582	56.9%				locally		
	DOMESTIC ANIMAL	£371	£420	13.2%				locally		
	LIFT RESCUE	£371	£420	13.2%	locally					
	Sub Total				39	39				

Service:

Highways

Note	Renewal of existing: Fees and charges and policies Cabinet to note Goods/ service for which charge is made	Rates (incl VAT)			Financials		Notes			
		2016/17 charge £	2017/18 charge £	% change	Income yield for 2016/17 £000s	Income yield for 2017/18 £000s	Effective date of new rate	Charge set nationally/ locally?		
1	Recovery of laboratory testing services	variable	variable		211	211		Locally		
	Core investigation failure	£122.75	£122.75	0%	15	15		Nationally		
	Core investigation inspection fee (D1)	£47.50	£47.50	0%					Nationally	
	Highways information team, standing charge	£22.00	£24.00	9%	824	760	01/04/2017	Locally		
	Enquiry fee, up to 50m2	£10.00	£11.00	10%					01/04/2017	Locally
	Enquiry fee, additional 50 meters (up to 500m)	£10.00	£11.00	10%					01/04/2017	Locally
	Enquiry fee, additional 10 meters (over 500m)	£1.00	£1.00	0%						Locally
	Copy of agreement, including plans	£60.00	£60.00	0%	453	260	01/04/2017	Locally		
	Electronic copy of agreements and plans	£32.00	£35.00	9%					01/04/2017	Locally
3	Highway land search - Con29R	£32.00	£38.40	20%	453	260	01/04/2017	Locally		
3	Highway land search - Con29O	£14.00	£16.80	20%					01/04/2017	Locally
2	Application to create vehicle crossover/dropped kerb	£208.00	£227.00	9%	453	260	01/04/2017	Locally		
	Initial assessment of suitability for crossover	£75.00	£75.00	0%						Locally
	Licence to open road (s50)	£145.00	£145.00	0%	350	350		Locally		
	Inspection of road works (3 inspections required)	£162.00	£162.00	0%						Locally
	Temporary traffic order, section 14 (1)	£734.00	£866.00	18%					01/04/2017	Locally
	Temporary notice (Emergency) section 14 (2)	£740.00	£740.00	0%						Locally
	Reclaim Property from Highways	£70.00	£70.00	0%				Locally		
	Banner application	£26.00	£26.00	0%				Locally		

Service:

Highways

Note	Renewal of existing: Fees and charges and policies Cabinet to note Goods/ service for which charge is made	Rates (incl VAT)			Financials		Notes	
		2016/17 charge £	2017/18 charge £	% change	Income yield for 2016/17 £000s	Income yield for 2017/18 £000s	Effective date of new rate	Charge set nationally/ locally?
5	Licence to place building materials on the highway	£84.00	£87.00	4%	205	280	01/04/2017	Locally
5	Licence to place scaffolding/ hoardings on the highway	£104.00	£104.00	0%			Locally	
5	Skips placed on the highway, 28 days	£84.00	£87.00	4%			01/04/2017	Locally
	Skip Company Registration	£97.00	£97.00	0%			Locally	
	Licence to place crane on highway	£163.00	£168.00	3%			01/04/2017	Locally
	Construction over the highway	£240.00	£240.00	0%			Locally	
	Cultivation of the highway	£78.00	£78.00	0%			Locally	
6	Pavement café annual fee	Flat fee of £104 for areas 3 to 10 m2, then £52 per additional square-metre applied	Flat fee of £104 for areas 3 to 10 m2, then £52 per additional square-metre applied	0%				Locally
7	Temporary road sign	£145.00	£145.00	0%				Locally
7	Tourist road sign	£145.00	£145.00	0%				Locally
	SCC Officer attendance to adjust permanent traffic signals or signalised crossings Monday-Friday 08.00 - 18.00	£89.00	£198.00	122%			01/11/2016	Locally
	SCC Officer attendance to adjust permanent traffic signals or signalised crossings Monday-Friday 18.00 - 08.00	£176.00	£276.00	57%			01/11/2016	Locally
	SCC Officer attendance to adjust permanent traffic signals or signalised crossings Weekend/Bank holiday	£233.00	£276.00	18%			01/11/2016	Locally

Service:

Highways

Note	Renewal of existing: Fees and charges and policies Cabinet to note Goods/ service for which charge is made	Rates (incl VAT)			Financials		Notes			
		2016/17 charge £	2017/18 charge £	% change	Income yield for 2016/17 £000s	Income yield for 2017/18 £000s	Effective date of new rate	Charge set nationally/ locally?		
	Fixed penalty notices for utilities failure to make required notifications to Surrey as street authority	£120.00	£120.00	0%				Nationally		
	Fixed penalty notices for utilities failure to make required notifications to Surrey as street authority payment received within 90 days	£80.00	£80.00	0%				Nationally		
	Permit Scheme									
	Permit Transcription Fee	£21.60	£21.60	0%				Nationally		
8	Provisional advance authorisation - Main Roads	£83.00	£83.00	0%	1,138	1,335		Nationally		
9	Provisional advance authorisation - Minor Roads	£66.00	£66.00	0%					Nationally	
8	Major activity [over 10 days] and all major works requiring a traffic regulation order - Main Roads	£216.00	£216.00	0%					Nationally	
9	Major activity [over 10 days] and all major works requiring a traffic regulation order - Minor Roads	£141.00	£141.00	0%					Nationally	
8	Major activity [4-10 days] - Main Roads	£127.00	£127.00	0%					Nationally	
4/9	Major activity [4-10 days] - Minor Roads	£0.00	£17.00	100%					01/06/2017	Nationally
8	Major activity [up to 3 days] - Main Roads	£58.00	£58.00	0%						Nationally
4/9	Major activity [up to 3 days] - Minor Roads	£0.00	£10.00	100%					01/06/2017	Nationally
8	Standard activity - Main Roads	£127.00	£127.00	0%						Nationally
4/9	Standard activity - Minor Roads	£0.00	£17.00	100%					01/06/2017	Nationally
8	Minor activity - Main Roads	£58.00	£58.00	0%				Nationally		
4/9	Minor activity - Minor Roads	£0.00	£10.00	100%			01/06/2017	Nationally		
8	Immediate activity - Main Roads	£52.00	£52.00	0%				Nationally		
4/9	Immediate activity - Minor Roads	£0.00	£9.00	100%			01/06/2017	Nationally		
8	Permit variation - Main Roads	£45.00	£45.00	0%				Nationally		
9	Permit variation - Minor Roads	£35.00	£35.00	0%				Nationally		

Service:

Highways

Note	Renewal of existing: Fees and charges and policies Cabinet to note Goods/ service for which charge is made	Rates (incl VAT)			Financials		Notes		
		2016/17 charge £	2017/18 charge £	% change	Income yield for 2016/17 £000s	Income yield for 2017/18 £000s	Effective date of new rate	Charge set nationally/ locally?	
10/12	Sample inspection fees on utility works	£50.00	£50.00	0%	422	431		Nationally	
	Third Party Report inspection fees	£68.00	£68.00	0%					Nationally
	Joint site meeting defect fee (D1)	£47.50	£47.50	0%	43	44		Nationally	
	Defect inspection whilst remedial is in progress fee (D2)	£47.50	£47.50	0%					Nationally
	Defect inspection fee on remedial completion (D3)	£47.50	£47.50	0%					Nationally
10/12	Daily charges for Utilities overstaying notified time limits on Traffic Sensitive or Protected street not in road categories 2, 3, or 4	£5,000.00	£5,000.00	0%				Nationally	
	Daily charges for Utilities overstaying notified time limits on non Traffic Sensitive or non Protected street not in road categories 2, 3, or 4	£2,500.00	£2,500.00	0%				Nationally	
11/12	Daily charges for Utilities overstaying notified time limits on Traffic-Sensitive or Protected street in road categories 2	£3,000.00	£3,000.00	0%				Nationally	
12	Daily charges for Utilities overstaying notified time limits on non Traffic-Sensitive or non Protected streets in road category 2	£2,000.00	£2,000.00	0%				Nationally	
12	Daily charges for Utilities overstaying notified time limits on Traffic-Sensitive or Protected street in road categories 3 or 4	£750.00	£750.00	0%	71	72		Nationally	
12	Daily charges for Utilities overstaying notified time limits on non Traffic-Sensitive or non Protected streets in road categories 3 or 4	£250.00	£250.00	0%					Nationally
12	Daily charges for Utilities overstaying notified time limits on works other than on the carriageway not in street category 2, 3 or 4	£2,500.00	£2,500.00	0%				Nationally	
12	Daily charges for Utilities overstaying notified time limits on works other than on the carriageway in street category 2	£2,000.00	£2,000.00	0%				Nationally	
12	Daily charges for Utilities overstaying notified time limits on works other than on the carriageway in street category 3 or 4	£250.00	£250.00	0%				Nationally	
13	Civil Parking Enforcement Surplus	Various	Various		200	200		Locally	
	Traffic Data - First Site	£111.60	£111.60	0%	3	3		Locally	
	Traffic Data - Each Additional Site	£39.60	£39.60	0%					Locally
	SUDS Pre - Application Fees								
14	Minor application - Written advice (£450 + VAT)	£540.00	£540.00	0%				Locally	
14	Minor application - Officer meeting (£540 +VAT)	£636.00	£648.00	2%			01/04/2017	Locally	
14	Minor application - Site visit meeting (£678 +VAT)	£792.00	£813.60	3%			01/04/2017	Locally	

Service:

Highways

Note	Renewal of existing: Fees and charges and policies Cabinet to note Goods/ service for which charge is made	Rates (incl VAT)			Financials		Notes				
		2016/17 charge £	2017/18 charge £	% change	Income yield for 2016/17 £000s	Income yield for 2017/18 £000s	Effective date of new rate	Charge set nationally/ locally?			
15	Major Application - Written advice (£796 +VAT)	£936.00	£955.20	2%	}	}	01/04/2017	Locally			
15	Major Application - Officer meeting (£992 +VAT)	£1,170.00	£1,190.40	2%			01/04/2017	Locally			
15	Major Application - Site visit meeting (£1,130 +VAT)	£1,332.00	£1,356.00	2%			01/04/2017	Locally			
16	Large Major application - Written advice (£1,428 +VAT)	£1,710.00	£1,713.60	0%			}	}	Locally		
16	Large Major application - Officer meeting (£1,668 +VAT)	£1,998.00	£2,001.60	0%					95	48	Locally
16	Large Major application - Site visit meeting (£1,828 +VAT)	£2,190.00	£2,193.60	0%					Locally		
	Stand alone site Flood Risk Report (FRR)	£120.00	£120.00	0%					Locally		
14	Detailed Report FRR and site SuDS (drainage) suitability summary: Up to Minor	£180.00	£180.00	0%					Locally		
15	Detailed Report FRR and site SuDS (drainage) suitability summary: Major	£240.00	£240.00	0%					Locally		
16	Detailed Report FRR and site SuDS (drainage) suitability summary: Large-major	£300.00	£300.00	0%					Locally		
	Sub Total				3,680	4,009					
	Comments/ special considerations										
1	Variable subject to product and location										
2	Non Refundable										
3	Search fees are now subject to VAT										
4	Charge subject to consultation										
5	Renewals / extensions at same rate										
6	No fee charged if seating and table arrangements are under 3 square-metres.										
7	Fee covers cost of initial assesment. Signs and installation recovered at cost.										
8	Main Roads - all 0,1,2 Streets & Traffic Sensitive (at any time) 3 & 4 Streets										
9	Minor Roads - 3 & 4 / Non Traffic Sensitive Streets										
10	Rising to £10,000 per day after first three days										
11	Rising to £8,000 per day after first three days										
12	Represent maximum charge levels										
13	Surrey's Share of CPE Surplus										
14	Minor threshold is below Major threshold - There is no charge to individual householders for flood risk information										
15	Major threshold is for 10 or more dwellings/ site over 0.5 hectares where number of dwellings not known OR a building greater than 1000sq.m/ site over 1 hectare										
16	Large major threshold is 200 or more dwellings OR a site over 4ha										

Service:

Children Schools & Families

Note	Renewal of existing: Fees and charges and policies Cabinet to note Goods/ service for which charge is made	Rates (incl VAT)			Financials		Notes	
		2015/16 charge £	2016/17 charge £	% change	Income yield for 2016/17 £000s	Income yield for 2017/18 £000s	Effective date of new rate	Charge set nationally/ locally?
	Commercial Services Education Catering	£2.20	£2.25	2%	29,128	29,429	01/04/2017	Locally
	Sub Total				29,128	29,429		

Service: Trading Standards

Note	Renewal of existing:		Rates (incl VAT)			Financials		Notes	
	Fees and charges and policies Cabinet to note		2016/17 charge	2017/18 charge	% change	Income yield for 2016/17	Income yield for 2017/18	Effective date of new rate	Charge set nationally/ locally?
	Goods/ service for which charge is made		£	£		£000s	£000s		
	Licence to store explosives where, by virtue of regulation 27 of, and Schedule 5 to, the 2014 Regulations, a minimum separation distance of greater than 0 metres is prescribed	1 year	178.00	185.00	3.93%			1/4/017	Nationally
		2 year	234.00	243.00	3.85%			1/4/017	Nationally
		3 year	292.00	304.00	4.11%			1/4/017	Nationally
		4 year	360.00	374.00	3.89%			1/4/017	Nationally
		5 year	407.00	423.00	3.93%			1/4/017	Nationally
	Renewal of licence to store explosives where a minimum separation distance of greater than 0 metres is prescribed	1 year	83.00	86.00	3.61%			1/4/017	Nationally
		2 year	141.00	147.00	4.26%			1/4/017	Nationally
		3 year	198.00	206.00	4.04%			1/4/017	Nationally
		4 year	256.00	266.00	3.91%			1/4/017	Nationally
		5 year	313.00	326.00	4.15%			1/4/017	Nationally
	Licence to store explosives where no minimum separation distance or a 0 metres minimum separation distance is prescribed	1 year	105.00	109.00	3.81%			1/4/017	Nationally
		2 year	136.00	141.00	3.68%			1/4/017	Nationally
		3 year	166.00	173.00	4.22%			1/4/017	Nationally
		4 year	198.00	206.00	4.04%			1/4/017	Nationally
		5 year	229.00	238.00	3.93%			1/4/017	Nationally
	Renewal of licence to store explosives where no minimum separation distance or a 0 metres minimum separation distance is prescribed	1 year	52.00	54.00	3.85%			1/4/017	Nationally
		2 year	83.00	86.00	3.61%			1/4/017	Nationally
		3 year	115.00	120.00	4.35%			1/4/017	Nationally
		4 year	146.00	152.00	4.11%			1/4/017	Nationally
		5 year	178.00	185.00	3.93%			1/4/017	Nationally
	Varying the name of licensee or address of site		35.00	36.00	2.86%			1/4/017	Nationally
	Any kind of variation		35.00	36.00	2.86%			1/4/017	Nationally

Service:

Trading Standards

Note	Renewal of existing: Fees and charges and policies Cabinet to note Goods/ service for which charge is made	Rates (incl VAT)			Financials		Notes	
		2016/17 charge £	2017/18 charge £	% change	Income yield for 2016/17 £000s	Income yield for 2017/18 £000s	Effective date of new rate	Charge set nationally/ locally?
	Transfer Licence	35.00	36.00	2.86%			1/4/017	Nationally
	Replacemant of licence if lost	35.00	36.00	2.86%			1/4/017	Nationally
	Explosives certificate for acquiring and keeping explosives, not including an application for an explosives certificate referred to in entries (c), (g) or (i), at a site in relation to which a person holds a licence to store explosives , no minimum separation distance is prescribed or a 0 metres minimum separation distance is prescribed							
	1 year	125.00	130.00	4.00%			1/4/017	Nationally
	2 year	156.00	162.00	3.85%			1/4/017	Nationally
	3 year	188.00	196.00	4.26%			1/4/017	Nationally
	4 year	219.00	228.00	4.11%			1/4/017	Nationally
	5 year	251.00	261.00	3.98%			1/4/017	Nationally
	Renewal of above							
	1 year	110.00	114.00	3.64%			1/4/017	Nationally
	2 year	130.00	135.00	3.85%			1/4/017	Nationally
	3 year	151.00	157.00	3.97%			1/4/017	Nationally
	4 year	173.00	180.00	4.05%			1/4/017	Nationally
	5 year	193.00	201.00	4.15%			1/4/017	Nationally
	Explosives certificate for acquiring and keeping explosives, not including an application for an explosives certificate referred to in entries (a), (g) or (i), at a site in relation to which a person holds a licence for the storage of no more than 2000 kilograms of explosives							
	1 year	136.00	141.00	3.68%			1/4/017	Nationally
	2 year	166.00	173.00	4.22%			1/4/017	Nationally
	3 year	198.00	206.00	4.04%			1/4/017	Nationally
	4 year	229.00	238.00	3.93%			1/4/017	Nationally
	5 year	261.00	271.00	3.83%			1/4/017	Nationally

Service:

Trading Standards

Note	<u>Renewal of existing:</u> Fees and charges and policies Cabinet to note Goods/ service for which charge is made	Rates (incl VAT)			Financials		Notes	
		2016/17 charge £	2017/18 charge £	% change	Income yield for 2016/17 £000s	Income yield for 2017/18 £000s	Effective date of new rate	Charge set nationally/ locally?
	1 year	130.00	135.00	3.85%			1/4/017	Nationally
	2 year	156.00	162.00	3.85%			1/4/017	Nationally
	3 year	183.00	190.00	3.83%			1/4/017	Nationally
	4 year	209.00	217.00	3.83%			1/4/017	Nationally
	5 year	234.00	243.00	3.85%			1/4/017	Nationally
	Explosives certificate for acquiring and keeping explosives, not including an application for an explosives certificate referred to in entries (g) or (i), at a site in relation to which a person holds a licence for the storage of more than 2000 kilograms of explosives	183.00	190.00	3.83%			1/4/017	Nationally
	1 year	219.00	228.00	4.11%			1/4/017	Nationally
	2 year	256.00	266.00	3.91%			1/4/017	Nationally
	3 year	292.00	304.00	4.11%			1/4/017	Nationally
	4 year	329.00	342.00	3.95%			1/4/017	Nationally
	5 year	161.00	167.00	3.73%			1/4/017	Nationally
	2 year	193.00	201.00	4.15%			1/4/017	Nationally
	3 year	224.00	233.00	4.02%			1/4/017	Nationally
	4 year	256.00	266.00	3.91%			1/4/017	Nationally
	5 year	287.00	298.00	3.83%			1/4/017	Nationally
	Explosives certificate for acquiring more than 15 kg of shooters' powder only, where the applicant also makes a relevant application under the Firearms Act 1968 link to external website to the chief officer of police determining the explosives certificate application which is to be determined at the same time	24.00	25.00	4.17%			1/4/017	Nationally
					290	488		

Service:

Trading Standards

Note	Renewal of existing:	Rates (incl VAT)			Financials		Notes	
	Fees and charges and policies Cabinet to note Goods/ service for which charge is made	2016/17 charge £	2017/18 charge £	% change	Income yield for 2016/17 £000s	Income yield for 2017/18 £000s	Effective date of new rate	Charge set nationally/ locally?
	Renewal of the above explosives certificate where the applicant also makes a relevant application under the Firearms Act 1968 link to external website to the chief officer of police determining the renewal application which is to be determined at the same time	15.00	16.00	6.67%			1/4/017	Nationally
	Explosives certificate for acquiring and keeping only shooters' powder at a site in relation to which the applicant holds a licence, where the applicant also makes a relevant application under the Firearms Act 1968 link to external website	44.00	46.00	4.55%			1/4/017	Nationally
	Explosives certificate for acquiring and keeping only shooters' powder at a site in relation to which the applicant holds a licence, where the applicant also makes a relevant application under the Firearms Act 1968 link to external website	18.00	19.00	5.56%			1/4/017	Nationally
	Explosives certificate for acquiring more than 15 kilograms of explosives, not including an application for an explosives certificate referred to in entries (m) or (o)							
	1 year	125.00	130.00	4.00%			1/4/017	Nationally
	2 year	156.00	162.00	3.85%			1/4/017	Nationally
	3 year	188.00	196.00	4.26%			1/4/017	Nationally
	4 year	219.00	228.00	4.11%			1/4/017	Nationally
	5 year	251.00	261.00	3.98%			1/4/017	Nationally

Service:

Trading Standards

Note	<u>Renewal of existing:</u> Fees and charges and policies Cabinet to note Goods/ service for which charge is made	Rates (incl VAT)			Financials		Notes	
		2016/17 charge £	2017/18 charge £	% change	Income yield for 2016/17 £000s	Income yield for 2017/18 £000s	Effective date of new rate	Charge set nationally/ locally?
	1 year	110.00	114.00	3.64%			1/4/017	Nationally
	2 year	130.00	135.00	3.85%			1/4/017	Nationally
	3 year	151.00	157.00	3.97%			1/4/017	Nationally
	4 year	173.00	180.00	4.05%			1/4/017	Nationally
	5 year	193.00	201.00	4.15%			1/4/017	Nationally
	Explosives certificate for acquiring more than 15 kg of shooters' powder only, where the applicant also makes a relevant application under the Firearms Act 1968 link to external website to the chief officer of police determining the explosives certificate application which is to be determined at the same time	24.00	25.00	4.17%			1/4/017	Nationally
	Renewal of the above explosives certificate where the applicant also makes a relevant application under the Firearms Act 1968 link to external website to the chief officer of police determining the renewal application which is to be determined at the same time	15.00	16.00	6.67%			1/4/017	Nationally
	Explosives certificate for acquiring more than 15 kg of shooters' powder only, where the applicant holds a relevant certificate and no relevant application under the Firearms Act 1968 link to external website by the applicant is to be determined at the same time.	44.00	46.00	4.55%			1/4/017	Nationally

Service:

Trading Standards

Note	Renewal of existing: Fees and charges and policies Cabinet to note Goods/ service for which charge is made	Rates (incl VAT)			Financials		Notes	
		2016/17 charge £	2017/18 charge £	% change	Income yield for 2016/17 £000s	Income yield for 2017/18 £000s	Effective date of new rate	Charge set nationally/ locally?
	Renewal of the above explosives certificate where no relevant application under the Firearms Act 1968 link to external website by the applicant is to be determined at the same time	18.00	19.00	5.56%			1/4/017	Nationally
	Replacement of any explosive certificate referred to in entries (a) to (f) and (k) and (l) if lost	35.00	36.00	2.86%			1/4/017	Nationally
	Replacement of any explosive certificate referred to in entries (g) to (j) and (m) to (p) if lost	10.00	10.00	0.00%			1/4/017	Nationally
	Performing animals licence	37.00	39.00	5.41%			1/4/017	Locally
	Performing animals - inspect and copy register	18.00	19.00	5.56%			1/4/017	Locally
	Performing animals - replacement certificate	18.00	19.00	5.56%			1/4/017	Locally
	Metrology testing and verification fees	Actual Cost	Various				1/4/017	Locally
	Set-up of Primary Authority partnerships (incorporating Environmental Health or Surrey Fire and Rescue) charge per additional regulator - Renewal	108.00	120.00	11.11%			1/4/017	Locally
	Renewal of Primary Authority partnerships (incorporating Environmental health or Surrey fire and rescue) charge per additional regulator - Renewal	54.00	60.00	11.11%			1/4/017	Locally
	Primary Authority Principle agreements	Various	Various				1/4/017	Locally
	Recovery of officer time	84.00	87.60	4.29%			1/4/017	Locally
	Site searches of premises where petroleum has been stored whether or not information found or plans available to be supplied	0.00	87.60				1/4/017	Locally
	Intelligence checks for partner trader approval schemes	45.00	Various				1/4/017	Locally

Service:

Trading Standards

Note	Renewal of existing: Fees and charges and policies Cabinet to note Goods/ service for which charge is made	Rates (incl VAT)			Financials		Notes	
		2016/17 charge £	2017/18 charge £	% change	Income yield for 2016/17 £000s	Income yield for 2017/18 £000s	Effective date of new rate	Charge set nationally/ locally?
	Petroleum Storage Certificate - to keep petroluem spirit in a quantity: Not exceeding 2,500 litres (one year licence fee)		44.00				1/4/017	Nationally
	Petroleum Storage Certificate - to keep petroluem spirit in a quantity: Exceeding 2,500 litres but not exceeding 50,000 litres (one year licence fee)		60.00				1/4/017	Nationally
	Petroleum Storage Certificate - to keep petroluem spirit in a quantity: Exceeding 50,000 litres (one year licence fee)		125.00				1/4/017	Nationally
	Sub Total				290	488		

Equalities Impact Analysis for 2017/18 budget savings

This annex provides equalities analysis for the savings proposals included in Surrey County Council's Medium Term Financial Plan (MTFP) 2017-22. Equalities analysis has been completed for planned savings for 2017/18.

For each directorate or service grouping there is:

- a summary equality analysis; and
- analysis of each savings proposal.

Full Equality Impact Assessments (EIAs) have been completed for new savings proposals which have potential equality implications. These are available on the equalities pages of the Surrey County Council website.

<http://www.surreycc.gov.uk/your-council/equality-and-diversity/ensuring-our-decisions-are-fair>

For ongoing savings programmes where EIAs have previously been completed, these can be viewed on the Council's website.

The directorates or service groupings are as follows:

1. Adult Social Care (p.2)
2. Children, Schools and Families (p.6)
3. Public Health (p.13)
4. Business Services, Orbis and Customer Services (p.16)
5. Environment and Infrastructure (p.22)
6. Trading Standards, Community Partnerships, Libraries & Cultural Services (p.32)
7. Surrey Fire and Rescue Service (p.35)
8. Other Services (p.36)

1. Adult Social Care

Adult Social Care has identified 23 planned savings, a significant number of which are a continuation of those in previous MTFPs. The savings have been grouped into three themes and an EIA undertaken for each theme. Each assessment includes a description of the individual savings and a clear indication of which of the positive and negative impacts relates to which saving. The three themes are:

- **Whole systems demand management** - Promoting independence and resilience, signposting people towards informal community based services and offering preventative interventions.
- **Market management and pricing strategies** – Implementing long term and sustainable strategies together with our partners.
- **Workforce development** - Developing a workforce with the right skills, values and behaviours to work across new models of care, to empower people and to shift resources to more preventative approaches.

Equalities analysis has shown that the majority of the savings proposals will have a neutral or positive impact on people who use services and their carers and that negative impacts can be mitigated. However, the level of saving required in 2017/18, coming on top of the £225 million savings already achieved over the last seven years, means it is becoming increasingly difficult for the Directorate to mitigate negative impacts associated with the whole systems demand management saving and there are risks that:

- The Council will need to reduce investment in preventative services to ensure it continues in its duty to meet eligible assessed needs. To mitigate this risk, the Council will undertake a formal consultation on the Housing Related Support proposals and ensure any changes to grants and contracts are evaluated for potential impact upon people with protected characteristics and are targeted to minimise the impact upon local services provided.
- There will be increased pressure on health, borough, district, voluntary, community and faith sector partners and informal carers. To mitigate this, the Council will continue to collaborate with partners to deliver local integrated community based health and social care.
- Providers will be facing financial difficulties. To mitigate this, the Council will continue to work with providers to implement long term and sustainable market management and pricing strategies.

Some of the positive impacts associated with the 2017/18 efficient savings include:

- Embedding local community-based health and social care services to enable people to remain independent in their own homes for longer; benefit from more joined up services; access preventative services to enable them to stay fit and well for longer.
- Expanding the provision of accommodation with care and support across Surrey to enable people to live independently for as long as possible in appropriate housing with access to flexible services that are responsive to their needs.
- Empowering people to shape their own lives using their family, friends and community support network, so they can continue to play an active part in their community, sustain their social networks and access services which reflect protected characteristics.

- Personal budgets for young people in transition, together with earlier identification, joint assessment and personalisation will give young people more choice and control, enable them to maximise their independence and to potentially live closer to family and friends.
- Working with providers to secure better value for money, to encourage a more creative response to meeting assessed need and to stimulate a more diverse range of community based services to cater for the needs of Surrey people.
- Exploring new models for delivering service to improve quality of service which is more targeted at need.

A number of the savings may potentially have a negative impact on people who use services and their carers across one or more of the nine protected characteristics. A range of mitigating actions has therefore been developed and includes:

- Continuing to collaborate with partners as part of Local Joint Commissioning Groups to deliver local integrated community-based health and social care.
- Encouraging people to build networks of support amongst their family, friends and communities to maximise their wellbeing and independence and where this does not prove possible, ensuring the Council continues to meet eligible assessed needs.
- Ensuring practice continues to focus on the outcomes for the individual and that monitoring of outcomes, quality and equity continues to ensure this is happening.
- Working with the voluntary, community and faith sector providers so any reductions in grants and contracts are evaluated across the system, targeted and undertaken in adherence to the principle of the Surrey Compact.
- Ensuring individuals, their family and carers are engaged throughout the process of change.
- Utilising technology and looking for new and creative models of delivery.

The table below summarised the equality assessment associated with each saving proposal.

Adult Social Care		Saving	Impact	Rationale
Whole Systems Demand Management				
1.	Family, Friends and Communities	£3.5 million	Positive and negative impacts	Developing our on-going commitment to personalisation which gives people choice and control over their lives. This is an on-going efficiency
2.	Transport care packages review	£500,000	Positive and negative impacts	Re-negotiating rates and ensuring people use mobility and other allowances to fund their transport costs.
3.	Demand management	£1.5 million	Positive and negative impacts	Collaborating with health, voluntary, community and faith sector and other partners to promote wellbeing across local health and social care systems to prevent individuals developing long term substantial and critical care needs. This is an on-going efficiency.
4.	Optimisation of Transition pathways	£1 million	Positive and	Optimising the way services are planned and delivered for young people will

			negative impacts	mean services can be delivered more efficiently. This is an on-going efficiency.
5.	Section 256 client group savings	£2 million	No impact	Decreasing care costs associated with a reducing Section 256 client cohort. This is an on-going efficiency.
6.	Targeted strategic shift from residential to community based provision for people with disabilities	£1.2 million	Positive and negative impacts	Identifying individuals who would benefit from moving from residential services to supported living, in line with the focus on friends, family and community, to maximise independence and wellbeing.
7.	Expansion of extra care services	£0	Positive and negative impacts	Expanding the provision of supported housing across Surrey to enable people to live independently for as long as possible with access to flexible services that are responsive to their needs.
8.	Strategic review of Older People in-house services	£2.1 million	Positive and negative impacts	Implementing the Older People in-house residential homes closure programme.
9.	Ensure correct application of National Continuing Health Care (CHC) framework	£2.5 million	Positive and negative impacts	Continuing to implement agreed CHC processes based on the national framework. This is an on-going efficiency.
10.	Resolution of significant outstanding Continuing Health Care disputes/assessments	£2.3 million	Positive and negative impacts	Challenging and resolving significant outstanding Continuing Health Care disputes/assessments as per national framework with Clinical Commissioning Groups.
11.	Contract and grants review - voluntary sector savings	£1.3 million	Positive and negative impacts	Targeting reductions in the Council's expenditure on contracts and grants.
12.	Housing Related Support (HRS) decommissioning/retendering of social exclusion services	£1.6 million	Positive and negative impacts	Decommissioning HRS funding with future funding being provided via a personal budget where an individual is assessed as eligible under the Care Act. Recommission housing related preventative services for socially excluded and disadvantaged people.
13.	Support package guidelines for Older People community care services	£1.2 million	Positive and negative impacts	Implementing guidance where the Council will not generally pay an amount to support someone to live in their own home, where the gross cost is greater than the Council would expect to pay for a care home

				environment which will meet their needs.
14.	Closure of Surrey information hubs	£0	Positive and negative impacts	Closing the four remaining user-led information hubs in high street locations.
Market Management and Pricing Strategies				
15.	Optimisation of spot care rates	£0	Positive and negative impacts	Negotiating effectively with suppliers to minimise price increases.
16.	Optimisation of main block contracts	£429,000	Positive and negative impacts	Negotiating with providers to achieve maximise value from main block contracts. This is an on-going efficiency.
17.	Optimisation of other block contract rates	£323,000	Positive and negative impacts	Negotiating with other block contract suppliers and grant beneficiaries to agree optimised inflationary contract terms. This is an on-going efficiency.
18.	Commissioning for Older People with Learning Disabilities	£663,000	Positive and negative impacts	Reassessing individual care packages for older people with disabilities.
19.	Strategic supplier review rebates	£1 million	Positive and negative impacts	Negotiating with suppliers to secure volume based rebates - predominantly related to learning disabilities.
20.	Surrey Choices efficiency programme	£800,000	No impact	Negotiating with the provider to achieve maximum value from contract.
21.	Day care commissioning review	£575,000	Positive and negative impacts	Strategic review of the commissioning of day care services for people based on individual eligible needs.
Workforce Development				
22.	Optimise staff travel	£110,000	Positive and negative impacts	Reducing travel claims and parking costs by 10% for non-front-line staff, recognising that social workers need to travel to do assessments
23.	Workforce synergies	£843,000	Positive and negative impacts	Saving from synergies between the Adult Social Care workforce and those in other Directorates and partner organisations
TOTAL (may not sum due to rounding)		£25.5 million		

2. Children, Schools and Families

Included services: Schools and Learning; Children's Services; and Commissioning and Prevention.

The Children, Schools and Families (CSF) directorate consists of Schools and Learning (including Special Educational Needs and Disabilities); Children's Services; and Commissioning and Prevention. It has undertaken an equalities analysis of the savings planned for 2017/18 as part of the development of the Council's Medium Term Financial Plan (MTFP) 2017-2022. The directorate has identified 36 planned savings for 2017/18 which have been grouped under six themes:

- **Market management and demand management** – these savings proposals are seeking to reduce the effect of inflation on services and to ensure that the council pays the right costs for services. Demand management is through a new operating model of Early Help.
- **Early Help model** – these savings proposals relate to the implementation of a new operational model of Family Services and the restructure of the commissioning functions of the Commissioning and Prevention Service.
- **Special education needs and disabilities (SEND)** – these savings proposals are seeking to review/redesign operating model and service delivery to ensure a sustainable service to support children and young people with SEND.
- **Education and skills** – these savings proposals relate to changes in support services for schools in light of changing national legislation and funding arrangements and the growth in the number of academies.
- **Support functions reduction** – these savings proposals are to review the business support functions of Children's Services and Schools and Learning to ensure efficiencies whilst reducing operational costs.
- **Productivity efficiencies** - these savings relate to the continuous identification of the most effective and efficient ways of running the services.

Equality Analysis Summary

Children, Schools and Families	Saving 2017/18	Impact	Rationale
Market Management and demand management			
1	Children's social care market management	£559,000	Positive and negative impacts A high-level EIA is underway for the draft CSF Commissioning Plan 2017-2022. The Plan sets out the direction of travel for managing the relevant markets to improve outcomes for the most vulnerable children in Surrey whilst reducing demand and cost. Demand management is through a new operating model of Early Help. Thematic EIAs for the relevant markets (broadly Social Care, Early Help, SEND and Education) and for the specific market management activities will be completed as required.
2	Early help market management	£224,000	
3	Education and skills and SEND market management	£2.4 million	
4.	Early help reductions in demand (£400k from Children's Services and £80K	£480,000	

	from Prevention & Commissioning)			As the Commissioning Plan will be more targeted at the high need cohorts this may mean that the universal services may be affected. Detailed engagement will be undertaken with staff, users and partners to mitigate or reduce any unintended negative impacts.
5.	Early help contract savings	£250,000		
Early Help model				
6.	Commissioning and Prevention Service Restructure Phase 2	£1.3 million	Positive and negative impacts	An EIA has been completed for the restructure of the commissioning functions of the Commissioning and Prevention Service. The restructure has arisen from increased demand for services, reduced funding and regulatory pressure. The new structure supports a holistic commissioning service with an emphasis on the voice of the child, quality of practice and innovation to deliver value for public money.
7	Review provision of SEND support to Early Years providers	£1 million		Staff members in the commissioning functions are directly affected by the restructure. This has been mitigated by staff consultation and an increased provision of support to staff during the restructuring. The reduced workforce may have an impact on families in getting access to information and advice for their children, including children with SEND. Actions to mitigate this include monitoring of support available focussed on the most vulnerable children including children with SEND.
8.	Early Help Reconfiguration	£1 million	Positive impacts	An EIA is underway for the new Early Help operating model- Family Services. The Family Services provide coordinated multi-agency services to help children, young people and families in a timely and appropriate way. Family Services act as a 'one stop shop' for families, with capacity to refer to other services if necessary. It is anticipated to improve outcomes for children and young people with multiple vulnerabilities and across all groups with protected characteristics.
			Positive and negative impacts	Engagement activity will be undertaken to identify needs in specific areas and the services required to meet those needs. In relation to the above, another EIA is being drafted for creating the new management structure to support the

				Family Services effectively, although no saving is attached to this. The potential negative impact on staff will be identified through staff consultation and action will be agreed to mitigate or reduce negative impact. Stakeholder engagement events will also be undertaken to mitigate or reduce any unintended negative impacts.
9.	Support Functions Reduction	£346,000	Negative impacts	The proposed saving is to review the business support functions. This is contingent on the delivery of a new operating model of Early Help. Full assessment of this proposal will be undertaken in 2017/18.
10.	Asset related savings from Early Help reconfiguration - property services revenue maintenance	£700,000	Positive and negative impacts	The proposed saving is to reduce costs through rationalization of asset. This is contingent on the delivery of a new operating model of Early Help. Full assessment of this proposal will be undertaken in 2017/18.
11.	Income generation	£128,000	No impact	The proposed saving is to off-set costs by raising more income from renting out properties when they are not being used. This is contingent on the delivery of a new operating model of Early Help. Full assessment of this proposal will be undertaken in 2017/18.
Special Educational Needs and Disabilities (SEND)				
12	Home to school transport - SEND	£1.5 million	Positive impacts	A new EIA is being drafted. The proposed changes are to promote independent travelling of children and young people with SEND by using different types of transport to the education settings. The SEND Transport Programme is planning to pilot key changes between April and June 2017 for September implementation. The EIA will be updated in July 2017 to reflect the final service decisions/scope.
13	New Operating Model for SEN Pathway	£500,000	Negative impacts	An EIA has been drafted for the review of the function and staffing of the SEND Operational Team. The team oversees the process of agreeing to a statutory plan when required to meet the SEND needs of a child and young person aged 0-25 and the subsequent adherence to the statutory provision laid out in the plan.

Annex 5

				This saving will be achieved through staff turnover and/or realignment of roles. The potential negative impact on staff will be identified through staff consultation and action will be agreed to mitigate or reduce negative impact. The potential negative impact on service users will be mitigated using the recovery plan which is already in place.
14	Post 16 SEND	£1 million	No likely impact	An EIA is not required. This budget is reduced in line with the underspend from the previous year.
15	ISPSB (Individually Stated Pupil Support Budget)	£1.2 million		Discussion has been underway on how this saving will be achieved in 2017/18. An EIA will be considered once specific proposals are identified.
16	Review and share costs with health & social care	£500,000	No likely impact	An EIA is not required. This saving proposal relates to the improvement of process with health and social care.
17	Hard to place pupils process	£100,000		This saving is to review the existing Fair Access Protocols operated by the council with all state funded mainstream schools. The Protocols ensure that, outside the normal admissions round, unplaced children, especially the most vulnerable and challenging children, are offered a place at a suitable school as quickly as possible. School consultation will be carried out in May 2017 to identify changes to the process. An EIA will be considered once specific proposals are identified.
18	Traded Model for SEN support services	£1.1 million	Positive and negative impacts	<p>An EIA has been drafted for the review of the structure and function of the Educational Psychology (EP) Service in order to provide a traded model of non-statutory service to education settings. A review of pathways and trading for Learning and Language Support Services will be held in 2017/18 to identify part of this saving.</p> <p>If the education settings buy at a level which funds more EPs than currently employed by the council, schools and settings can increase their effectiveness in meeting the needs of children and young people with SEND.</p> <p>However, some schools and settings may be unable or unprepared to purchase services at the pre-statutory level. Stakeholder consultation and early help discussions are taking place to mitigate any</p>

				potential negative impact. EPs currently working in the service are directly affected by this review. Mitigating actions include stakeholder consultation and development of clear protocols for working with education settings who could purchase services.
19	Service cost reduction and/or recommissioning	£800,000	Positive and negative impacts	<p>The proposed saving includes the review of Physical & Sensory Support Services (PSSS), Special schools/SEN Outreach, Portage, training, secondary school learning support units.</p> <p>An EIA has been drafted for the redesign of the PSSS to ensure a sustainable and flexible specialist service to support children and young people with physical, hearing, visual and multi-sensory impairment, in learning and living. Ongoing dialogue with stakeholder and staff will be carried out to identify and mitigate any potential negative impact.</p>
20	Trade or reduce non-statutory services	£500,000		A review of the scope of this proposed saving in other non-statutory services will be undertaken. An EIA will be considered once specific proposals are identified.
21	Alternative provision	£500,000	Negative impacts	An EIA has been drafted for the proposed reduction of alternative provision budget within the High Needs Block. The 'high needs' budget provides for pupils with SEND, who require provision in specialist schools, or provision over and above that which can be provided by mainstream schools from within their budget shares, and for pupils educated in pupil referral units and other alternative provision. Stakeholder consultation has taken place to identify and mitigate any potential negative impact.

22	Review of residential provision in special schools	£1.5 million		This will be a school by school approach and discussions with headteachers have started to identify where the potential savings are. A review of those proposed savings will be undertaken. An EIA will be considered once specific proposals are identified.
23	Special schools funding – review specific factors	£800,000		An EIA is being drafted for the review of the sector/school specific factors, transitional support, split site and other funding provided to schools to ensure that the historic funding decisions are still appropriate.
24	Decommissioning of SEN planned places	£300,000	No likely impact	An EIA is not required. This saving is to make a funding adjustment/reduction to those schools concerned based on their average occupancy rates over the past three years. It has not been proposed to formally reduce the number of places at any special schools or centres.
Further SEND savings on High Needs Block Dedicated Schools Grant				
25	Review Occupancy of Special Schools and Units	£782,000		These are ongoing savings from the previous years. The existing EIAs are still valid.
26	Cullum Centres	£439,000		
27	School Re-designations	£852,000		
28	Supply relationship management, review service specifications	£250,000		
29	Inclusion in Mainstream (external contract)	£338,000		
Education and skills				
30	Reductions in school support	£1.1 million (net £600,000)		This saving relates to the reduction of the Babcock 4S contract when schools convert into academies. Academies receive funding directly to make their own arrangements for buying services. The existing EIA still applies.
31	Home to school Transport - mainstream	£600,000	Negative impacts	The saving relates to the subsidized travel for post 16. A full EIA will be completed as part of developing a full and detailed plan. There are potentially negative impacts and possible mitigations will be developed including a review of distances to ensure no ambiguity concerning eligibility. There will be a case by case review of those

				under the mileage threshold which is expected to be completed in July 2017.
32	Education services grant (ESG) – top slice	£3 million		This is the anticipated amount the council expects to recover from a levy to maintained schools and other government grants, to help cover the loss of ESG from April 2017/18.
Support functions reduction				
33	Children's Services	£280,000	Negative impacts	An EIA has been completed for the review of the Children's Administrative Service to ensure efficiency whilst reducing operational costs. The potential negative impact on staff will be identified through staff consultation and action will be agreed to mitigate or reduce negative impact.
34	Schools and Learning	£75,000		An EIA will be required for the review of the business support functions in Schools and Learning.
Productivity efficiencies				
35	Children's Services	£335,000		This saving proposal relates to the continuous identification of the most effective and efficient ways of running the services.
36	Schools and Learning	£1.3 million		This saving proposal relates to the continuous identification of the most effective and efficient ways of running the services.
TOTAL (may not sum due to rounding)		£28 million		

3. Public Health

Background

How is Surrey Public Health funded?

The Surrey Public Health team is part of Surrey County Council and aims to improve and protect the health of people living and working in Surrey. Public Health in local authorities is funded directly by a grant received from the Department of Health. The target grant allocation for Local Authorities is calculated according to a formula that aims to represent variations in need. However, due to historical patterns of funding allocation, Local Authorities do not currently receive their target grant allocation. Surrey's 2017/18 grant allocation was more than 20% below the target level of funding and this has been frozen with no timeline for moving closer to target. This equated to £31 per head compared to £59 per head for England as a whole.

What is the Surrey Public Health grant spent on?

Approximately 90% of the public health budget is spent on commissioning or funding services and programmes that help people to make positive changes concerning their health and lifestyle. Sexual health (GUM and Family Planning clinics), substance misuse (drugs and alcohol) and children's public health services (health visiting and school nursing, also referred to as 0-19 services) will make up the majority of this spend. The Public Health shadow funding programme (part of the current published Medium Term Financial Plan) is explained below.

Where have the budget pressures for Public Health come from?

In June 2015/16, the Chancellor at the time announced that the public health budget was to be reduced nationally by 6.2%. In Surrey this equated to £2.2 million and this has been removed from the grant allocation permanently. The autumn Comprehensive Spending Review then identified a further reduction of 9.6% (in cash terms) over the next five years. In addition, Public Health are supporting the Council to meet the overall budgetary pressures through identifying wider council work that helps to improve public health outcomes and supporting these areas financially (the MTFP shadow funding programme referenced above). This means that by 2019/20, the budget available to spend on core public health programmes will be 30% less than it was at the start of 2015/16¹

How are these financial pressures going to be met?

In order to meet this reduced budget we have been and continue to work with providers and other involved parties to reshape Public Health service provision in the county over the next five years. Since 2015/16, we have been implementing a range of measures to meet the funding gap:

- Savings released through re-procurement/re-design of our major services (sexual health services, children's 0-19 services and substance misuse services).
- Contract negotiations with our current major providers.
- Prioritised invitation for the universal NHS Health Checks Programme to address health inequalities.
- Efficiencies made through our central business and staff budget.
- Reducing or cancelling non-contractual spend.

¹ prior to the in-year reduction and including 0-5 budget transfer at full year effect

While savings are being found in a range of areas, as part of the development of the Council's budget, an equalities analysis of savings proposals that will have a direct impact on service provision for 2017/ 18 has been undertaken. This document sets out the summary equality analysis for savings proposals from the following specific services:

- Substance misuse
- Public Mental Health

Analysis for each savings proposal is presented as follows:

- For savings proposals linked to existing service improvement or transformation programmes, pre-existing Equality Impact Assessments have been reviewed and updated
- For new savings proposals, or where there has been material change to the proposal, a new Equalities Impact Assessment has undertaken

2017/18 Equality Analysis Summary

The MTFP savings proposals listed below from within Public Health require specific EIAs due to them having a direct impact upon service delivery within the highlighted programme areas. Both require further consultation to fully inform the final EIA and further mitigating actions. However, it is clear that the initial process has identified a number of key groups who are likely to experience a negative impact as a result of the savings. While within substance misuse it is possible to provide some mitigation of this through the service redesign process, the withdrawal of the public mental health budget and related service as it is currently commissioned will be much harder to mitigate within the remaining resources in the public health team.

Content

Description of Efficiency	Saving	Impact	Rationale
<p>Substance misuse: This is a universal service with targeted activity to increase access for at risk groups. including women suffering domestic abuse, those with co-existing mental health and substance use problems, Lesbian, Gay, Bisexual and Transgender (LGBT) people and offenders and ex-offenders.</p> <p>An additional service is also provided for children and young people.</p> <p>In 2017/18 it is intended to renegotiate elements of the service related to Criminal Justice (CJS) contracts down to the minimum requirements for local authority. Alongside this a new integrated SM service will be mobilised from 2018 with a financial envelope that has been reduced to minimum viable value</p>	£500,000 - 2017/18 recurrent	<p>Negative impact particularly for the following protected characteristics</p> <ul style="list-style-type: none"> • Sex • Sexual orientation • Age 	<p>Approximately 90% of the public health budget is spent on commissioning or funding services and programmes that help people to make positive changes concerning their health and lifestyle. As substance misuse spend is the second highest in public health it is not possible to make the necessary savings without impacting on services such as this.</p> <p>Some mitigation is intended through the mobilisation of a more integrated service longer term.</p>

<p>Public Mental Health: The currently commissioned service is a universal mental health promotion service available to adults across the county with a targeted approach to promote access in areas/groups with known levels of higher mental health need.</p> <p>Groups known to be particularly at risk include:</p> <ul style="list-style-type: none"> • Physical Illness/Long Term conditions • Victims of Violence/Abuse • LGBT • BME • Carers • Veterans • Refugees <p>With the current contract for this service is ending in March 2017/18 a short extension is being explored prior to ending the contract later in 2017/18.</p>	<p>£335,000 – 2017/18 recurrent</p>	<p>Negative impact particularly for the following protected characteristics</p> <ul style="list-style-type: none"> • Race • Sexual orientation • Age • Disability 	<p>With all other PH contracts being reduced, the envelope for this service has already been reduced to its minimum viable level. The only possible savings scenario is through decommissioning the service, preserving a small budget for targeted work and suicide prevention training.</p>
<p>Alcohol IBA removal</p>	<p>£400,000</p>	<p>No impacts</p>	<p>Plan to stop spending on the introduction of a new service.</p>
<p>Lifestyle service (smoking/physical activity) reduction</p>	<p>£255,000</p>	<p>No impacts</p>	<p>This removes an incentive structure to providers to improve their performance. It is expected that current performance levels will be maintained.</p>
<p>Public Health Shadow Savings</p>	<p>£1.8 million</p>	<p>No impacts</p>	<p>Funding relates to shadow service allocation. There are no impacts for services.</p>
<p>TOTAL (may not sum due to rounding)</p>	<p>£3.3 million</p>		

4. Business Services, Orbis and Customer Services

Included Services: Human Resources and Organisational Development; Finance; Property; Shared Services; Procurement; Information Management Technology; Customer Services; and New Models of Delivery.

Business Services

For the Business Services Directorate, major savings will be delivered through the amalgamation of both Business Service Directorates in Surrey and East Sussex County Councils through the Orbis shared services partnership. EIAs are being conducted at key points throughout the development of the partnership and transition. These will identify potential positive and negative impacts for each protected characteristic and ensure any mitigating actions required are put in place. The savings detailed below are taken from the three year Orbis business plan together with additional savings identified as part of increased requirements from both partners during the last 12 months.

A key strategy for delivering savings will come through retention of vacancies in each service. In addition, Orbis recently held a voluntary severance process that resulted in 25 individuals taking the decision to leave.

The Orbis Business plan delivers efficiencies over a three year period (April 2016 – March 2019). The plan is to integrate services which will involve a number of restructures through this period. Equality Impact Assessments will be undertaken at the appropriate times to ensure that any impacts are identified and mitigating actions developed.

Orbis has two types of budgets;

1. The operating budget that consists largely of establishment costs and overheads associated with running the business.
2. Managed on behalf of budgets (MoBo). These are budgets that Orbis manages for each of the sovereign partner. These include areas such as the property estate, IT infrastructure and contracts.

The section below is related to MoBo budgets and therefore the likely impact on staff is extremely limited:

Business Services	Saving	Impact	Rationale
Finance – income 2 years only	£25,000 (income)	No impacts	Increased income for VAT registration work undertaken for Care Homes
Finance: insurance reserve	£750,000	No impacts	Reduction in insurance claims which has resulted in the ability to reduce the reserve set aside for future claims
HR: non salary budgets including recruitment or training	£207,000	No impacts	The budget will be saved across areas of non-statutory training. Recruitment of diverse groups will remain a focus. The Council will ensure that frontline staff continue to have all necessary training to account for the needs of protected characteristic groups. Core training and Equality and Diversity courses will also still be in scope.

HR: apprenticeships	£216,000	No impacts	Based on services continuing to employ and fund apprentices rather than being centrally funded.
IMT – contract savings	£346,000	No impacts	Reduction of costs within some identified IT contracts, such as Novell.
Property: schools programme	£100,000	No impacts	This will be delivered through a reduction in the use of consultants and will lead to reduced fees.
Property: utilities	£200,000	No impacts	Reduced spend on utilities. This is helped further by less severe winter weather
Property: income	£140,000	No impacts	Increased rental & service charge income
Property: building running costs	£300,000	No impacts	Optimising use of vacant buildings
TOTAL (may not sum due to rounding)	£2.2 million		

Orbis

The partnership aims to deliver significant savings by taking advantage of economies of scale, streamlining processes and reducing duplication. Investment required for transformative change and continuous improvement will become a more affordable proposition than if undertaken by one council alone.

In the longer term, the partnership will benefit from growth, delivering further economies of scale for the benefit of each council and their residents. The partnership is expected to develop and grow over time, attracting further public sector partners and from the pursuit of opportunities to enhance income, undertaken for public sector clients on a contractual basis or by means of specific delegation of function.

The section below details the specific savings that will be delivered by each service within Orbis as part of the integration of services with East Sussex. These numbers are taken from the three year Orbis Business Plan.

A Joint Committee has been established that governs the delivery and management of Orbis. Overall decision making and accountability will remain the responsibility of the sovereign organisations.

The Business Plan does not propose that Orbis itself will employ anyone. Employees will be employed by one partner organisation and will work across all organisations within the partnership. These organisations will have impact assessed their policies in relation to employment.

What will be the impact on staff?

Terms & Conditions:

- Employees will remain employed by their current Council.

- Employees will remain on their existing terms and conditions.
- Employees' primary location will remain as stated in contract of employment.
- The terms and conditions of new employees within the Orbis business services function will be depend on where they are based and the partner organisation they are employed by.
- Employee terms and conditions will vary across the partnership given they will be employed by one partner organisation; therefore an employee could work in the same team or at the same location as another employee but have different pay conditions and terms and conditions.
- Current employees would remain in their current pension fund.
- New employees can opt out of LGPS pension scheme, as they do now.

Brighton & Hove City Council (BHCC)

BHCC are joining the Orbis partnership from April 2017, but finances will be kept separate until April 2018. This means there will be no impact on the savings for Orbis in the year 2017/18.

A full financial assessment will be undertaken as part of the process for BHCC joining the partnership to full understand the implications. This will lead to the development of a revised business case and Inter Authority Agreement.

Orbis	Saving (currently showing savings accrued by SCC and ESCC) Surrey portion of these savings is set at 70% in line with partnership ratio	Impact	Rationale
Property	£966,000 (SCC portion £676,000)	No impacts	Redesign of Property Service in line with Orbis Business plan to integrate teams with East Sussex County Council. The savings will be delivered through the redesign of a number of key areas (Asset Strategy, Schools Programme & Investment /Disposals teams). The EIA has not identified any areas of impact but further EIAs will completed for other elements of the Property service when they start the consultation process.
Information Management and Technology	£1,099,000 (SCC portion £769,000)	No impacts	The savings will be delivered through integration of tier 4 roles within the IT service with East Sussex CC. The consultation process is currently underway and an EIA was completed as part of this process that identified a number of positive and negative impacts resulting from the revised service offer. All negative impacts have clear mitigating actions that address the risks identified

Human Resources	£400,000 (SCC portion £280,000)	No impacts	Savings in 2017/18 will be delivered through retention of vacancies and therefore no EIA required at this time.
Finance	£525,000 (SCC Portion £367,000)	No impacts	Savings for 2017/18 will be delivered through retention of vacancies and therefore no EIA required at this time.
Business Operations	£244,000 (£170,000)	No impacts	Savings for 2017/18 will be delivered through retention of vacancies and therefore no EIA required at this time.
Management	£100,000 (SCC Portion £70,000)	No impacts	Savings for 2017/18 will be delivered through retention of vacancies and therefore no EIA required at this time.
Procurement	£295,000 (SCC Portion (£206,000)	Positive and negative impacts	The Procurement service completed a consultation process for all staff in December 2016 with a launch of a revised fully integrated services in April 2017. A detailed EIA was completed as part of this process that identified a number of positive and negative impacts resulting from the revised service offer. All negative impacts have clear mitigating actions that address the risks identified.
TOTAL (may not sum due to rounding)	£2.5 million		

Customer Services

Proposed savings from Customer Services are to be implemented by the delivery of efficiencies through rationalising the way that services are offered and streamlining current processes.

The Contact Centre's opening hours are being reduced and there is a drive to promote use, and increase provision and uptake of on-line options to customers so that they can self-serve 24/7.

Equality Impact Assessments are being undertaken to mitigate the impact on people with protected characteristics. This will include continuing the library automated telephone renewal service and offering discreet support from the Contact Centre for customers unable to use the alternative channels offered.

Customer Services	Saving	Impact	Rationale
No Saturday opening (library calls only taken)	£15,000	Negative	Potential negative impact on residents who are digitally excluded, or unable to or prefer not to use technological solutions. A full EIA has been undertaken. Negative impacts have been mitigated by continuing the automated telephone renewal service (Call Point) and providing discreet telephone support for any customers who are unable to use the

			alternative channels offered. Customers can also visit their local library.
Reduce hours to 9am to 5pm (from 8am to 6pm)	£50,000	Negative	<p>There may be a minimal impact on residents who are in full time employment and who may have difficulty making calls during core office hours.</p> <p>A full EIA has been undertaken. Negative impacts have been mitigated by continuing the drive to provide on-line solutions available to customers so that they can self-serve 24/7.</p>
Libraries reservations and renewals	£45,000	Negative	<p>There is likely to be an impact on customers who are digitally excluded or are unable to/prefer not to use technological solutions. This is most likely to impact older people.</p> <p>A full EIA will be undertaken as part of the consultation process.</p> <p>Impact will be mitigated by the continued provision of Call Point (phone based automated renewal service) and discreet telephone support via the Contact Centre.</p>
Stop appointment bookings: Birth	To be agreed	Potential negative impact	<p>There is likely to be an impact on customers who are digitally excluded or who are unable to/prefer not to use technological solutions.</p> <p>A full EIA will be undertaken as part of the consultation process.</p> <p>Impact will be mitigated by providing discreet support via the Contact Centre.</p>
Stop appointment bookings: Death	To be agreed	Potential negative impact	<p>There is likely to be an impact on customers who are digitally excluded or who are unable to/prefer not to use technological solutions.</p> <p>A full EIA will be undertaken as part of the consultation process.</p> <p>Impact will be mitigated by providing discreet support via the Contact Centre.</p>
Copy Certificate ordering	To be agreed	Potential negative impact	<p>There is likely to be an impact on customers who are digitally excluded or who are unable to/prefer not to use technological solutions.</p> <p>A full EIA will be undertaken as part of the consultation process.</p> <p>Impact will be mitigated by providing discreet support via the Contact Centre.</p>
Marriage and ceremony enquiries	To be agreed	Potential negative impact	<p>There is likely to be an impact on customers who are digitally excluded or who are unable to/prefer not to use technological solutions.</p>

			<p>A full EIA will be undertaken as part of the consultation process.</p> <p>Impact will be mitigated by providing discreet support via the Contact Centre.</p>
Reduce complaints staff	£35,000	No impacts	Savings will be achieved by streamlining current processes to ensure that they continue offer effective outcomes for customers and efficient ways of working for staff.
Channel Shift	£25,000	Positive	As part of Customer Services channel shift strategy opportunities will be identified to provide additional on-line options for customers so that they are able to self-serve 24/7
Reduction in web and digital capacity	£10,000	No impacts	Savings will be achieved through reviewing processes to ensure continued effective outcomes for customers and efficient ways of working for staff.
No longer providing support to Partnership and micro site	To be agreed	No impacts	<p>There are over 70 partnership / microsites in addition to the SCC corporate website. By removing this role, these websites will not get the support and governance from a web professional, so risk being less effective, non-compliant with accessibility, etc.</p> <p>Also, there are efficiencies that can be made by having web sites under a central role and so there could be an increase in costs from other parts of the organisation if they do not have this support.</p>
TOTAL (may not sum due to rounding)	£180,000		

5. Environment and Infrastructure

Included Services: Highways; Environment and Emergency Planning.

This section sets out the equality analysis for savings proposals from the following services:

- **Highways and Transport Service**
- **Place Development Service**

And comprises:

- A summary analysis of the overarching equalities implications of the savings proposals from those services
- Detailed equalities analysis for each savings proposal

Analysis for each savings proposal is presented as follows:

- For savings proposals linked to existing service improvement or transformation programmes, pre-existing EIAs have been reviewed and updated
- For new savings proposals, or where there has been material change to the proposal, a new Equalities Impact Assessment has undertaken

Equalities Analysis Assessment Summary 2017/18

Out of the four confirmed savings for the Highways and Transport Service in 2017/18, two savings proposals have been deemed as requiring an EIA.

Out of the thirteen confirmed savings for the Place Development Service in 2017/18, six savings proposals have been deemed as requiring an EIA.

Marginal gains - Savings measures for both services (Highways and Transport and Place Development) in the Environment & Infrastructure (E&I) directorate are yet to be finalised. Some residents may experience some potential negative impacts due to reduced services. EIAs will be developed as part of each savings measures/scheme that is finalised and will have its own EIAs.

Highways and Transport services

Network and Asset Management Group - Winter maintenance

A saving concerning Highway Winter Maintenance will have an EIA completed following the annual review of the Winter Service Plan, which will involve consultation with Members. The EIA will be included in a report to Cabinet in July 2017 where a final decision will be taken.

Local Highways Services Group - Local Committee Funding

This saving comes from a budget allocation that is granted to Local Members/Committees, which is used at the Committee's discretion to carry out non-essential works. Levels of service for environmental maintenance are being maintained in partnership with Surrey's Borough and District Councils, hence there is no need for an EIA. However, there are possible negative impacts on resident experience. Each scheme that goes through the Committee and will have its own EIAs.

Works Delivery Group - Highways and Transport Restructure

This saving realises in 2017/18 from previously integrated teams in Highways and Transport services.

Place Development Service

Waste Group - Waste savings programme and Contract Review

Waste Group's savings are identified from waste savings programme and a contract review focussed around contract renegotiation and refinancing. A programme of work is planned aimed at revising payment transfer mechanisms and joint working arrangements between the County Council and the districts and borough councils.

Travel and Transport Group - Local Transport Review

The preferred approach for recognising savings in the Local Transport Review has been through contract negotiations with bus operators of subsidised routes, without changing the level of service offered. However, to ensure all the required savings are delivered there has needed to be some service compromises on subsidised routes in terms of their frequency, days of operation, route travelled and in a few cases withdrawals. An EIA completed in year one and two of the review used feedback received from groups and individuals with protected characteristics in the public consultation. The comprehensive EIAs completed for years one and two of the Local Transport Review will be updated to form part of 2017/18.

Countryside Group - Countryside and Surrey Wildlife Trust Review

Countryside's savings proposal comes from reducing the contribution to partnership work in the Countryside Contribution to Surrey Wildlife Trust to reduce by £100,000 in 2017/18, Reduction in contribution to hosted partnerships, Contribution to non-hosted partnerships to stop: Gatwick Greenspace Partnership and Blackwater Valley Countryside Management Partnership and Reduce the revenue budget for Rights of Way work by £190,000. EIAs will be assessing the impact of the reductions on the delivery of the countryside and access service to the public. The public who visit the countryside and potentially those who benefit from some of the activities run by the hosted and non-hosted partnerships will be affected by the proposals.

Planning and Development Group - Planning and Development Review

The planning saving/budget reduction for Planning and Development group is £350,000 for the 2017/8 financial year, rising to £500,000 in the 2018/19 financial year. The Group proposes to meet the proposed budget reduction by reductions in staff (vacant posts and voluntary severance) and through increased income generation.

Place and Sustainability Group - Place development and Road safety

Place and Sustainability Group savings proposals are yet to be finalised which will include road safety savings.

E&I Cross-cutting services - E&I Support Function Review

The E&I Directorate Leadership Team commissioned a Support Functions Review (SFR) in summer 2016 as part of a Council wide review and in response to the proposed budget reductions for 2017/18 to 2020/21. The review also identified opportunities to achieve savings via efficiencies from integration and broadening out of contract management, customer service, performance management and project management support activities.

'Deep dive' reviews are currently underway to develop these opportunities and inform the shape of support functions in Phase Two, which is due to be launched in June and go live in September 2017. The changes in Phase One that contributed to the required MTFP and Business Services Review Savings did not disproportionately affect any individual or groups of staff, residents or service users with any protected characteristics and the impact of Phase Two proposals regarding protected characteristics will be considered once details are available.



Savings for 2017/18 for Environment and Infrastructure Directorate (Highways and Transport Service)

Description of Savings / Efficiency	Saving 2017/18	Impact	Rationale
<p>Highway Information Team income</p> <p>Following a review of the market expected search fee income is anticipated to be in excess of current levels.</p>	£40,000	No impact	EIA not required as no change in service level is proposed as part of this measure.
<p>Highways and Transport Restructure</p>	£200,000	Negative Impact	This saving realises in 2017/18 from previously integrated teams in Highways and Transport services.
<p>Winter maintenance</p>	£340,000	Negative Impact	A saving concerning Highway Winter Maintenance will have an EIA completed following the annual review of the Winter Service Plan, which will involve consultation with Members. The EIA will be included in a report to Cabinet in July 2017 where a final decision will be taken.

Savings for 2017/18 for Environment and Infrastructure Directorate (Highways and Transport Service)

Description of Savings / Efficiency	Saving 2017/18	Impact	Rationale
<p>Environmental maintenance</p> <p>This saving comes from a budget allocation that is granted to Local Members/Committees, which is used at the Committee's discretion to carry out non-essential works.</p>	£1.7 million	Potential Negative Impact	Our levels of service for environmental maintenance are being maintained in partnership with the Boroughs and Districts, hence there is no need for an EIA by Surrey County Council. However, there are possible negative impacts on resident experience. This saving comes from a budget allocation that is granted to Local Members/Committees, which is used at the Committee's discretion to carry out non-essential works. Each scheme that goes through the Committee will have its own EIA.
<p>E&I Highways - Marginal gains</p>	£178,000	Potential Negative Impact	Savings proposals are yet to be finalised. Some residents may experience some potential negative impacts due to reduced services. EIAs will be developed as part of each savings measures / scheme that is finalised and will have its own EIAs.
<p>TOTAL (may not sum due to rounding)</p>	£2.5 million		

Savings for 2017/18 for Environment and Infrastructure Directorate (Place Development Service)

Description of Savings / Efficiency	Saving 2017/18	Impact	Rationale
<p>Waste Development Group</p> <p>Collaborate with Partners* - 'Kerbside recycling performance' programme</p>	£982,000	Negative Impact	EIA developed in Feb 2015 is still relevant. Due to be reviewed and updated by end of April 2017.
<p>Waste Development Group</p> <p>Transform – Green Waste</p>	£54,000	No impact	Revised financial arrangements with WCAs regarding green waste recycling – no impact on service or staff.
<p>Waste Operations Group</p> <p>Optimise – Reuse shop expansion</p>	£492,000	Negative Impact	Whilst the service is not being reduced under this initiative, an EIA is required because of the potential implication for the protected characteristics age and disability, who may have limited mobility to access the shops. This will be mitigated through the design and implementation of the shops. The EIA will be completed and actioned before the shops open in Spring 2017.

Savings for 2017/18 for Environment and Infrastructure Directorate (Place Development Service)

Description of Savings / Efficiency	Saving 2017/18	Impact	Rationale
<p>Waste Operations Group</p> <p>Community Recycling Centres - CRC rationalisation programme</p>	£1 million	Negative Impact	Two EIAs were completed for the first phase of changes that were implemented in 2016/17. These EIAs will be refreshed and updated as part of the second phase of changes in the CRC rationalisation programme. The EIAs will be developed throughout Feb – May 2017, will be updated during the public consultation in June and July 2017, and completed in the lead up to Cabinet in Autumn 2017.
<p>Waste Development Group</p> <p>Districts & Boroughs – Single waste approach*</p>	£2 million	Potential Negative Impact, (Revisit later this year to assess)	Programme of work aimed at revising payment transfer mechanisms and joint working arrangements between SCC and the districts and boroughs. No equality impact is anticipated in 2017/18 as a result of this. This will be revisited if projects start to lead to service changes.
<p>Waste Operations Group</p> <p>Contract Review – Contract Structure</p>	£1 million	No impact	Doesn't require an EIA for the contract review, as no change to the service is proposed as part of this savings measure.

Savings for 2017/18 for Environment and Infrastructure Directorate (Place Development Service)

Description of Savings / Efficiency	Saving 2017/18	Impact	Rationale
Waste Development Group Recycling Management	£1 million	No impact	Programme of work aimed at centrally managing kerbside-collected recyclables. No impact on waste collection services for residents and no impact on staff.
Travel and Transport Group Local Transport Review	£735,000	Negative Impact	The preferred approach for recognising savings in the Local Transport Review has been through contract negotiations with bus operators of subsidised routes, but without changing the level of service offered. However to ensure all the required savings are delivered there has needed to be some service compromises on subsidised routes in terms of their frequency, days of operation, route travelled and in a few cases withdrawals. Equality Impact Assessment (EIA) completed in year one and two of the review using the feedback received from groups and individuals with protected characteristics in the public consultation. The comprehensive EIAs completed for year 1 and year 2 of the Local Transport Review will be updated to form part of 2017/18.
Countryside Group Countryside and Surrey Wildlife Trust Review	£350,000	Negative Impact	Countryside's savings proposal comes from reducing the contribution to partnership work in the Countryside Contribution to Surrey Wildlife Trust to reduce by £100,000 in 2017/18, Reduction in contribution to hosted partnerships, Contribution to non-hosted partnerships to stop: Gatwick Greenspace Partnership and Blackwater Valley Countryside Management Partnership and Reduce the revenue budget for Rights

Savings for 2017/18 for Environment and Infrastructure Directorate (Place Development Service)

Description of Savings / Efficiency	Saving 2017/18	Impact	Rationale
			of Way work by £190,000. EIAs will be assessing the impact of the reductions on the delivery of the countryside and access service to the public. The public who visit the countryside and potentially those who benefit from some of the activities run by the hosted and non-hosted partnerships will be affected by the proposals.
Planning and Development Group Planning and Development Review	£350,000	Negative Impact	The planning saving/budget reduction for Planning and Development group is £350,000 for the 2017/8 financial year, rising to £500,000 in the 2018/19 financial year. The Group proposes to meet the proposed budget reduction by a reduction in staff (vacant posts and voluntary severance) and through increased income generation.
Place and Sustainability Group Place development and Road safety	£300,000	Potential Negative Impact	Place and Sustainability Group savings proposals are yet to be finalised which includes road safety savings.
E&I Cross-cutting services E&I Support Function Review	£200,000		E&I DLT commissioned a Support Functions Review (SFR) in summer 2016 as part of a council wide review and in response to the proposed budget reductions for 2017/18 to 2020/21. The review also

Savings for 2017/18 for Environment and Infrastructure Directorate (Place Development Service)

Description of Savings / Efficiency	Saving 2017/18	Impact	Rationale
		Potential Negative Impact	identified opportunities to achieve savings via efficiencies from integration and broadening out of contract management, customer service, performance management and project management support activities. 'Deep dive' reviews are currently underway to develop these opportunities and inform the shape of support functions in Phase Two, which is due to be launched in June and go live in September 2017. The changes in Phase 1 that contributed to the required MTFP and Business Services Review Savings did not disproportionately affect any individual or groups of staff, residents or service users with any protected characteristics and the impact of Phase Two proposals regarding protected characteristics will be considered once details are available.
E&I Place Development - Marginal gains	£300,000	Potential Negative Impact	Savings proposals are yet to be finalised. Some residents may experience some potential negative impacts due to reduced services. EIAs will be developed as part of each savings measures / scheme that is finalised and will have its own EIAs.
TOTAL (may not sum due to rounding)	£7.2 million		

6. Trading Standards, Community Partnerships, Libraries & Cultural Services

Includes services: Trading Standards; Libraries; Cultural Services; Community Partnerships; and Safety.

Communities

The Community Partnership Team

The Community Partnerships and Safety Team, as part of budget setting for the financial year 2017/18, is reviewing the levels of funding for the Community Improvement Fund (CIF) and the Members Allocations scheme. These funding streams are designed to provide investment in schemes that improve the local area and encourage participation, reduce isolation, and develop the potential for social wellbeing and economic prosperity. In previous years, the full commitment of the funds has been utilised.

Proposals are to reduce CIF from £500,000 to £264,000, and to reduce Members' Allocations from £10,300 to £9,000 per division.

Potential negative impacts included a reduced opportunity for investment in more disadvantaged communities, particularly on age and disability characteristics.

Mitigating actions to address issues have already been implemented include robust: assessment, award, monitoring and review processes to maximise the achievements of the funding schemes by ensuring that applications from groups most in need of support and those that produce the greatest breadth of social, economic and environmental benefits are successful.

Trading Standards

The Trading Standards Joint Service with Buckinghamshire was established in April 2015. It delivers a range of service enhancements, budget savings and increased income generation over each of the first four years of operation. It is on track to successfully achieve its financial and performance targets. The business case for the shared service was supported by a detailed EIA which remains valid.

It is anticipated that proposals for an additional marginal efficiency saving of 1.5% per annum will be achieved through further increasing income projections for the joint service and without damaging service delivery. There are no new EIA issues arising from that change.

Description of Efficiency	Saving	Impact	Rationale
Creation of a Joint Trading Standards Service	This is a cumulative four year total before the addition of the 1.5% per annum.	The shared service enables the savings to be made without damaging impact on the front line service delivery. This assumes that income targets are achieved – currently on track.	Deliver a joint trading standards service with Buckinghamshire to improve service quality, savings and increased income generation.

	<p>There will be a total saving of £396,000 per annum - £231,000 savings and £165,000 extra income plus the new 1.5% efficiency saving.</p>		
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Cultural Services

Registration and Nationality Service

The Registration and Nationality Service is reviewing the levels of provision that are offered for appointments for birth registration, death registration, and notice of marriage at Register Offices.

The Service is proposing to reduce the number of birth registrations available in the diary at the Register Offices, enabling the reprioritisation of appointments for notice of marriage and death registration. This proposal is designed to assist the service to generate greater income through officering more notice of marriage appointments.

The key negative impact is on those with the protected characteristic of pregnancy and maternity. In the event that an appointment cannot be found within the 42 day limit at the nearest Register Office, then they would be required to travel further to register a birth resulting in greater inconvenience, expense, and travel time.

Library Service

The Library Service is required to make budget savings of £397,000 from 2017/18. There are three proposals to achieve this:

- Proposal one, the revision and reduction of evening opening hours across the branch network at Category A and B libraries, to save £121,000.
- Proposal two, reduce the resources fund by £246,000.
- Proposal three, reduce the staffing budget for the service development team by £30,000.

The reduction in evening opening hours may impact predominantly on those with limited opportunities to visit the library at alternative hours of the day. This is most likely to impact those of working age in full time employment and carers in towns where this change is made. Residents will no longer be able to visit libraries in the evening.

The reduction in evening opening hours will impact on staff at libraries affected. Staff will be employed for fewer hours and will no longer have the opportunity to work evenings. Staff may need to retrain and or have to travel further to find employment or retain alternative evening employment, incurring greater expense of time and money. This is likely to impact staff with the following protected characteristics. Older people, people with disabilities, those with infants or young children, carers with limited time or access to transport.

All users will be affected by a reduction in the book fund with a reduction in the range and availability of titles.

The service development team will experience reduced staffing levels. Staff who are older may find it difficult to retrain or obtain alternative employment. They may also have to travel further incurring greater expense of time and finance to find employment.

Surrey Heritage

The proposal is that from January 2018 the current position of Heritage Manager is removed from the Service. The proposals are designed so that there will be no impact on frontline service delivery and therefore the impact on service users is expected to be minimal.

The main impact of the new arrangements is likely to affect staff in the Heritage Service and the Cultural Services Leadership Team.

Surrey Arts

Currently music services for young people in challenging circumstances are provided by the charity Rhythmix. The proposed change is a move away the provision of a grant £24,000 for this charity and a move to a commissioning-for-work model.

Impacts are difficult to quantify but it seems likely that the quality of the service provided will remain the same or improve slightly. In the worst case scenario, service provision is commissioned but the quality of service delivery deteriorates from the current standard resulting in a less rewarding experience for the young people involved. The current service user profile indicates that 40% of those accessing the service are children and young people with disabilities. There are also a greater proportion of males. In the event of a deterioration of service the protected characteristic groups that this is most likely to have a negative impact upon would be age, disability and gender.

If the current service provider is unsuccessful and the service is provided by another organisation then the impact is more uncertain. Through tight quality controls in the commissioning process, the Council will ensure that the quality of service provision matches or improves upon that which is currently delivered.

7. Surrey Fire and Rescue

A savings target of £900,000 was allocated in relation to reconfiguring fire stations in the Spelthorne area following extensive public consultation and Cabinet decisions made in 2014. The original proposal intended to make the saving this year, following the opening of the new fire station, by closing both Staines and Sunbury fire stations and operating from the new station in Fordbridge. There have been delays in the build of the new station and the intention of the Council is to keep both existing fire stations open within the Spelthorne area until the new replacement station is open.

£300,000 savings have been allocated in relation to the Service's current contingency cover and specialist rescue arrangements. Work has commenced in relation to the options available for the provision of a contingency crewing solution that meets the legal requirements placed upon the fire authority and the need to ensure the provision is cost effective.

£400,000 savings have been identified through Blue light collaboration work in Fleet and Mobilising. Savings are intended through working collaboratively to meet the current and future transport and associated equipment needs for emergency services across Surrey and Sussex. A review of Mobilising is underway.

£100,000 savings have been identified through back office changes and restructure of the senior management team. Formal reviews in both these areas are due to start shortly with consideration given to ensuring that structures and provision are fit for purpose and whether collaboration with other emergency service might achieve these efficiencies.

The Service's comprehensive EIA process will identify and mitigate impacts on protected characteristic groups. This process will ensure there is no appreciable negative impact on the protected characteristic groups as a result of savings.

8. Other services

Included services: Strategy and Performance; Communications; Legal and Democratic Services and Strategic Leadership. Each of these services has submitted proposals for achieving the savings target for 2017/18.

Strategy and Performance will deliver its savings in 2017/18 with no expected impact to service provision through reductions to: the Healthwatch contract; staffing costs by re-prioritising vacancies and re-distributing tasks; and general running costs such as travel, IT and stationery.

The Communications Service will make £162,000 saving in 2017/18. The savings will be made by reductions to the publicity budget, staffing budget and Surrey Matters magazine.

In making savings, the service will prioritise activity that supports the priorities identified in the corporate strategy for example campaigns on areas such as domestic abuse, adoption and fostering and signposting adult social care. The service will also make greater use of social media where appropriate; this is cheaper than traditional media. When designing any new campaign, the team will consider the most appropriate channels and messages to reach the target audience and consider protected characteristic groups as part of that process.

Legal Services will continue with plans to make savings through the Orbis Public Law partnership with East Sussex, West Sussex and Brighton and Hove. Savings will be made through a combination of reductions in staffing and by increasing income. There will be no impact on service provision.

Democratic Services will make savings by encouraging Members and officers to reduce the use of paper and save on stationery. There will be no impact on service provision.

In addition, a saving will be made to the Strategic Leadership budget through deletion of a vacant post. This will have no effect on service provision.

Strategy and Performance	Saving	Impact	Rationale
Re-prioritising vacancies and re-distributing tasks	£213,000	No impacts	Deletion of vacant posts and removing from base budget.
Legal Services			
Marginal savings of 1.5%	£63,000	No impacts	Legal Services will make savings by managing vacancies as they arise and increasing income. There is no expected impact on service provision.
Utilising vacant posts	£48,000	No impacts	As above.
Increasing income	£70,000	No impacts	As above.
Management change – Orbis Public Law	To be agreed	No impacts	No change in 2017/18.

Other changes	To be agreed	No impacts	No change in 2017/18.
Democratic Services			
Modern Councillor	£66,000	No impacts	Establishing Member support that encourages self-sufficiency and the adoption of modern working practices. Enabling and encouraging self-service – adopting a paper-light approach for Members and officers to reduce paper and general stationery use; offering a standard equipment package to new Councillors.
Communications			
Additional savings	£60,000	No impacts	Savings from publicity, staffing and Surrey Matters magazine.
Marginal savings of 1.5%	£30,000	No impacts	
Restructuring and reducing external spend	£72,000	No impacts	
Strategic Leadership			
Staffing reduction	£110,000	No impacts	Deletion of vacant post – no impact on protected groups.
TOTAL	£732,000		

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Council Overview Board
27 March 2017

INVESTMENT STRATEGY REVIEW

1. The following report will be considered by Cabinet on 28 March 2017. The Council Overview Board has an opportunity to scrutinise the report and its recommendations prior to Cabinet consideration tomorrow.

Recommendation:

That the Board reviews the report and makes recommendations as necessary.

Report contact: Ross Pike, Scrutiny Manager

Contact details: 020 8541 7368, ross.pike@surreycc.gov.uk

Sources/background papers: None.

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SURREY COUNTY COUNCIL

CABINET

DATE: 28 MARCH 2017

REPORT OF: MS DENISE LE GAL, CABINET MEMBER FOR BUSINESS SERVICES AND RESIDENT EXPERIENCE

LEAD OFFICER: JOHN STEBBINGS, CHIEF PROPERTY OFFICER

SUBJECT: INVESTMENT STRATEGY REVIEW



SUMMARY OF ISSUE:

The Investment Strategy agreed by Cabinet in July 2013 was developed in response to the requirement for the Council to enhance its financial resilience in the longer term. In facilitation of this strategy, Cabinet approved the business case for the creation of a property company and associated subsidiaries in May 2014 in order to achieve a balanced property portfolio (across sectors and geographies) to generate an income for the Council. The property company, Halsey Garton Property Ltd, and its subsidiaries are referred to in this report as “the Halsey Garton Property Group” (HGP).

In order to reflect the increasing need to develop alternative and resilient revenue streams to support the Council’s services and with the objective of growing the income it is now realistic to reset the strategy and grow the portfolio to reach beyond the original annual income target of £5m and aim to deliver £10m by 2020/21. The Investment Advisory Board therefore recommends that the Council puts in place the necessary arrangements to deliver the target income. These arrangements include some revisions to the governance arrangements and an enhanced role for an external advisor to provide additional resources to both acquire and then provide ongoing asset management for the portfolio.

RECOMMENDATIONS:

It is recommended that:

1. Cabinet approves progressing the Investment Strategy, including arrangements to enable significant growth in the portfolio to reach an income target of £10m per annum by 2020/21;
2. Cabinet authorises a revision to the governance arrangements and recommends that the Leader delegates authority to the Investment Advisory Board to approve property investment acquisitions, property investment management expenditure, property investment disposals and the provision of finance to its wholly owned property company, Halsey Garton Property Ltd;
3. the name of the board will be amended to reflect this delegation and it will be known as the “Investment Board”; and
4. Surrey County Council procures a property investment advisor to provide the necessary skills and level of support required to expand the investment portfolio noting that any upfront expenditure will be drawn from the Revolving Investment & Infrastructure Fund and that the procurement will be undertaken

in two stages in line with the growth in the portfolio.

REASON FOR RECOMMENDATIONS:

The proposed arrangements will support the Council to continue to grow its portfolio and increase the level of income received from investments thereby enhancing its financial resilience over the longer term.

The provision of a substantial ongoing and resilient source of income to provide financial support to the Council's front line services is becoming increasingly important. Investments undertaken as a result of the strategy agreed in 2013 are successfully delivering a net income stream to the Council.

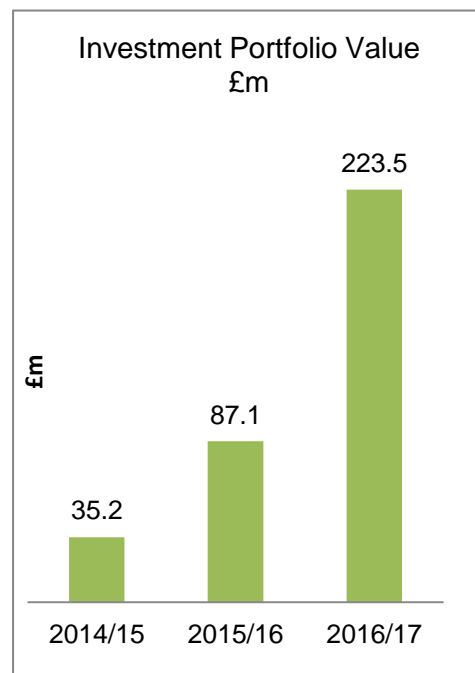
DETAILS:

Background

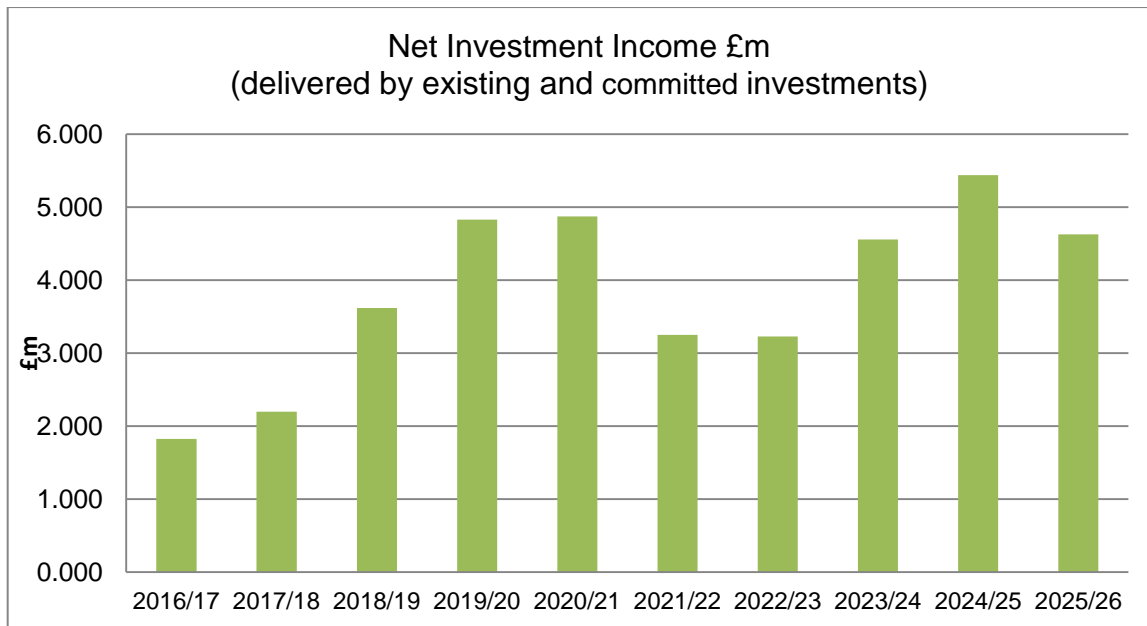
1. The Investment Strategy agreed by Cabinet in July 2013 was developed in response to the requirement for the Council to enhance its financial resilience in the longer term. The main principles of the Investment Strategy are as follows;
 - Creation of a diversified and balanced portfolio of investments to facilitate future service provision, manage risk and secure an ongoing annual overall return to the Council.
 - Use of the established Revolving Investment and Infrastructure Fund (the Investment Fund) to meet the initial revenue costs of funding initiatives that deliver savings and enhance income in the longer term.
 - The Investment Fund is to be used to support investments that generate additional income to support delivery of the Council's functions and services.
 - Investments that have the potential to support economic growth in the county of Surrey.
 - Retaining assets where appropriate and undertaking effective property and asset management, and if necessary associated investment, to enhance income generation.
2. The investment portfolio of the Council is therefore a combination of assets acquired or developed by the Council for future service needs, economic development and those acquired or developed by the property company. Cabinet approved the business case for the creation of the Property Company and associated subsidiaries in May 2014 in order to deliver the Investment Strategy and achieve a balanced property portfolio. The companies making up the Halsey Garton Property Group (HGP) were incorporated between June and July 2014.
3. The governance for the Investment Strategy is provided by the Investment Advisory Board (IAB), established following the Cabinet report in July 2013 and comprising members of the Cabinet and the Chief Executive, supported by officers. The IAB is responsible for providing appropriate evaluation of opportunities prior to Cabinet approval and for the strategic management of the

overall portfolio consistent with the aims of the Investment Strategy. The IAB monitors the portfolio to ensure that an appropriately balanced and diversified portfolio is created over time, across the combination of directly Council-owned assets and those owned by HGP. Officers, supported by independent specialist professional advisors, support the Investment Advisory Board. These specialist advisors periodically evaluate the recommended portfolio of property investment, taking into account market conditions and achievable returns.

4. In accordance with the conditions set by the Prudential Code, investment in assets of a commercial nature are required to demonstrate a return in excess of the opportunity cost of capital which is calculated with reference to the Council's interest payable on equivalent borrowing and the statutory minimum revenue provision (MRP) that sets aside funds for repayment of the borrowing.
5. The Council currently owns an investment portfolio of over £200m which is forecast to deliver a net revenue, after the deduction of funding and other costs including administration, of £1.8m in 2016/17¹. This income return includes a part year effect for investments made during the year. The forecast portfolio, taking into account agreed acquisitions, including Farnham Brightwells, and the development of the Crawley site, will deliver a net average income of £3.8m per annum by 2019/20. The Revolving Infrastructure & Investment Fund will continue to be required in order to smooth the impact of variations in the annual income due to potential lease expiries and to provide the ability to deliver further developments, including the full development of the Crawley site.



¹ Excludes acquisitions proposed to Cabinet in February 2017 which may not complete in 2016/17.



6. The current property portfolio has developed over a number of years with the rate of growth increasing more recently. The Council has created a good reputation in the market by demonstrating its ability to complete acquisitions to agreed timescales and therefore is increasingly being invited to consider various potential acquisitions, including some that are off-market. As transactions in the UK investment property market were over £50bn in 2015, for example, there is ample opportunity to deliver further growth.

Growing the Portfolio

7. In the context of the increasing financial challenges faced by the Council, the IAB have considered whether it is appropriate to significantly increase the scale and pace of investment in order to deliver more income in support of the Council's services. The Board consider that the Council can build upon the success to date and that it is now realistic to restate the original aims for the strategy and grow the portfolio to reach beyond its original target income of £5m.
8. The IAB are supportive of significant growth noting that expanding the portfolio further will contribute to the creation of a diversified portfolio which will mitigate against risk – however, noting also that growth will be dependent upon appropriate opportunities coming to market and property market conditions generally. Acquisitions will be progressed that contribute to the creation of an ongoing income stream in accordance with the strategy with the Council continuing to take a long-term view in regard to capital appreciation and depreciation. The IAB therefore recommends that the Cabinet puts in place the arrangements to deliver an ambition of a significant growth in the property portfolio, reaching up to an annual income target of £10m by 2020/21.
9. The assets required to deliver this scale of income will be determined by market conditions and the Council's risk appetite. The table below provides a simplistic illustration based upon current achievable returns in the market.

Net Annual Return (after funding & other costs)	Estimated portfolio size required		
	Low risk / low reward	Medium risk & reward	High risk & reward
£5m	£500m	£333m	£250m
£10m	£1,000m	£667m	£500m
£15m	£1,500m	£1,000m	£750m
£20m	£2,000m	£1,333m	£1,000m

10. The purpose of the Investment strategy is to deliver an annual income stream in support of the Council's services and in doing so the Council is not assuming any gain from the value of the underlying assets. Instead a long-term view is being taken since the value of the assets may decrease as well as increase over time.
11. Asset values for investment properties are determined by a number of factors including market conditions, the length of lease left to run and the covenant of the tenant/s. Values are also sensitive to tax changes such as the changes to stamp duty last March. Assets held by both the Council and HGP are revalued each year as part of the year-end statutory accounts process. Any unrealised gain or loss is shown in the Council's comprehensive income and expenditure statement however this has no impact on the general fund of the Council – that is, no adverse implications for the tax-payer since adjustments of this nature are excluded according to statute. Similarly, any revaluation gain or loss related to properties held by HGP is shown in the company's profit and loss statement as an unrealised gain or loss but has no impact on the profit that can be distributed to the Council as its shareholder. The Council can choose to sell assets only when it is appropriate to do so since the rental income covers the associated funding costs.

Resource Implications

12. The Investment Strategy is delivered and supported by key officers in Property, Finance and Legal Services. There are a number of aspects to the resources required, split broadly between:
 - sourcing, evaluating and completing acquisitions (including the financing arrangements); and
 - managing the portfolio on an ongoing basis, for example tenant & agency management, financial monitoring and forecasting as well as all aspects of running a separate company.
13. The key constraint to delivering further growth is the specialist resource available and therefore a number of options to provide the required capacity have been evaluated and in doing so it is recognised that the capacity is required for both the portfolio held directly by the Council and that held by HGP. It continues to be the case that the strategy is to manage the overall portfolio as one, to deliver diversity, future flexibility and enhanced returns.
14. The delivery models considered for providing the additional property capacity were to recruit further capacity in-house, delegate fully to an external provider

or to seek a strategic advisor to provide the specialist capacity required. These options were evaluated against the following criteria –

- Extent of control & strategic oversight
 - Access to consistent expert advice
 - Access to investment opportunities
 - Cost / value for money
 - Scalability
 - Risk management & access to market intelligence.
15. Each option is affordable since the resources will deliver net income to the Council and all the options are capable of ensuring that the Council continues to have access to expert advice and investment opportunities. The in-house option does not, however, provide scalability since it takes time to attract suitable investment property professionals to work for the Council as demonstrated by recent recruitment activity. The IAB wished to maintain control over investment decisions as well as strategic oversight and therefore the fully delegated model is not appropriate for the Council and tends to be the more expensive model.
16. The conclusion from the options analysis is that an advisor model delivers the advantages of the delegated model and the control / governance arrangements of the in-house model whilst being able to be flexible and deliver scalability to supplement and bolster the activities of the existing team. The advisor model ensures that there is continued access to expert advice and has the advantage of bringing strategic oversight and better access to market intelligence. The additional capacity will complement the Council's existing resources.
17. The IAB therefore recommends that the Council progresses the advisor model and that this will be undertaken in two stages in line with the growth in the portfolio– interim arrangements to support initial growth with an OJEU procurement exercise to find a long term advisor as the second stage. It is expected that the advisor will be remunerated in two ways which broadly follows the two aspects of the resource requirements explained above:
- Sourcing, evaluating and completing acquisitions: the advisor will provide property investment specialists to support acquisitions ensuring that each recommended purchase is in accordance with the Investment Strategy and contributes to the establishment of a diversified portfolio.
 - Managing the portfolio on an ongoing basis: the advisor will provide resources to assist in the day-to-day management of the property portfolio; for example tenant & agency management, tenant relationships, rent reviews, organising year-end valuations, analysing options for asset improvement and delivering any agreed programme of works.
18. Growing the portfolio also requires additional finance and legal resources. Key activities will continue to be delivered in house in order to provide reassurance to the Council that there are appropriate “checks and balances” in place and therefore further resources will be recruited. As with the external property advisor, these resources will be affordable since they deliver additional income. Where appropriate, specialist external suppliers and advisors will continue to be utilised – for example for some legal transactions and the provision of

specialist tax advice. The cost of resources required, whether internal or external, will continue to be recognised in the actual and forecast performance of the portfolio as it is now and where work is undertaken for the property company the cost must be charged at commercial rates.

Investment Advisory Board

19. A further possible constraint to the growth in the portfolio is the speed of decision-making. The Council has been successful in progressing and agreeing terms with vendors to grow the portfolio however there are occasions when the decision-making timetable has meant that opportunities have not been able to be progressed. In order to substantially grow the portfolio further, respond and compete with competitors in the commercial investment market; which typically includes institutional investors such as insurance and pension funds as well as high net worth individuals and, increasingly, other local authorities, it is appropriate to consider making some changes to the governance arrangements.
20. The Cabinet is therefore requested to consider asking the Leader to delegate authority to the IAB to approve property acquisitions, property investment management expenditure, property investment disposals and the provision of finance to the Council's wholly owned property company, HGP, provided that these decisions are within the scope of the agreed Investment Strategy. The Investment Advisory Board will continue to be supported by key officers, including the Section 151 Officer and Monitoring Officer with expert advice and support provided by the property investment advisor, once appointed.
21. The revised Terms of Reference are attached as Annex 1. In accordance with the proposed changes, the Investment Advisory Board will become known as the Investment Board. There will be no delegation of decision-making in relation to non-property investments, these decisions will continue to be made in accordance with existing governance arrangements – by Cabinet or Cabinet Member depending upon value.
22. Investment decisions will be made by the Board in accordance with the framework established by the agreed Investment Strategy. A scoring matrix will be used as a guide to this decision-making which will help to ensure that opportunities are measured and assessed in a common manner. The matrix is attached as Annex 2 to this report however this will undoubtedly evolve over time in line with the growth in the portfolio and changing market conditions. It is possible that opportunities will arise that do not score highly on the criteria but deliver a positive economic outcome and these will be progressed in accordance with the strategy to deliver schemes that support economic growth in the county. Similarly schemes that provide the ability to deliver future service needs whilst delivering an income to the Council will continue to form part of the portfolio.

Scrutiny

23. The Investment Board will provide an update of decisions made to Cabinet each month (as a part two item assuming that the proposed investments have not legally completed) and a summary investment position will continue to be reported as part of the monthly monitoring report considered by Cabinet. The Board will also produce a comprehensive property portfolio annual report detailing the acquisitions purchased, the portfolio of investments and the net

income position for Cabinet to consider and for the purposes of scrutiny. The Council Overview Board will be able to call the Investment Board to account for progress in relation to achieving the stated aims of the Investment Strategy.

CONSULTATION:

24. The IAB has reviewed and considered the proposals over a number of meetings and supports the recommendations in this report.

RISK MANAGEMENT AND IMPLICATIONS:

25. The Investment Strategy results in the Council is managing different financial risks. Investments will be subject to inherent economic and market risks which requires a balanced portfolio of investments to be built over time. The performance of the portfolio is monitored by the IAB. The Strategy notes a preference toward assets within Surrey that are of good quality, in good or growth locations, however, in order to create a diversified portfolio a mix of geographical locations is envisaged.
26. The risk of tenant failure may become a more important consideration in building a larger portfolio if the general economic conditions in the UK over the longer term are negatively impacted by Brexit or other factors. Investments will continue to be evaluated carefully and with due regard to risk and exposure to potential tenant voids and will be managed to avoid over-reliance upon single tenants or types of tenants in terms of their impact as a percentage of the total portfolio.
27. Development opportunities by their nature will have a higher risk profile but will also provide the opportunity for a greater rate of return. The Strategy gives priority to development opportunities within Surrey where the wider benefits to the county will be taken into consideration such as the provision of housing, new business premises or town centre regeneration.
28. The governance process put in place is designed to mitigate these risks. All investment expenditure will be based upon a robust business case, developed using appropriate specialist advisors and which takes into account due and proper consideration of the balance between risk and reward and an assessment of the underlying security of the investment to comply with the fiduciary duty the Council holds. The procurement of an advisor to provide capacity and to provide further strategic oversight will also ensure that the Council has access to consistent expert advice and better access to market intelligence and insight which will contribute to the appropriate management of risks.
29. A number of local authorities have recently agreed similar investment strategies with some significant large scale investments featuring in the industry and public sector press. All of these strategies, including SCC's, are to a large extent predicated on a local authority's ability to borrow affordably from the PWLB (Public Works Loan Board). There is a potential risk therefore of enhanced scrutiny from Government and this may be exacerbated by the proposed changes in governance for the PWLB that transfers its powers and responsibilities to the Treasury. There are, however, other sources of finance available to the Council if this were to be the case, for example, by participating in a bond issue with the Municipal Bonds Agency.

Financial and Value for Money Implications

30. The objective of the Investment Strategy is to invest in income generating assets to partially offset the impact of reductions in Government grant and to protect service provision. The Council may fund investments through the use of its reserves, capital receipts and prudential borrowing. The proposed long-term objective to continue the existing strategy at a greater scale and pace will continue to be subject to the same safeguards in that all borrowing will be undertaken in accordance with the Prudential Code that requires the borrowing to be affordable, sustainable and value for money.
31. All investments will continue to require a robust business case before proceeding and all investments are required to demonstrate a return in excess of the opportunity cost of capital and other associated costs of delivery. The cost of an investment advisor and further internal resources will therefore be recovered against the additional income that is delivered by the growing portfolio and, as such, is an affordable expenditure. It is expected that the advisor will be remunerated in two ways, a fee charged as a percentage of acquisitions and disposals and a percentage fee determined by the rent receivable to pay for day to day property asset management activities and strategic oversight of the portfolio. The detailed methodology and associated costs and value for money considerations will be tested as part of the Council's normal procurement processes.

Section 151 Officer Commentary

32. A significant increase in the size of the investment portfolio will deliver additional net income to the Council in support of its essential front-line services. The increased portfolio will not necessarily increase risk since there are greater opportunities for diversification, however the governance arrangements will continue to ensure that each investment is supported by a robust business case. In approving a business case, the Investment Board will satisfy itself that the investment is within the Council's legal powers, it has properly considered the advice from its specialist advisors (both internal and external) and that its structure provides the best value for money taking into account all financial considerations. Full due and proper consideration will be given to the balance between risk and reward and the underlying security of the investments proposed to ensure compliance with the fiduciary duty to ensure that the financial standing of the Council is protected.

Legal Implications – Monitoring Officer

33. The Council's overarching property investment strategy is underpinned by its powers to acquire properties for current or future service use, to dispose of properties surplus to service requirement and by the "general power of competence" introduced by the Localism Act 2011. Decisions as to whether acquisitions are made by SCC or by HGP are determined by the purpose for which they are acquired. When property investments are intended for service delivery they are acquired by SCC, as has always been the case. If they are acquired for a commercial purpose they are purchased by HGP which is a company within the meaning of s.1(1) Companies Act 2006.
34. In deciding whether to adopt the revised strategy, Cabinet should take into account its fiduciary duty to Surrey taxpayers and satisfy itself that the

Strategy's objectives are deliverable, that the required investment is affordable and that it is a prudent and reasonable use of the Council's financial and other resources.

Equalities and Diversity

35. There are no equalities and diversity implications arising from the Council undertaking the proposed investments.

WHAT HAPPENS NEXT:

36. Following Cabinet approval, officers will progress the associated procurement required to secure a specialist property investment advisor and progress the recruitment of other resources as required.

Contact Officer:

Susan Smyth, Strategic Finance Manager, Tel 020 8541 7588

Peter Hall, Asset Investment & Disposal Manager. Tel: 020 8541 7670.

Consulted:

Investment Advisory Board

Annexes:

Annex 1: Investment Board Terms of Reference

Annex 2: Investment Decision Guide

Sources/background papers:

Cabinet Report July 2013 – Investment Strategy

Cabinet Report May 2014 – Establishment of a Property Company

SURREY COUNTY COUNCIL

INVESTMENT BOARD



TERMS OF REFERENCE

Overview

The Investment Board will oversee the development and management of the portfolio of investments created in accordance with the Investment Strategy of the council. The board has delegated authority from the Leader to;

- approve property investment acquisitions
- approve property investment development and management expenditure
- approve the provision of finance to the council's wholly owned property company, Halsey Garton Property Ltd, for the purposes of the Investment Strategy
- approve property investment disposals (including those held by Halsey Garton Property Ltd)

The board will recommend non-property investments to Cabinet for approval.

Membership

- Leader of the Council (Chairman)
- Deputy Leader of the Council
- Cabinet Member for Business Services & Resident Experience
- Associate Cabinet Member for Assets and Regeneration
- Cabinet Member for Adult Social Care
- Chief Executive

The Investment Advisory Board will be supported and advised by the following officers of the council;

- Director of Finance
- Director of Legal, Democratic & Cultural Services
- Chief Property Officer
- Secretary to the Board

The Investment Advisory Board will additionally be supported as required by appropriate professional external advisors which will be commissioned by the Investment Board when deemed necessary in relation to specific investment or types of investments.

Purpose

1. The Investment Board will consider all proposals that contribute to the delivery of the investment strategy and meet the investment criteria. Officers will provide advice on each proposal for consideration. This advice will include how each investment proposal could be taken forward, including a consideration of the risks, structuring and financing required.
2. Each investment considered by the Investment Board will be supported by a business case. In approving a business case, the Board will satisfy itself that the investment is within the council's legal powers, it has properly considered the advice provided and its structure provides value for money taking into account all financial considerations, including taxation. Full due and proper consideration will be given to the balance achieved between risk and reward and the underlying security of the investment proposed to ensure compliance with the fiduciary duty of the council.
3. The Investment Board will be responsible for approving all property investment acquisitions and for approving the provision of finance to the council's wholly owned property company, Halsey Garton Property Ltd, for the purposes of the Investment Strategy.
4. The Board will be responsible for approving all property development expenditure where this results in an asset that will be managed as part of the investment portfolio and will be responsible for approving property management expenditure for the portfolio including projects that deliver additional value to an existing asset. The Board will be responsible for the approval of the provision of finance to Halsey Garton Property Ltd for the same purpose
5. Appropriate non-property investments will be recommended to Cabinet for approval.
6. The Investment Board will be responsible for approving the strategic management of the overall portfolio of investments, ensuring that an appropriately balanced portfolio is maintained over an agreed period and that all risks, including those that are emerging are given due consideration.
7. Unless approval of Full Council is required by law the Board will be responsible for approving the disposal of property investment assets including those held by Halsey Garton Property Ltd.
8. The Investment Board will consider and recommend the use of the Revolving Investment and Infrastructure Fund (the Investment Fund) to meet the initial revenue costs of appropriate initiatives that deliver income in the longer term. The Board will receive reports twice a year regarding the status of the Investment Fund for consideration.

9. The Investment Board will approve the use of the Revolving Investment and Infrastructure Fund to procure external advice, for example property investment advisors, legal and financial specialists, including taxation advice.

Scrutiny

10. The Investment Board will provide a report on the investment portfolio and its performance to Cabinet annually and provide summary information to each Cabinet meeting as part of the update of decisions taken and the financial monitoring report.
11. The Council Overview Board will be able to call the Investment Board to account for progress in relation to achieving the stated aims of the Investment Strategy.

Scope

12. The Investment Board will consider all significant investment activity including, but not limited to, the acquisition of property, share capital and provision of financial assistance, for example loan financing.
13. The Investment Board will consider investment in council owned trading companies (LATC) where the proposal includes significant financial investment in excess of £1.0m. Once established, trading companies will be overseen by the Shareholder Board.

Evaluation Criteria

14. The Investment Board will apply the criteria described in the Investment Strategy approved by Cabinet in July 2013 in evaluating proposed investments. These are;
 - a) The acquisition or investment is within the powers of the Council and can be undertaken with appropriate regard to tests of reasonableness, fiduciary duty and value for money.

If this is the case, then the following criteria will be evaluated;
 - b) The amount of investment required is greater than the threshold for investment which has been set for the Investment Strategy (initially more than £10m except for trading opportunities where this threshold will not apply). In establishing the portfolio it may be the case that smaller sized investments will be considered.
 - c) The period over which a return will be made, ensuring that this is achieving a balance between the short, medium and longer term.

d) Whether the investment aids the achievement of a balanced portfolio in the longer term.

e) That the rate of return is consistent with the level of risk involved (within tolerances) as defined by the Investment Strategy.

Meetings

15. The Investment Board will have scheduled meetings on a monthly basis with further meetings arranged if necessary in order to respond promptly to opportunities. Meetings will be cancelled if there are no agenda items to be discussed.
16. The quorum for the Board is a minimum of 3 members, with one being the Leader or Deputy Leader.
17. The Chairman approves the agenda for each meeting. The agenda and papers for consideration are circulated at least two working days before the meeting. After each meeting, the Chairman approves the meeting notes and actions agreed. Susan Smyth, Strategic Finance Manager, will act as secretary to the Board.
18. The Investment Board will review the Terms of Reference annually.

Annex 2: Investment Guide

Investment decisions will be made by the Investment Board in accordance with the framework established by the agreed Investment Strategy. The scoring matrix below will be used as a guide to this decision-making which will help to ensure that opportunities are measured and assessed in a common manner. This guide will undoubtedly evolve over time in line with the growth in the portfolio and changing market conditions. It is possible that opportunities will arise that do not score highly on the criteria but deliver a positive economic outcome and these will be progressed in accordance with the strategy to deliver schemes that support economic growth in the county. Similarly schemes that provide the ability to deliver future service needs whilst delivering an income to the council will continue to form part of the portfolio.

example considerations

Criteria	Description	Maximum Weighted Score	<i>example considerations</i>				
			Excellent	Good	Acceptable	Marginal	Poor
			5	4	3	2	1
Portfolio Strategy Context	The extent to which the property meets the strategy and contributes to the achievement of a diversified portfolio	15	Under-represented sector				Sector already heavily represented
Location: Macro	Quality of the location (town, city, area) with regard to the property use	15	Major Prime	Prime	Major Secondary	Micro Secondary	Tertiary
Location: Micro	Quality of the individual situation of the property within the macro location, with regard to the property use	15	Excellent transport / footfall				Location with limited benefit
Tenant Covenant	Ability of the tenant/s to pay the rent for the duration of the lease. Credit rating of the tenant	15	Excellent financial covenant	Strong financial covenant	Good financial covenant	Poor but improving covenant	Poor financial covenant

example considerations

Criteria	Description	Maximum Weighted Score	<i>example considerations</i>				
			Excellent	Good	Acceptable	Marginal	Poor
			5	4	3	2	1
Building Quality	Quality of the building compared to the Industry standard Grade A for the property type	15	New, modern or recently refurbished	Good quality-no spend required for 20 years+	Good quality but spend required in 10 years	Spend required in 5 years	Tired / Significant spend CapEx likely
Lease Term	Length of the secured income.	15	Greater than 15 years	Between 10 and 15 years	Between 6 and 10 years	Between 2 and 5 years	Under 2 years / vacant
Lease Structure	Tenant repairing obligations, rent review mechanisms	15	Full repairing and insuring	Full repairing and insuring-partially recoverable	Internal repairing	Internal repairing-partially recoverable	Landlord responsible
Rental Growth Prospects	Opportunity / Likelihood to increase passing rent	15	Fixed uplifts at frequent intervals				Significantly over-rented (tenant paying above the market)
Occupational Demand	Anticipated level of demand from alternative occupiers if the tenant/s were to vacate	15	In demand from many tenants		Reasonable prospect of securing new tenants		Niche with limited demand

example considerations

Criteria	Description	Maximum Weighted Score	<i>example considerations</i>				
			Excellent	Good	Acceptable	Marginal	Poor
			5	4	3	2	1
Management Intensity	Complexity and cost of managing the property	10	Single Tenant				Multiple Tenants
Liquidity	The degree to which the property can be quickly sold in the market without affecting the price	10	Lot size & sector attractive to investors				Attractive to niche purchasers only
Alternative Use / Underlying Value	The value of the land and the opportunity to explore a change of use should this be required	10	Favourable location / planning				No opportunity to change use
Tenure	Freehold / Long Leasehold. Consideration of any ground rent obligations	10	Freehold	Long Leasehold 125 years + / peppercorn ground rent	Lease between 100 and 125 years / peppercorn ground rent	Lease between 50 and 100 years	Less than 50 years and/or high ground rent (10%+)
Asset Management Opportunities	Opportunities to add value to the property	5	Significant opportunity to add value				No opportunity

example considerations

Criteria	Description	Maximum Weighted Score	<i>example considerations</i>				
			Excellent	Good	Acceptable	Marginal	Poor
			5	4	3	2	1
Financial Return (risk v reward)	The forecast financial return considering the risk profile of the property and in accordance with the sector.	20	Return higher than expected for sector / the risk profile				Return lower than expected for sector / risk profile
Weighted Score		200	A property will be expected to score at least 140 out of 200 (70%) on the above matrix unless there are other economic / wider benefits to be delivered within the county.				