

Cabinet

**Date & time**

Tuesday, 17 July
2018 at 2.00 pm

Place

Ashcombe Suite,
County Hall, Kingston
upon Thames, Surrey
KT1 2DN

Contact

Vicky Hibbert or Angela
Guest
Room 122, County Hall
Tel 020 8541 9229 or 020
8541 9075

Chief Executive

Joanna Killian



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

Deputy Cabinet Members: Miss Alison Griffiths, Mr Jeff Harris, Mr Cameron McIntosh and Ms Charlotte Morley

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1 APOLOGIES FOR ABSENCE

2 MINUTES OF PREVIOUS MEETING:

The minutes will be available in the meeting room half an hour before the start of the meeting.

3 DECLARATIONS OF INTEREST

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter

- (i) Any disclosable pecuniary interests and / or
- (ii) Other interests arising under the Code of Conduct in respect of any item(s) of business being considered at this meeting

NOTES:

- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest
- As well as an interest of the Member, this includes any interest, of which the Member is aware, that relates to the Member's spouse or civil partner (or any person with whom the Member is living as a spouse or civil partner)
- Members with a significant personal interest may participate in the discussion and vote on that matter unless that interest could be reasonably regarded as prejudicial.

4 PROCEDURAL MATTERS

a Members' Questions

- (i) The deadline for Member's questions is 12pm four working days before the meeting (11 July 2018).

b Public Questions

The deadline for public questions is seven days before the meeting (10 July 2018).

c Petitions

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

d Representations received on reports to be considered in private

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

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

None received at time of agenda being published.

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

(Pages 1 - 10)

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

CORPORATE PRIORITIES: 1. WELLBEING

7 SURREY SAFEGUARDING ADULTS BOARD ANNUAL REPORT 2017/18

(Pages 11 - 52)

Safeguarding Adults Boards have a statutory duty to publish an annual report. To support the transparency of the work of the Board, the Annual Report (Annex 1) is presented to Cabinet. The recommendations of this report support the Council's Strategic priority of Wellbeing.

[The decisions on this item can be called in by the Adults and Lifelong Learning Select Committee]

8 REGIONAL FRAMEWORK FOR CHILDREN'S RESIDENTIAL PROVISION (2018 - 2024)

(Pages 53 - 74)

As Corporate Parents, Surrey County Council has a responsibility to ensure that we have sufficient placements available to meet the needs of our looked after children. Where the needs of a child cannot be met through in-house accommodation (foster care or residential children's homes managed by SCC), we purchase/utilise services delivered by external providers.

In order to effectively manage the market, achieve good outcomes for children and be compliant with Public Contract Regulations, Surrey has been an active member of a regional framework which is due to expire on 30 September 2018. In 2017 and early 2018 a total of 18 local authorities, including Surrey and our Orbis partners East Sussex and Brighton & Hove, came together to develop and tender for a revised framework. This framework is due to commence 1 September 2018. The initial contract term is three years, with the option to extend for a further three years (or part thereof). The framework does not commit the council to any given level of expenditure, although there is a contribution to shared management of the framework.

NB There is a Part 2 annex at item 18.

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

9 PROVISION OF SOFT FACILITIES MANAGEMENT SERVICES FOR ORBIS PROPERTY (Pages 75 - 84)

The Council has a number of contracts (13) expiring between October 2018 and March 2019 all related to the provision of Soft Facilities Management services. These contracts are required to allow the Council to safely and compliantly operate its property assets, such as corporate offices, libraries, adult and children's social care facilities and Surrey Fire & Rescue properties.

This report sets out the options that have been considered after analysis of current arrangements and market intelligence, sets out the current procurement procedure underway to support the strategy and seeks approval through delegation to the Executive Director and Leader of the Council to award contracts for these services once the procurement and evaluation process is complete and allow for a smooth transition of services to new providers.

[The decisions on this item can be called in by the Corporate Overview Select Committee]

10 SURREY HEARTLANDS SUSTAINABILITY AND TRANSFORMATION PARTNERSHIP (Pages 85 - 94)

Surrey County Council is playing an important role in the three Sustainability and Transformation Partnerships across Surrey. On 31 October 2017 the Cabinet considered a report regarding the Sustainability and Transformation Partnerships in Surrey with a focus on the work that had begun to implement the devolution agreement for Surrey Heartlands.

This report provides a further update on the progress that has been made in implementing the Surrey Heartlands devolution agreement and asks the Cabinet to endorse the next steps, including the pooling of budgets with NHS partners in an agreement under s75 of the National Health Service Act 2006 (s75 agreement) as part of a more joined up and integrated health and social care system.

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

CORPORATE PRIORITIES: 2. ECONOMIC PROSPERITY

11 ANNUAL REPORT OF THE SHAREHOLDER BOARD (Pages 95 - 132)

As part of its strategy to innovate in developing new models of delivery and to benefit from the freedoms introduced by the Localism Act, Surrey County Council has made investments and created trading companies to deliver income and efficiencies and in doing so has established a Shareholder Board, which reports annually to the Council. The purpose of the Board is to safeguard the council's interest as shareholder and to take decisions in matters that require the approval of the Council as owner of a company.

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

- 12 MONTHLY BUDGET MONITORING REPORT** (Pages 133 - 138)

This report presents the council's financial position for 2018/19 at the end of June 2018. The context for the report is the Annual County Council report on Developing a Vision for Surrey in 2030.

Annex 1 to this report highlights indications of material or significant variances to the Medium Term Financial Plan (MTFP) assumptions, including financial year end projections for the capital and revenue budgets as well as emerging issues, risks, areas of concern and proposed actions to resolve them. Annex 2 shows the progress of the MTFP savings projects for 2018/19. Annex 3 summarises proposals for in year savings.

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

[The decisions on this item can be called in by the Corporate Overview Select Committee]

CORPORATE PRIORITIES: 3. RESIDENT EXPERIENCE

- 13 CROSS PARTY REVIEW OF LOCAL AND JOINT COMMITTEES** (Pages 139 - 184)

Cabinet is invited to consider and respond to the conclusions and recommendations contained within the report of the Cross-Party Review of Local and Joint Committees.

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

- 14 ECONOMIC GROWTH THROUGH INVESTMENT IN INFRASTRUCTURE: EM3 AREA - PROJECT A) WOKING SUSTAINABLE TRANSPORT PACKAGE PHASE 1, PROJECT B) A30 LONDON ROAD, CAMBERLEY, PROJECT C) BLACKWATER VALLEY (GOLD GRID) QUALITY BUS CORRIDOR IMPROVEMENTS** (Pages 185 - 196)

A key strategic goal in Surrey County Council's (SCC) Corporate Strategy is the commitment to promoting Economic Prosperity to ensure Surrey's economy remains strong and sustainable, whilst delivering on Wellbeing and Resident Experience. Securing funding to support an infrastructure investment programme is a key part of this goal.

As part of this investment programme SCC has been working in partnership with Woking Borough Council (WBC) to support the development and delivery of the Woking Sustainable Transport Package (Phase 1), Surrey Heath Borough Council (SHBC) to support the development and delivery of the A30 London Road / Camberley Town Centre Highway Improvements and Hampshire County Council and bus operator Stagecoach in developing the business case for the Blackwater Valley (Gold Grid) Quality Bus Corridor Improvements.

Surrey County Council are preparing and leading on these three business cases for submission to the Enterprise M3 Local Enterprise Partnership (EM3 LEP) during August 2018, in respect of the following projects:

- A. Working Sustainable Transport Package Phase 1
- B. A30 London Road / Camberley Town Centre: Highway Improvements
- C. Blackwater Valley (Gold Grid) Quality Bus Corridor Improvements

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

15 ANNUAL GOVERNANCE STATEMENT 2017/18 (Pages 197 - 210)

The Annual Governance Statement provides a comprehensive assessment of the council's governance arrangements. Once signed by the Leader of the Council and the Chief Executive, the Annual Governance Statement is incorporated in the Statement of Accounts.

[The decisions on this item can be called in by the Corporate Overview Select Committee]

16 EXCLUSION OF THE PUBLIC

That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information under the relevant paragraphs of Part 1 of Schedule 12A of the Act.

PART TWO - IN PRIVATE

17 FULL COST CHARGE FOR OLDER PEOPLE SERVICES (Pages 211 - 216)

This is a stand-alone Part 2 report.

Exempt: Not for publication under Paragraph 3

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

[The decisions on this item can be called in by the Adults and Lifelong Learning Select Committee]

18 REGIONAL FRAMEWORK FOR CHILDREN'S RESIDENTIAL PROVISION (2018 - 2024) (Pages 217 - 222)

This is the Part 2 annex relating to item 8.

Exempt: Not for publication under Paragraph 3

Information relating to the financial or business affairs of any particular

person (including the authority holding that information)

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

19 PUBLICITY FOR PART 2 ITEMS

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

Joanna Killian
Chief Executive
Monday, 9 July 2018

QUESTIONS, PETITIONS AND PROCEDURAL MATTERS

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

Please note:

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

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

Thank you for your co-operation

SURREY COUNTY COUNCIL**CABINET****DATE: 26 JUNE 2018****REPORT OF: N/A****LEAD OFFICER: JOANNA KILLIAN, CHIEF EXECUTIVE****SUBJECT: LEADER/DEPUTY LEADER/CABINET MEMBER DECISIONS/
INVESTMENT BOARD DECISIONS TAKEN SINCE THE LAST
CABINET MEETING****SUMMARY OF ISSUE:**

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

RECOMMENDATIONS:

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

REASON FOR RECOMMENDATIONS:

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

DETAILS:

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

Contact Officer:

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

Annexes:

Annex 1 – List of Cabinet Member Decisions

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

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**CABINET MEMBER DECISIONS
JULY 2018****CABINET MEMBER FOR CHILDREN****(i) Petitions****Details of decision:**

That the response, attached as Appendix 1, be approved

Reasons for decision:

To respond to the petition.

(Decision taken by the Cabinet Member for Children – 3 July 2018)

CABINET MEMBER FOR ALL-AGE LEARNING**(i) PRIMARY AND SECONDARY FAIR ACCESS PROTOCOLS 2018/19****Details of decision:**

The Cabinet Member agreed the proposed Primary and Secondary Fair Access Protocols for 2018/19.

Reasons for decision:

1. The local authority is required to have a Protocol in place that all schools must participate in.
2. The proposed Protocols meet the requirements of the 2014 Department for Education School Admissions Code.
3. Schools have been involved in the review.
4. The Protocol will ensure that children who are out of school can be placed in school quickly.
5. The Protocol will ensure that no school is expected to admit more than their fair share of children with challenging behaviour or children previously excluded from other schools.

(Decision taken by the Cabinet Member for All-Age Learning – 3 July 2018)

LEADER OF THE COUNCIL**(i) Public Questions****Details of decision:**

There were six questions received from members of the public. As these all related to the Proposed Closure of Ripley CofE School, the Leader took the questions as part of the item. The questions and responses are attached to this report at Appendix 2.

Reasons for decision:

To respond to the public questions

(ii) Proposal to close Ripley CofE Primary School**Details of decision:**

The Leader of the Council did not take this decision as a new option was proposed at the meeting that had not been covered in the report.

A new meeting has been scheduled Tuesday 17 July 2018, in order to explore the viability of the proposal of a collaboration with Shere CofE Infant School.

Reasons for decision:

A proposal for Ripley CofE Primary School to collaborate with Shere CofE Infant School was suggested during the meeting. This option was not covered in the report and therefore, in order to explore the viability of the proposal in line with the criteria as set out in paragraph 7 of the report, the Leader proposed a new meeting be scheduled.

(Decision taken by the Leader of the Council – 9 July 2018)

Cabinet Member for Children Decisions

3 July 2018

RESPONSE TO PETITION REGARDING CHILDREN'S CENTRES:

'From pregnancy to primary schools, Sure Start Children's Centres support children and their parents and carers. They offer services for all, but especially for families at times when life is a struggle. Surrey County Council proposes to cut £2.2m from these vital support services when families need them most. They are safe, welcoming, supportive environments for parents with young children who need help. These centres are essential to making sure everyone gets a fair start in life. They are efficiently run, providing centralised resources in local communities, and making effective use of shared locations (such as school premises), shared time (such as allowing other groups to use the centres) and trained volunteers (such as Peer Supporters at the breast-feeding support service). More cuts be matched by efficiency savings; the only outcome will be that vital support to families will have to be discontinued, increasing demand on the already struggling NHS'.

Submitted by: Katy King
Signatures: 1874

Response:

This petition describes the valuable work of Children's Centres and how they enhance the lives of families within local communities. This is not in doubt and their value is well recognised and appreciated, however, the council believes that the available resources could be used more effectively through developing a borough/district wide response which is less reliant upon existing buildings and focuses on the availability of services within a local area. The aim of the Children's Centre change programme is to retain the core offer that focuses on readiness for learning and narrowing the gap for the most disadvantaged, including the Healthy Child Programme. At present the change programme is in the first stage of current provider engagement, which it is planned to follow in September 2018 by a public consultation and a Cabinet decision in January 2019. Changes are not planned to be implemented before September 2019. As part of its medium-term financial plan, Surrey County Council has had to implement a 20% reduction in its spending on Sure Start Children's Centres.

There are some underpinning principles within the change programme that aim to prevent loss of local provision for children and families in the areas of greatest needs while mitigating the potential loss of buildings in other localities through effective outreach. These principles include:

- The new model will contribute to a more flexible, coordinated and holistic local 0 – 19 (25) early help and universal offer for families
- Strong partnerships with schools and private, voluntary and independent organisations managing children's centres, health and other partners will be maintained wherever possible
- The expertise and skills of existing staff is retained whenever possible
- Existing strengths and relationships will be built upon within local communities
- Opportunities will be provided throughout the process for local creativity and innovation in creating a sustainable model

- Surrey County Council's available resource will be allocated in response to local levels of need to tackle inequalities and disadvantage

Whilst these changes may prove challenging, the well-being and resilience of Surrey families lies at the heart of the new proposals. Through re-shaping our children's centre contracts we believe we can better meet the needs of children and families.

Clare Curran
Cabinet Member for Children
3 July 2018

1. Does SCC think a school where: progress in reading is average and writing and maths below average; where progress for disadvantaged children and middle attainers is well below average; where high achievers in writing and girls maths is well below average and girls reading is below average; where children are in large classes (some over PAN) is really going to provide better educational standards for Ripley children than a reduced PAN and working with another local school?

Schools in the surrounding areas have been graded as Good or Outstanding by Ofsted. Therefore, it would be anticipated that children will achieve better educational outcomes in other schools.

2. Despite claims over the last few years of financial unviability, the school has run a surplus. What account has the council taken in recognising that Ripley raises around £90k per year which is independent of numbers of children in the school?

It is for the Governing Body to determine how it manages the finances of the school taking into account any additional income, not the Council. The LA undertakes a monitoring role with regard to school finances.

3. GBC plans show total housing in Lovelace and Send Wards is estimated to increase by one third over the next 5 years, yet forecast demand for school places in the area shows little or no increase. How do you explain this?

The housing data is provided to the Council by Guildford Borough Council. The impact on school places takes into consideration the average number of families that move into new developments with children, that the number of children moving into the area will be of varying ages and thus spread across school year groups, and also that some of those families may already reside in the area and will already hold school places. The projections are the outcome of not only housing data, but also demographic data which does vary from year to year – an increase from housing can be balanced out by a dip in demographic demand.

4. The table in paragraph 67 shows 82 vacancies for 2018/19 Reception across 17 classes. Yet table 63 shows that in the Reception class (2017/18) there is only 1 spare place across 13 schools. A glance at these figures should flag something wrong with projected figures in the area. Published offered numbers for Reception 2018 for these schools show a very different picture - with most classes offering their maximum PAN. Please provide us with the most up to date breakdown of confirmed admission numbers in each school for Reception 2018.

Byfleet and West Byfleet (11 FE)

**Byfleet (1FE)
Pyrford (2FE)
St. Mary's (2FE)
West Byfleet (3FE)**

Additional 3 classes (please detail which schools you have included here and the number in Reception 2018 for each school)

This does not include The Marist 2FE. We have required bulge classes within this planning area. The Council has been planning to provide further additional places within this planning area. Current pupil numbers and applications have not supported this action, this has also been evidenced by the forecasts within the report. Currently whilst we have the capability to provide additional places within this planning area we are not bringing proposals forward.

South Woking (6FE)

Barnsbury (2FE)

Kingfield (1FE)

Westfield (2FE)

Additional 1 class (please detail which school you have included here and the number in Reception 2018 for this school)

Westfield Primary School has provided 3 years of bulge provision from 2014-16 with the further ability to provide permanent places. Current forecasts and pupil preference numbers as indicated in the report have not supported this continued action. The capability to provide these additional places is retained however we are not currently proposing this action.

5. Can SCC Officers, put their hand on their heart and say that none of the "local schools" outlined in the report will see expansion in the next five years? Can SCC state here and now that there will be no expansion of any of the schools listed in the report? If not, please explain.

As stated in the report, the Council has the statutory duty to ensure a sufficiency of school places. If there is a significant increase in demand for school places over the places available, in line with the Council's statutory duties, we would take action to provide additional places. The Council accepts that sometimes numbers of places have to be reduced, and then may need to increase in the future in line with demographic demand.

6. The SCC report states that there is a covenant on the school site, restricting future use of the land. It is our understanding that this covenant does not actually exist on the current site. Please provide evidence of this covenant.

The 1847 grant document states 'To hold the same unto and to the use of the said Vicar and Churchwardens and their successors for the purposes of the said Act and upon trust to permit the said premises and all buildings thereon erected to be forever hereafter appropriated and used as and for a School for the education of children and adults or children only for the labouring manufacturing and other poorer classes in the Parish of Send and Ripley aforesaid and for the residence of the Schoolmaster and Schoolmistress of the said School and for no other purpose which said School shall always be in union with and conducted upon the principles and in furtherance of ends and designs of the Incorporated National Society for promoting the Education of the poor in the principles of the Established Church and shall be at all times open to the inspection of the Inspector or Inspectors for the time being appointed'

The 1972 transfer of the land states 'TO HOLD the same except and reserved as foresaid unto the Trustees upon trust for the purposes of the School and in particular upon the Trust

declared by the Trust Deed and the said Scheme as if the same were here repeated and set out'.

Mr David Hodge CBE
Leader of the Council
9 July 2018

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SURREY COUNTY COUNCIL**CABINET****DATE: 17JULY 2018****REPORT OF: MR MEL FEW, CABINET MEMBER FOR ADULTS****LEAD OFFICER: HELEN ATKINSON, STRATEGIC DIRECTOR ADULT SOCIAL CARE AND PUBLIC HEALTH****SUBJECT: SURREY SAFEGUARDING ADULTS BOARD ANNUAL REPORT 2017 - 2018****SUMMARY OF ISSUE:**

The Surrey Safeguarding Adults Board (SSAB) is a statutory Board with responsibilities set out in the Care Act 2014.

The Board is chaired by an independent chair, Simon Turpitt.

Safeguarding Adults Boards have a statutory duty to publish an annual report.

To support the transparency of the work of the Board, the Annual Report (Annex 1) is presented to Cabinet.

The recommendations of this report support the Council's Strategic priority of Wellbeing.

RECOMMENDATIONS:

It is recommended that Cabinet:

1. Considers and notes the attached Surrey Safeguarding Adults Board Annual Report prior to it being published.
2. Agrees the next steps for the publication of the Annual report.

REASON FOR RECOMMENDATIONS:

These recommendations demonstrate that the Council is well placed to fulfil its obligations under the Care Act to have an established Safeguarding Adults Board in its area.

It will support the SSAB to be transparent by providing information to the public on the performance of the Board in the delivery of its strategic plan.

DETAILS:

1. Surrey has had a Safeguarding Adults Board in place for over a decade. The Board has been statutory since the implementation of the Care Act in April 2015. It has had an independent chair whose primary duty is to ensure that the main statutory agencies work together to improve practice which protects and promotes the safety of adults at risk of abuse and neglect in Surrey.
2. Surrey Safeguarding Adults Board has presented its Annual Report to Cabinet for the last eight years. It is a statutory requirement under the Care Act for the Annual Report to be sent to the Chief Executive and Leader of the local authority, the Police and Crime Commissioner, the Chief Constable, Healthwatch; and the Chairman of the Health and Wellbeing Board.
3. The Board would like to support elected Members as community leaders to have a good understanding of the range of abuse and neglect issues that can affect adults and of the importance of balancing safeguarding with empowerment, as required by the Care Act (Section 14.193 of the statutory guidance). It is anticipated the Annual Report will increase that understanding.

Care Act 2014

4. The Care Act states each local authority must establish a Safeguarding Adults Board (a 'SAB') for its area. The objective of a SAB is to help and protect adults in its area in cases of the kind described in section 42(1) of the legislation (this is set out in paragraph 14 below). The way in which a SAB must seek to achieve its objective is by co-ordinating and ensuring the effectiveness of what each of its members does. A SAB may do anything which appears to it to be necessary or desirable for the purpose of achieving its objective.
5. Section 42(1) of the Care Act describes the adults that must be protected by safeguarding as: an adult in the Local Authority area (whether or not ordinarily resident there who has needs for care and support (whether or not the authority is meeting any of those needs) and is experiencing, or is at risk of, abuse or neglect, and as a result of those needs is unable to protect himself or herself against the abuse or neglect or the risk of it.

CONSULTATION:

6. The Annual Report is a description of the Board's activities and challenges faced during the year. It will be shared with all partner members of the Board and made available to the public. It is not appropriate to consult on the content.

RISK MANAGEMENT AND IMPLICATIONS:

7. There are no implications within this report.

Financial and Value for Money Implications

8. The cost of running the Board is budgeted to be £290,000 per year. This includes costs for the Independent Chair, support staff, Safeguarding Adults Reviews (previously called Serious Case Reviews), training, conferences etc.

9. A pooled budget with financial contributions from Police, health services, District and Borough Councils has now been put in place. Prior to this, Adult Social Care paid all the costs. This new arrangement ensures partner agencies have greater responsibility for the functioning of the Board. This is similar to the way the Surrey Safeguarding Children's Board is financed. Surrey County Council contributes £117,450 (40.5%) towards the Board's overall running costs. This contribution is funded out of the Care Act revenue element of Surrey's Better Care Fund.

Section 151 Officer Commentary

10. No significant financial issues arise from this report.

Legal Implications – Monitoring Officer

11. The production and publication of the Annual Report is a statutory duty under the Care Act.

Equalities and Diversity

12. The publication of the report will have a positive impact on residents with different protected characteristics by making the activities of the Board more transparent. This is particularly important as safeguarding affects many people with protected characteristics.
13. An Equality Impact Assessment (EIA) is not required for this Report.

Safeguarding responsibilities for vulnerable children and adults implications

14. The Annual Report will support the safeguarding of vulnerable adults as it provides information on the performance of this activity in Surrey.

WHAT HAPPENS NEXT:

The Board's Annual Report will be:

- Placed on the Surrey County Council website
- Signposted in the Surrey Safeguarding Adults newsletter
- Sent electronically to all Board members for them to cascade within their own agencies
- Sent electronically to the Police and Crime Commissioner
- Sent electronically to the Chief Constable
- Sent electronically to Healthwatch
- Sent electronically to Health and Wellbeing Board.

Contact Officer:

Amy McLeod, Surrey Safeguarding Adults Board Manager
Tel: 01483 517002

Consulted:

This is the Annual Report from the Independent Chair of the Surrey Safeguarding Adults Board therefore other parties are not consulted on its content.

Annexes:

Annex 1: Surrey Safeguarding Adults Board Annual Report 2017 – 2018

Sources/background papers:

- Care Act 2014
- Care and Support Statutory Guidance Issued under the Care Act 2014 by the Department of Health
- Association of Directors of Social Services: Safeguarding Adults: Advice and Guidance to Directors of Adult Social Services, March 2013
- Surrey Safeguarding Adults Board Strategic and Annual Plan

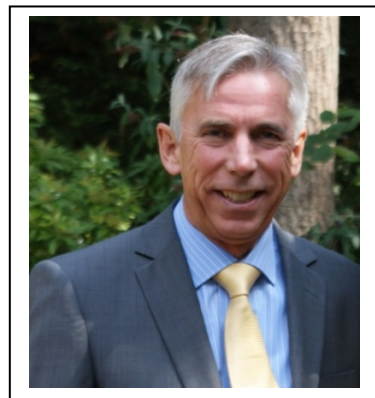


Annual Report

2017/18

This has been a year of change for the Board which has been challenging but also rewarding in the outcomes for people at risk in safeguarding process.

Our goal is always to ensure that those adults at risk with care and support needs are better protected. We do this by making sure they are at the centre of what we do which is part of the Making Safeguarding Personal Agenda. It also is about reviewing and improving our processes, getting better and more reliable data that we can turn into knowledge and action, supporting partner agencies to improve the skills of their workforce to better deal with safeguarding concerns. This is a key part of the Care Act and is a central theme to support people. During the year a new permanent Head of Adult Safeguarding was appointed who brings with him great experience which has already added great value to the Board's work. This has been a catalyst via our sub committees for improving and simplifying our policies and procedures, helping to support and build a new competency framework and aligning our training to match this and improve its effectiveness.



The Board commissioned a follow up audit of adult safeguarding practice of social care which highlighted improvements from last time and some areas of strong good practice. However there were some opportunities to improve especially around planning and reporting and the new Head Of Adult Safeguarding has led the drive to address this and get a high standard across all areas of practice.

The Police had a follow up review from the HM Inspectorate-of-Constabulary-and-Fire-Rescue-Services and positively reported that "The force continues to be good at protecting people and supporting vulnerable victims, with the protection of vulnerable people a clear priority for all staff throughout the force."

Health has also recently implemented an Adult Safeguarding audit and though we have yet to see the outcome of this it has shown clear audited evidence of practice.

The challenge for the Board has been that for most of the year the Board has been without key resources of the Board Manager and this has hampered our ability to fulfil some of our objectives which is disappointing however this did not affect our ability to ensure those in need were adequately protected. On the positive side we now have a Board Manager in place who brings with them strong local knowledge, commitment to really make a difference and a drive to improve.

We have made strong effort to improve our working with other Boards primarily the Children's Safeguarding Board where the opportunity to share has resulted in developing towards a joint web site platform to make it easier for anybody to access the Boards web pages, and there are initiatives being developed around joint training platforms, joint learning events and a drive to share activities where appropriate so we can make more effective use of members time.

There has been one Safeguarding Adult Review (SAR) started late in the year and will conclude in the new year. Part of the drive by ASC in improving practice will bring more potential SAR's to the Board's attention which in itself is a positive step even if they do not meet the threshold for SAR there will generally be some learnings from these that the Board can share and under the new national initiatives we will have more opportunities to look at and share good practice and learnings even from section 42 enquiries.

There has been a drive to clear some outstanding cases on the ASC database and bring these into line with expected turnaround times and this has been positively achieved.

There has been an increase in referrals that become section 42 enquiries and the conversion rate has increased to now match the national average giving us assurance that we are handling these more effectively.

Our data has improved over the year, but this still is an area for improvement and there has been an initiative to set up a stronger assurance programme. This has been done and will come in during the first quarter of next year. This will allow the Board to not only have regular assurance data but on a quarterly basis take a deep dive into a particular area be that Police, Health or Adult Social Care. This will evidence for us how well our strategy is meeting the needs of Surrey as well as driving initiatives to improve and learn from best practice. It also will improve multi agency working and understanding.

This year nationally there have been some SAR cases that highlight the challenges all areas face in Adult Safeguarding and how things can go wrong quickly without effective multi agency working, good communication and that professional curiosity where things don't add up. We continue to work hard to make sure we highlight to all members best national practice and key learnings from the national picture so they influence and improve our prevention initiatives.

This year has been challenging and it would be remiss of me not to thank all those colleagues who have supported the Board outside of their normal commitments. The Board is about its members and their ability to make sure we are protecting those at risk with care and support needs and we continue to keep improving to make sure this happens

Simon Turpitt

Independent Chair, Surrey Safeguarding Adults Board

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Surrey has had a well-attended multi-agency partnership in place to provide effective services to adults with care and support needs for a number of years. Due to a reduction in dedicated staff working for the Safeguarding Adults Board, the financial year 2017/2018 has been less progressive than previous years. However, attendance and commitment from all agencies involved in safeguarding adults has remained and membership of the Board and its sub-groups has expanded to become more representative of the communities it serves. The lean staffing during 2017/18 has encouraged the desired joint working between the Safeguarding Adults Board and the Safeguarding Children's Board. Additional focus on efficient and effective joint working has been provided as a result of the inter-board protocol which came into effect during this period.

National and local learning has highlighted the need for the board to prioritise its focus on improving the quality and effectiveness of safeguarding reporting. The sub-groups have focused on identifying relevant lessons and developing policy, procedure and guidance with the aim of improving the quality of:

- The details included in initial safeguarding concerns;
- The completion of safeguarding enquiries; and
- The notifications to request a Safeguarding Adult Review.

As a result there has been a positive reduction in the quantity of safeguarding concerns with a subsequent increase in the quality of the reports received. The conversion rate of safeguarding concerns that become enquiries has doubled, evidencing the improvements in quality.

The Board's updated policy and procedure has provided all staff who work with adults with care and support needs with a clear pathway and expectations for referring any concerns. The new documents support practitioners and providers with regards to their responsibilities in reporting safeguarding concerns and completing safeguarding enquiries.

The steady progress made during 2017/18 has laid essential foundations for the members of the board to take forward during 2018/19.

About us

There has been a Safeguarding Adults Board in place in Surrey for over a decade. Until April 2015, it was a voluntary partnership where agencies came together to ensure vulnerable adults, who were at risk of harm, were kept safe.

In April 2015, the Care Act came into effect and made it mandatory for all areas in England to have a Safeguarding Adults Board. The Surrey Safeguarding Adults Board (SSAB) is now a statutory, multi-agency partnership coordinated by the local authority. It is the key mechanism for agreeing how local agencies will work together effectively to safeguard and promote the safety and wellbeing of adults with care and support needs who are vulnerable and/or are in vulnerable situations.

The board sets the strategic direction for adult safeguarding across the Surrey County Council (SCC) area by:

- Agreeing multi-agency priorities,
- Overseeing the collaborative work of partners,
- Developing policies and procedures,
- Undertaking activities to raise awareness of safeguarding.

The Board's main role is to gain assurance that safeguarding arrangements work effectively and that partner organisations are meeting their obligations, both individually and together, to support and safeguard adults in its area who are at risk of abuse and neglect.

The Safeguarding Adults Board has 3 statutory duties to ensure it meets its objective. It must:

- publish a strategic plan for each financial year that sets how it will meet its main objective and what the members will do to achieve this. The plan must be developed with local community involvement, and the Safeguarding Adults Board must consult the local Healthwatch organisation. The plan should be evidence based and make use of all available evidence and intelligence from partners to form and develop its plan
- publish an annual report detailing what the Safeguarding Adults Board has done during the year to achieve its main objective and implement its strategic plan, and what each member has done to implement the strategy as well as detailing the findings of any safeguarding adults reviews and subsequent action
- conduct any safeguarding adults review in accordance with Section 44 of the Care Act.

The Board has an independent chair that is responsible for ensuring that all organisations contribute effectively to the work of the Board. The Chair provides accountability for the work undertaken by the SSAB by way of reports to relevant strategic committees and boards.

The SSAB is made up of wide range of statutory, community and voluntary organisations which includes representatives from Surrey County Council, Surrey Police, Surrey Fire and Rescue, South East Coast Ambulance Service, Clinical Commissioning Groups, NHS providers, District and Borough councils, Independent care providers, Housing, Advocacy, service users and carers.

Figure 1: SSAB Membership



SSAB also has links with a wide range of other strategic forums and partnerships including the Surrey Children's Safeguarding Board, Community Safety Partnerships, PREVENT Board, Domestic Abuse Partnership, Harmful Traditional Practices Partnership, Learning Disability Partnership, Health and Wellbeing Board and Health Watch Surrey. An Interboard Protocol sets out the strong synergies between the work of the SSAB and many of these forums, it seeks to minimise duplication and maximise efficiencies, particularly as objectives and membership overlap. A copy of the protocol is included in the appendices.

The SSAB aims to promote the involvement and contribution of people with lived experience on the Board and will continue to explore a range of approaches to achieve meaningful engagement with people who use care and support services in order to ensure that the Board is informed by the voice of experience.

Most people in Surrey live safely, free from harm, abuse and neglect. However, some people have care and support needs that make it difficult for them to protect themselves from abuse and neglect. In these circumstances, local authorities have a role to help keep people safe.

The Care Act sets out the circumstances when safeguarding duties apply. The Act says safeguarding applies to adults who

- have needs for care and support (whether or not the local authority is meeting any of those needs) and
- are experiencing, or at risk of, abuse or neglect and
- as a result of those care and support needs is unable to protect themselves from either the risk of, or the experience of abuse or neglect

The six key principles that underpin all adult safeguarding work

There are six key principles that underpin all adult safeguarding work. These are set out below.

Empowerment: People being supported and encouraged to make their own decisions and informed consent.

'I am asked what I want as the outcomes from the safeguarding process and these directly inform what happens'.

Prevention: It is better to take action before harm occurs.

'I receive clear and simple information about what abuse is, how to recognise the signs and what I can do to seek help'.

Proportionality: The least intrusive response appropriate to the risk presented.

'I am sure that the professionals will work in my interest, as I see them and they will only get involved as much as needed'.

Protection: Support and representation for those in greatest need.

'I get help and support to report abuse and neglect. I get help so that I am able to take part in the safeguarding process to the extent to which I want'.

Partnership: Local solutions through services working with their communities. Communities have a part to play in preventing, detecting and reporting neglect and abuse.

'I know that staff treat any personal and sensitive information in confidence, only sharing what is helpful and necessary. I am confident that professionals will work together and with me to get the best result for me'.

Accountability: Accountability and transparency in delivering safeguarding. 'I understand the role of everyone involved in my life and so do they'

Types of abuse and neglect

There are types of abuse and neglect that will always require a safeguarding response when an adult with care and support needs is at risk of experiencing them. These are set out in the Care Act 2014.

Physical abuse	Modern slavery
Domestic violence	Discriminatory abuse
Sexual abuse	Organisational abuse
Psychological abuse	Neglect and acts of omission
Financial or material abuse	Self-neglect

There are other types of harm and exploitation where Adult Social Care (ASC) have a discretion as to whether to conduct a safeguarding enquiry. This is sometimes called a non-statutory enquiry. There is more detail about the types of abuse and neglect in the appendix.



Not all abuse is physical

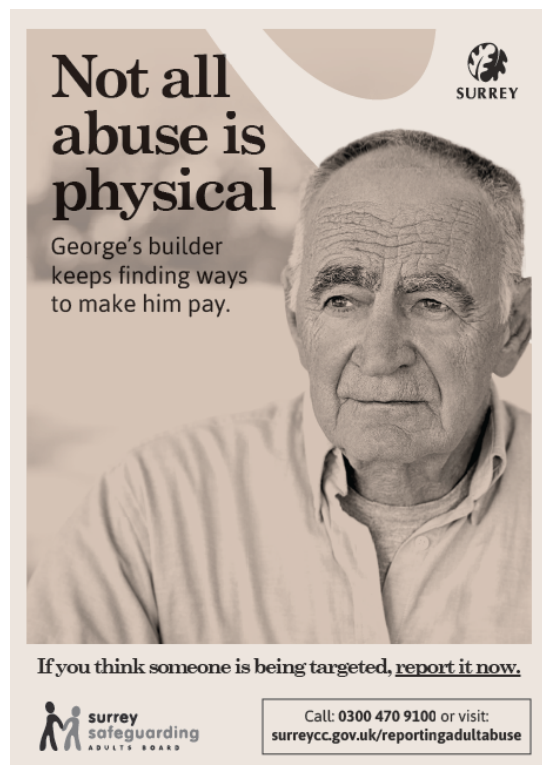
Margaret's grandson has been taking money from her for years.

SURREY

If you think someone is being abused, **report it now.**

surrey safeguarding ADULTS BOARD

Call: 0300 470 9100 or visit: surreycc.gov.uk/reportingadultabuse



Not all abuse is physical

George's builder keeps finding ways to make him pay.

SURREY

If you think someone is being targeted, **report it now.**

surrey safeguarding ADULTS BOARD

Call: 0300 470 9100 or visit: surreycc.gov.uk/reportingadultabuse

Safeguarding Adults in Surrey

The vision of the Surrey Safeguarding Adults Board is that all adults in Surrey will live their lives free from fear, harm and abuse. For most adults in Surrey this is true. Information from the national measuring of wellbeing shows the majority of adults in Surrey express high levels of happiness¹.

Some adults do, however, need safeguarding. These are adults whose care and support needs prevent them from protecting themselves from harm. Where there is a concern that the adult is experiencing, or at risk of abuse or neglect, then a response is required from professionals to safeguard them.

The safeguarding response in Surrey always aims to be proportionate, that is the least intrusive response appropriate to the risk presented and it aims to achieve the outcomes that the adult wants. This is called 'making safeguarding personal'. Safeguarding professionals will ask the adult what their desired outcome is from the safeguarding enquiry. Professionals will ensure the adult has the necessary support so they can be fully involved in what happens. This may involve an advocate providing support. A wide range of people may be supporting, representing and advocating for an individual. They may be a friend, family member or an independent advocate. At the end of the safeguarding enquiry, the professional will check whether the adult's desired outcomes have been achieved.

ASC collate information on how many times the safeguarding enquiry has achieved the outcomes desired by the adult. Early indications are that a high proportion of adults in Surrey have an advocate where it is needed and achieve the outcomes they want from the safeguarding enquiry.

¹ [Measuring national well-being dataset](#)

The duty to safeguard adults applies to any adults who cannot protect themselves from abuse and neglect because of their care and support needs.

The below data provides an overview of the number of people in Surrey who have care and support needs

Age: The ONS mid 2015 estimate was that Surrey's resident population was 1,168,800, of which 8.9% are aged 17-24, 51.8% are aged 25-64 and 18.5% (216,700 people) are aged 65 and over.

The fastest growing age group is age 65 and over, this age group is estimated to grow by 20% over the next 10 years.

Disabilities: 30% of the Surrey population are living with a long-term condition (heart condition, diabetes, musculoskeletal problems), 12% of the population are living with two and 8% of the Surrey population are living with three long-term conditions.

Dementia: It is estimated that in Surrey in 2016 there were 16,169 adults aged over 65 with dementia and a further 303 adults aged 30-64 with early onset dementia. It is projected that by 2025, these numbers will have increased to 20,731 aged over 65 and 344 aged 30-65.

Mental Health: The prevalence of both generalised anxiety and depression in Surrey is less than in the general population however there are small pockets where it peaks above the average. The prevalence of severe and enduring mental illness has increased compared with previous years, this relates to increases in psychosis, personality disorder, suicide attempts and deliberate self-harm.

Deprivation: Surrey has significantly lower deprivation than England. Index of Multiple Deprivation score 9.4 compared to 21.8 for England (2015)

Unemployment: Surrey has a significantly lower percentage of people in long term unemployment than England 0.09% compared to 0.37% 2016.

Mental Health Benefit Claimants: Surrey has a slightly higher percentage of mental health incapacity benefit claimants than England. Incapacity benefit is a measure of the level of severity of mental illness in the community and a direct measure of socio-economic disadvantage in those 'not in work' because of mental illness.

Homelessness: Surrey has a significantly lower level of statutory homelessness acceptances per 1,000 households than England (2015/2016)

Housing: Surrey has a significantly lower percentage of houses that are overcrowded than England; 3.4% (Surrey) compared to 4.8% (England) (2011).

Substance Misuse: Across all categories of drug use, there has been an increase in the number of people accessing treatment for drug misuse. PHE estimate that there are 7798 dependent drinkers in need of treatment in Surrey. At the end of quarter 3 2017/18, 1157 people had accessed treatment for alcohol use.

Crime

- In line with the national picture, Surrey has seen an increase in the total number of recorded crimes (2016/17)
- Surrey has a significantly lower rate of violent crime per 1000 population than England (2015/2016)
- Surrey has a lower rate of violent offences (including sexual violence) per 1000 than England (2015/2016).
- Surrey has a significantly lower rate of emergency hospital admissions per 100,000 population for violent crime (including sexual violence) than England.

Domestic Abuse

- The crime survey for E&W for the year ending March 2017 estimated that 5.9% of adults aged 16 to 59 had experienced domestic abuse in the last year, equivalent to 1.9 million victims.
- Those with a long-term illness or disability were more likely to be victims of domestic abuse in the last year than those without one; this was true for both men (8.5% compared with 3.7%) and women (15.9% compared with 5.9%)
- Surrey has a lower rate of police recorded domestic abuse-related incidents and offences per 1,000 population than comparator police forces. (2015/2016)
- The percentage of convictions in domestic abuse-related prosecutions in Surrey is slightly lower than in comparator police force areas. (2015/2016)
- There were 8837 referrals to DA outreach services in 2016/16 which equates to a 7.4 % increase.

Sources of data:

The [Surrey Joint Strategic Needs Assessment](#)


Data from the Office of National Statistics on [Domestic Abuse in England and Wales](#)

Safeguarding Adults Activity

Safeguarding adult's data is collated throughout the year and presented to each Surrey Safeguarding Adults Board meeting. At the end of the year, the data goes through a structured process of verification with the Department of Health. The final data pack is published alongside the data from other Boards on the NHS digital website. The publication usually takes place in late summer.

SSAB has seen information on the key trends in safeguarding data during the year. More detailed data will be available in the next few months and the Board will update this Annual Report when the data is released for publication by the Department of Health. A brief overview of the trends is as follows.

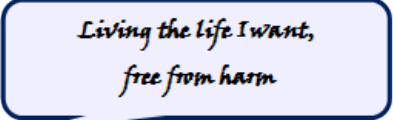
The table below shows the total number of safeguarding concerns received during the financial year 2016/17 compared with 2017/18. Although the number of safeguarding concerns has reduced slightly, the percentage of concerns which result in an enquiry has more than doubled. This indicates that the quality and relevance of safeguarding concerns has improved.

	2016/2017	2017/2018
Concerns Received	5860	5241
Enquiries Started	1317	2426
Conversion rate	22%	46%

The below table provides information on the length of time taken to complete safeguarding enquiries during 2017/18. It can be seen that the majority of enquiries are completed within a 3 month period, however there remain a number which remain open for a prolonged period. In some cases these enquiries have to be placed 'on hold' while police investigations are completed.

Completion period	Enquiries completed	Percentage completed
0-3 months	3117	57%
3-6 months	1294	24%
6-9 months	586	11%
9-12 months	278	5%
12 months +	218	3%

The below table provides information in relation to the objectives of 'Making Safeguarding Personal'. This shows that during 2017/18 a high number of individuals (or their carers) were involved in discussions about their care and the outcomes they wanted to see as a result of the enquiry. In almost all cases, the individual or their carer felt that the outcomes of the enquiry met their requests.

	Q1	Q2	Q3	Q4
% of individuals or individual's representative asked about their desired outcomes	71%	87%	90%	82%
% of individuals or individual's representative who say their desired outcomes were either fully or partially met	92%	95%	97%	98%

What SSAB has done to keep adults safe from harm

At the start of the reporting year, Board members agreed a set of priorities to be taken forward over the next 12 months. Board members identified actions to ensure those priorities were met, put those actions into a plan and the Action Plan was then implemented and monitored. The Action Plan was made public on the Board’s webpages in easy read format together with a more detailed version suitable for professionals who work in safeguarding.

Are people with Care and Support needs in Surrey safer because of actions of the Board?

The answer to this would be yes evidenced by better frontline focus and awareness, improved cooperation between agencies, simpler but more effective policies and procedures, stronger assurance systems giving more effective accountability but most importantly making sure the that making safeguarding personal keeps the focus on the person not the process.

We still have a way to go but we have laid solid foundations and are now building more robustness into our work moving forward.

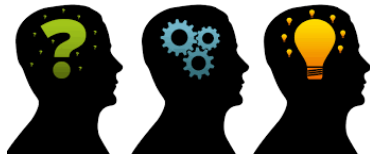
Priorities for Surrey Safeguarding Adults Board 2017/18

Strategic Theme	Aim
Communications	To ensure there are effective communications with Surrey residents, between professionals, agencies and between different Boards and Partnerships
Training	To ensure staff and volunteers receive appropriate, high quality training on adult safeguarding that enables them to prevent, recognise and respond to concerns of abuse and neglect.
Embrace a culture of learning	To embed a culture of openness and continuous learning
Types of abuse and neglect that are frequently hidden from professionals or are hard to detect.	To have a better understanding of how prevalent these types of abuse and neglect are and how best to respond
Prevention of abuse and neglect	Everyone will be working to prevent abuse and neglect from occurring.
Assurance of safeguarding practices	The Board have assurance there are effective safeguarding practices in place with action plans delivering further improvements

Key Achievements for Surrey Safeguarding Adults Board 2017/18

Strategic Priority	Key deliverables
COMMUNICATIONS	
	<ul style="list-style-type: none"> ★ Posters and leaflets were updated with new contact details to improve accessibility. ★ SSCB annual conference attended to promote the work of SSAB and the joint work taking place. ★ Financial Abuse multi-media campaign took place during September and October. ★ Newsletters have continued to be used effectively to share information and learning and to promote the work of the SSAB across professional and public audiences. ★ Board had presence at induction day for new councillors and exhibited at Surrey Care Association meeting helping to raise profile of Adult Safeguarding and the Board role.
TRAINING	
	<ul style="list-style-type: none"> ★ A new competency framework has been developed to support the professional development of all staff involved in safeguarding roles. ★ Existing training materials have been reviewed and new programmes designed to meet the skills identified within the competency framework.

EMBRACE A CULTURE OF LEARNING



- ★ The inter-board protocol provides clarity over roles and responsibilities and encourages joint working for shared priorities.
- ★ Learning from Safeguarding Adult reviews taking place in other parts of the country have been shared to encourage learning and are part of agenda's to discuss and learn at Board, SAR and the Health Group meetings
- ★ SSAB are represented on the strategic boards for Domestic Abuse, Sexual Exploitation & Missing, Preventing Extremism and Harmful Traditional Practices.
- ★ There has been strong representation from the prison service which has developed better understanding of the differing processes in prisons and a work group set up to ensure better support for families and offenders when they are released.

HARD TO DETECT



- ★ Briefings on different types of abuse and neglect have been written and made available on the SSAB website.
- ★ Analysis of types of abuse has been completed to inform where under-reporting is suspected.

PREVENTION OF ABUSE AND NEGLECT



- ★ The SSAB policy and procedure has been re-written and reflects best practice in addition to statutory guidance.
- ★ Healthwatch have become an active member on the SSAB, using the voice of people with lived experience to shape activities.
- ★ There has been an increase in safeguarding concerns being received and a higher proportion that result in an enquiry, there is an efficient process in place for the timely management of safeguarding enquiries.

ASSURANCE OF SAFEGUARDING PRACTICES



★ A new reporting template has been developed to provide oversight to the board on adult safeguarding activity. This new methodology will provide more detailed contextual information to support the statistical data.

★ Safeguarding Advisors complete regular audits and reviews of specific enquiries to understand what has worked well and where improvements are required.

What each sub-group of the Safeguarding Adults Board has done

The Board has 5 sub-groups that each work on a particular theme to support the Board. The information below sets out the key achievements and issues for each sub-group during the year, except for the Safeguarding Adults Review group whose activities are set out in a later section.

Quality Assurance and Audit (QA&A) Group

Chaired by Surrey Downs Clinical Commissioning Group this group assists the Surrey Safeguarding Adults Board with developing, promoting and ensuring good quality safeguarding practice.

This year they have:

- Revised the Quality Assurance reporting process, it now covers:
 - 1) Adult Safeguarding Activity
 - a) Concerns received during period
 - b) Enquiries starting and ending during period
 - c) Enquiries in progress at end of period
 - 2) Types of issues being dealt with
 - a) Concerns received in period by source of risk
 - b) Concerns received in period by location of concern
 - c) Concerns received in period by referrer
 - 3) Effectiveness of process
 - a) Timeliness of adult safeguarding enquiries
 - 4) Quality of enquiries
 - a) Results of quality assurance auditing in period
 - 5) Impact of adult safeguarding enquiries
 - a) Enquiries completed in period, by finding
- Identified trends in adult safeguarding concerns.
- Focused on the outcomes of Making Safeguarding Personal to ensure the outcomes requested by the subject of the enquiry are met.
- Reviewed the findings of audits completed by Safeguarding Advisors to identify areas for learning.

Training Sub-Group

This group is chaired by the Head of Adult Safeguarding in Adult Social Care. The group develop, implement, review and update the multi-agency strategy for the protection of adults at risk. It also monitors assesses and evaluates the uptake and impact of safeguarding training across Surrey to ensure it remains relevant and accurate.

This year they have:

- Designed a new competency framework to support the development and professionalism of staff across adult safeguarding work.
- Reviewed all training materials and set new learning objectives to support delivery of the competency framework.

Key challenges:

- Some of the delivery of this work has been delayed while waiting for the policy to be approved.

Policy and Procedures Sub-Group

Chaired by the Head of Adult Safeguarding in Adult Social Care, this group reviews the multi-agency policies, procedures and other protocols / guidance.

This year they have:

- Produced a new policy and procedure document which removes duplication and is based on best practice and statutory guidance.
- Hosted a workshop to engage with SSAB member organisations and ascertain their views.
- Information has been removed from the policy and made available as separate briefings, ensuring the policy focuses purely on safeguarding.

Key challenges:

- Progressing work in a timely manner due to competing priorities across organisations.

Health Sub-Group

Chaired by the Surrey Wide CCG team, this group ensures there is shared understanding and interpretation of current national and local guidance between all health organisations. The group monitors learning from safeguarding adults processes to ensure optimal performance for adults who use health services across Surrey.

This year they have:

- Restructured the meetings to allow a greater focus on sharing learning by aligning the safeguarding board and NHSE safeguarding priorities.
- Workshop sessions have been introduced to enable peer discussions on what works well and what needs changing.
- Doubled the group's membership so all health partners are represented, this includes private hospitals, Acute trusts, mental health trust, community service providers, CCGs, prison healthcare and Surrey County Council.

Key challenges:

- Ensuring effective information flow from the group within the context of a complex health economy
- Evidencing the impact on frontline practice of the local and national information that is shared through the group

Safeguarding Adults Review Group

Chaired by the Surrey Police lead for Adults at Risk, this group review all Safeguarding Adult Review (SAR) notifications.

This year they have:

- Increased the frequency of meetings to 6/year with the ability to schedule more when required.
- Strong and stable leadership has helped to stabilise the membership and improved attendance.
- There has been more efficient and timely sharing of information and improved decision making.

Key challenges:

- The group remain concerned that there are too few notifications received.

Further information on the work completed by the SAR sub-group is included below.

Local Safeguarding Adult Groups

In addition to the above sub-groups, the Surrey Safeguarding Adults Board has 5 local groups that are aligned as far as possible with Clinical Commissioning Groups (CCG) and Adult Social Care Locality teams.

- South West Surrey Safeguarding Adults Group – includes the area covered by Guildford and Waverley Clinical Commissioning Group and the Adult Social Care locality teams in Guildford and Waverley.
- North West Safeguarding Adults Group – includes the area covered by North West Surrey Clinical Commissioning Group and the Adult Social Care locality teams in Woking, Runnymede, Spelthorne and Elmbridge.
- Surrey Heath Safeguarding Adults Group – covers the area covered by Surrey Heath Clinical Commissioning Group and the Surrey Heath Adult Social Care locality team.
- Mid Surrey Safeguarding Adults Group – includes the area covered by Surrey Downs Clinical Commissioning Group and the Adult Social Care locality teams in Mole Valley, Banstead, Epsom and Ewell in Elmbridge.
- East Surrey Safeguarding Adults Group – includes the area covered by East Surrey Clinical Commissioning Group and the Adult Social Care locality teams in Tandridge and in Reigate and Banstead.

These groups meet quarterly and provide a forum for each locality to discuss safeguarding issues, share information on effective practice, and learn about new guidance and policies. They are able to report into the main Board any issues they want the Board to take action on or respond to. Representation on these groups comes from a wide range of organisations working with adults at risk of abuse and neglect, for example, voluntary sector, housing and advocacy services. The chair for each of the groups is either the Adults Social Care Area Director or a senior representative from the Clinical Commissioning Group.

These groups have not met as regularly during 2017/18 as in previous years, instead virtual routes have been established which have maintained methods for sharing information from the board and for escalating issues back up. The learning from these processes over the last year are being reviewed to improve and enhance the effective sharing of information via virtual routes during 2018/19.

Safeguarding Adults Reviews

It is a statutory requirement under the Care Act that the Safeguarding Adults Boards undertake a Safeguarding Adult Review (previously called Serious Case Reviews) in the following circumstances:

- When an adult in its area dies as a result of abuse or neglect, whether known or suspected, and there is concern that partner agencies could have worked more effectively to protect the adult.
- If an adult in its area has not died, but the Safeguarding Adults Board knows or suspects that the adult has experienced serious abuse or neglect.

There are three purposes to be fulfilled by the Safeguarding Adults Review, namely, to establish whether there are lessons to be learned about the way in which professionals and agencies work together to safeguard adults with needs for care and support; to establish what those lessons are, how they will be acted upon and what is expected to change as a result and to improve inter-agency working and better safeguarding of adults at risk including the review of procedures where there may have been failures.



Notifications of cases that may meet the SAR criteria 2017 – 2018

SSAB have received 6 notifications during the 2017/18 year, of these;

- One SAR has been commissioned with a report due by September 2018.
- One SAR has been conducted by NHSE due to the cross-border nature and complexity of the risks.
- One did not meet the criteria for a full SAR however a multi-agency review took place, the learning of which fed into the Health sub-group.
- Three further SAR notifications did not meet the criteria for full SAR to take place however, further enquiries by locality teams were requested with the ability to review the notification again if necessary following completion of the enquiry.

Funding and Expenditure

The estimated running costs of the Safeguarding Adults Board are £288,555 per year. This includes staffing costs, the costs of an independent chair, Safeguarding Adults Reviews and training / events. This was the second year the Safeguarding Adults Board had a pooled partnership budget in place. Agencies agreed to contribute in similar proportions to those made to the Safeguarding Children's Board. This marked a significant commitment on the part of partners to work together and jointly take responsibility for decision making and running the Safeguarding Adults Board.

The chart below shows the financial commitment each agency signed up to:

	Contribution 17/18	% split
Adult Social Care	£117,450.00	40.70%
Clinical Commissioning Groups (split between 5 groups)	£117,450.00	40.70%
Surrey Police	£29,000.00	10.50%
NHS Trusts (split between 8)	£13,050.00	4.52%
District & Boroughs (split between 11)	£11,605.00	4.2%
TOTAL	£288,555.00	

The expenditure of the Safeguarding Adults Board during 2017/18 was £114,713, leaving an underspend of £173,841. This was due to a number of factors namely; staff vacancies, development of new competency framework impacted on training programme, no safeguarding conference events and the Board not requiring the funds allocated for Safeguarding Adults Reviews (previously called Serious Case Reviews).

The funds in the pooled partnership budget that were not spent have been carried forward to the next year. Agencies that contribute to the budget will therefore be paying a proportionately smaller amount in 2018/19.

Safeguarding adults – areas the Board will continue to progress in the next year

During 2018/19 the Safeguarding Adults Board will continue to deliver against the objectives set out in the overarching 3 year plan and build on the foundations of the work progressed during 2017/18.

Strategic Theme	Aim
Communications	The SAB will continue to work closely with the Safeguarding Children's Board, specifically in relation to awareness raising and publicity. The SAB will seek to improve knowledge of and the experience for people wanting to access information about safeguarding in Surrey easier.
Training	To embed the new policy and procedure, a new training strategy will be published to guide staff working with adults with care and support needs in relation to the training they require in order to undertake their jobs effectively. Training will be relevant, easy to access and commensurate with the skill levels of staff and their organisations capability
Embrace a culture of learning	A review of existing meeting structures will be completed to ensure that the process for sharing learning is effective and efficient. The Board will ensure there are opportunities for operational staff to discuss cases and learn from best practice while making best use of time and resources. The voice of people with lived experience will be used to learn and improve services.
Types of abuse and neglect that are frequently hidden from professionals or are hard to detect.	The SAB will work closely with the Domestic Abuse Management Board to ensure that work to tackle domestic abuse, reflects the needs of adults with care and support needs. There will be more engagement with minority communities to understand any specific risks and to ensure that awareness raising materials are accessible to all.
Prevention of abuse and neglect	There will be greater opportunities for engagement, both with professionals and with people who use health and social care services to ensure the work initiated by the board is informed by experience. Focus groups with people who use services and with carers will be completed to understand both good practice and areas for improvement. Learning will be used to influence communication and preventative materials.
Assurance of safeguarding practices	The board will embed a new quality assurance framework to reflect the multi-agency audience and their responsibilities in relation to safeguarding adults. Reporting mechanisms and structures will provide performance products that assure the board of the effectiveness of safeguarding practices in Surrey and drive its agenda and focus going forward.

Appendices

Appendix A – Types of abuse and neglect including signs of harm

Appendix B – The Board: Organogram, Terms of Reference, membership of the Board and attendance at Board meetings.

Appendix C – Terms of Reference

Appendix D – SSAB membership

Appendix E – Surrey Safeguarding Adults Board Annual plan for 2018-2019

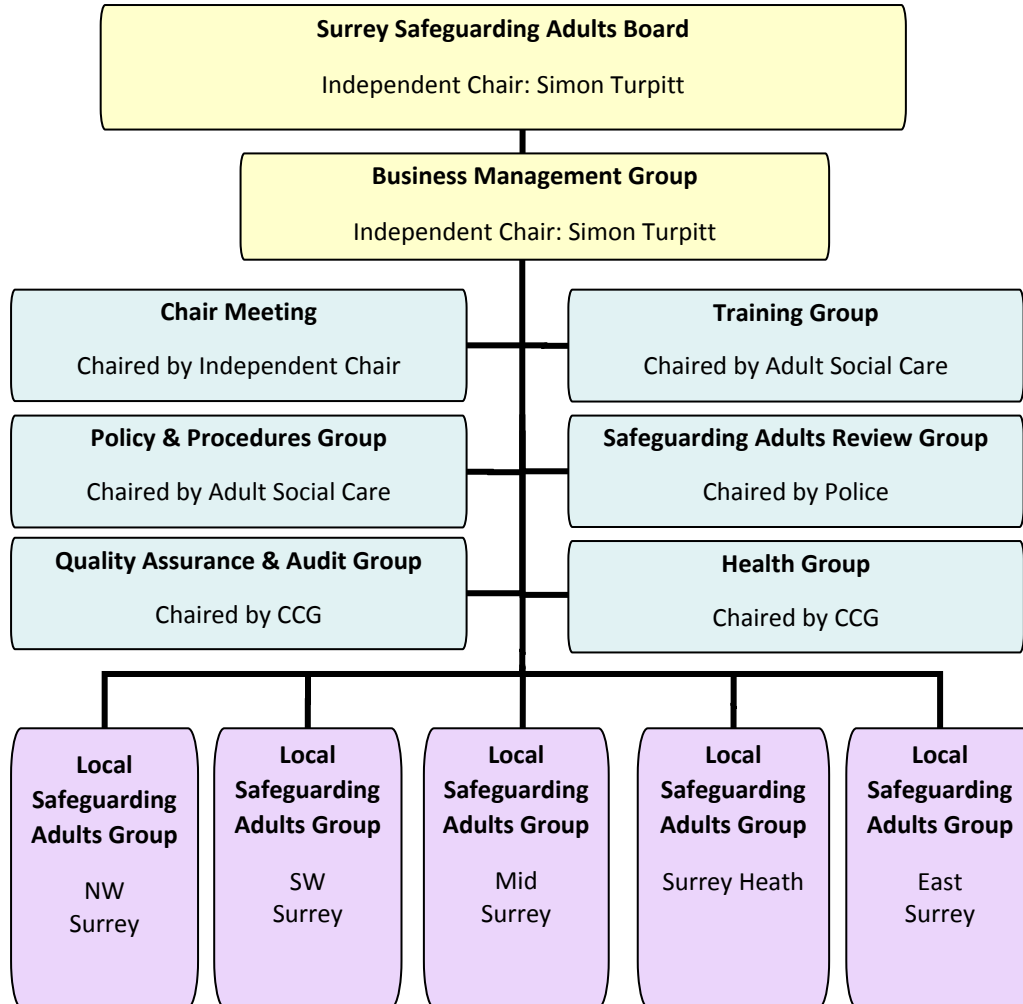
Appendix F – Inter-board protocol

Appendix A – Types of abuse and neglect

There are types of abuse and neglect that may require a safeguarding response when an adult at risk experiences them. These are set out below.

<p>Physical abuse including:</p>	<ul style="list-style-type: none"> • Assault • hitting • slapping • pushing • misuse of medication • restraint • inappropriate physical sanctions
<p>Domestic violence including:</p>	<ul style="list-style-type: none"> • psychological • physical • sexual • financial • emotional abuse • so called ‘honour’ based violence
<p>Sexual abuse including:</p>	<ul style="list-style-type: none"> • rape • indecent exposure • sexual harassment • inappropriate looking or touching • sexual teasing or innuendo • sexual photography • subjection to pornography or witnessing sexual acts • indecent exposure • sexual assault • sexual acts to which the adult has not consented or was pressured into consenting
<p>Psychological abuse including:</p>	<ul style="list-style-type: none"> • emotional abuse • threats of harm or abandonment • deprivation of contact • humiliation • blaming • controlling • intimidation • coercion • harassment • verbal abuse • cyber bullying • isolation • unreasonable and unjustified withdrawal of services or supportive networks.

<p>Financial or material abuse including:</p>	<ul style="list-style-type: none"> • theft • fraud • internet scamming and postal fraud • coercion in relation to an adult’s financial affairs or arrangements, including in connection with wills, property, inheritance or financial transactions • the misuse or misappropriation of property, possessions or benefits
<p>Modern slavery encompasses:</p>	<ul style="list-style-type: none"> • slavery • human trafficking • forced labour and domestic servitude. • traffickers and slave masters using whatever means they have at their disposal to coerce, deceive and force individuals into a life of abuse, servitude and inhumane treatment
<p>Discriminatory abuse</p>	<p>including forms of:</p> <ul style="list-style-type: none"> • harassment • slurs or similar treatment because of: race, gender and gender identity, age, disability, sexual orientation, religion.
<p>Organisational abuse</p>	<p>Including neglect and poor care practice within an institution or specific care setting such as a hospital or care home, for example, or in relation to care provided in one’s own home. This may range from one off incidents to on-going ill-treatment. It can be through neglect or poor professional practice as a result of the structure, policies, processes and practices within an organisation.</p>
<p>Neglect and acts of omission including:</p>	<ul style="list-style-type: none"> • ignoring medical • emotional or physical care needs • failure to provide access to appropriate health, care and support or educational services • the withholding of the necessities of life, such as medication, adequate nutrition and heating.
<p>Self-neglect</p>	<p>This covers a wide range of behaviour neglecting to care for one’s personal hygiene, health or surroundings and includes behaviour such as hoarding. A decision on whether a response is required under safeguarding will depend on the adult’s ability to protect themselves by controlling their own behaviour. There may come a point when they are no longer able to do this, without external support.</p>

SSAB Organogram.



Vision

We will all work together to enable people in Surrey to live a life free from fear, harm and abuse

The Surrey Safeguarding Adults Board is a multi-agency partnership that operates in accordance with the Care Act 2014 and the statutory guidance.

Scope of the Board

- 1) The Board will maintain strategic links with other Boards and partnerships including the Surrey Safeguarding Children's Board, Surrey Health and Wellbeing Board and Community Safety.
- 2) The Board will make materials available to assist members to raise awareness of safeguarding and how to respond to abuse / neglect. These will be available in a variety of formats to ensure the materials can be accessed by people with a range of protected characteristics.
- 3) The Board will involve adults at risk and carers in its work wherever possible.
- 4) The Board will promote the prevention of abuse and neglect in addition to implementing strategies to respond to concerns.
- 5) The Board will approve the terms of reference and work plans for its sub groups and task and finish groups. It endorses the work carried out by them, and oversees the implementation of subsequent developments.
- 6) The Board will produce multi-agency policies and protocols to support the delivery of safeguarding adults in Surrey. These will be kept up-to-date in response to local and national policies, guidance and reports.
- 7) The Board will collect and analyse information and activity data about safeguarding adults and formally report on its work in accordance with governance procedures. It will monitor quality outcomes and performance information to continuously improve practice
- 8) The Board will require member agencies to undertake audits in relation to safeguarding activity.
- 9) The Board will undertake reviews as required by the Board's Safeguarding Adults Review group and as outlined by the Board's policy and procedure.
- 10) The Board will promote learning from Safeguarding Adults Reviews, Serious Case Reviews, Domestic Homicide Reviews and any other review or report that offers opportunities to learn lessons and improve safeguarding practice.
- 11) The Board will implement a training programme to support the delivery of classroom based, multi-agency training.

Constitution

- 1) All members will abide by the Board's Constitution.

Chair

- 1) The Board will have an independent chair who will be appointed on an annual contract.

Budget

- 1) The Board will have a pooled budget made up of contributions from statutory agencies. The Board will agree the relevant contributions from statutory agencies and monitor spend to ensure that monies are spent efficiently and effectively. The Board will receive a financial report at each meeting.
- 2) Surrey County Council will manage the Board's financial transactions unless there is a specific agreement for another agency to commit spend from the Board's pooled budget.

Meetings

- 1) Meetings will take place at least 3 times a year.
- 2) The agenda for each meeting and the associated papers will be circulated at least one week prior to the meeting. Late items will be included at the chair's discretion.
- 3) Prior to discussion of a matter, all Board members to read respective agenda items, identify key lines of discussion/enquiry to be taken up at the meeting, identify potential areas of good practice and shared learning, and establish the relevant position within their own agency as necessary.
- 4) Notes of the meeting will be made and circulated to members as soon as possible after the meeting. These will be agreed by members at the next meeting subject to any requested amendments.
- 5) Highlights of each meeting will be made available to the public on the Board's webpages.
- 6) Quorum of at least 6 members of which 3 must be representative of statutory services (CCG, Adult Social Care and Police)

Executive Group and Sub-Groups

- 1) The Board will have an executive group that meets approximately 6 times each year. This will be called the Business Management Group.
- 2) The Board's strategic and annual work plans will be delivered with the support of sub-groups that will include:
 - Safeguarding Adults Review
 - Quality Assurance and Audit
 - Policy and Procedures
 - Training
 - Health
- 3) In addition, other sub-groups and 'task and finish' groups will be established as required.

Voluntary sector / User led organisations	Healthwatch Surrey Action for Carers (Surrey) Age UK, Surrey Surrey Coalition of Disabled People Surrey 50+
Emergency Services	Ambulance Services Surrey Police Surrey Fire and Rescue Service
Housing	Anchor Trust - Housing
Hospital / Acute Trusts	Ashford & St Peters NHS Foundation Trust Frimley Park Hospital NHS Foundation Trust Royal Surrey County Hospital NHS Foundation Trust St Helier & Epsom University Hospitals NHS Trust Surrey & Sussex Healthcare NHS Trust
Community Health providers	CSH Surrey First Community Health & Care Sensory Services by Sight for Surrey Surrey and Borders Partnership NHS Foundation Trust Virgin Care
Regulator, regional and representative organisations	Care Quality Commission NHS England Surrey Care Association
District and Borough Councils	Guildford Mole Valley Tandridge
Surrey County Council	Cabinet Member for Adult Social Care, Strategic Director for Adult Social Services and Public Health, Deputy Director of Adult Social Care, Area Director for Service Delivery, ASC Business Intelligence Manager, ASC Area Directors, Head of Safeguarding for Adults, Head of MASH, Legal services, Public Health, Trading Standards.
Clinical Commissioning Groups	Surrey Downs CCG Guildford & Waverley CCG Surrey Wide CCG

Probation Service	Kent Surrey & Sussex Community Rehabilitation Company Ltd (formerly Probation) National Probation Service
Prison Service	Prison Governor at High Down
Chairs of Local Safeguarding Adults Groups	
Cabinet Member for Adult Social Care, Wellbeing and Independence	
Surrey Safeguarding Children's Board Partnership Support Manager	
Community Safety Partnership	

Key Priorities for Surrey Safeguarding Adults Board 2018/19

1. Making Safeguarding Personal
2. Domestic Abuse
3. Shared Understanding
4. Mental Capacity Act
5. Areas of Improving Knowledge and Understanding

Theme	What does success look like
Making Safeguarding Personal	There is more and better user and carer reported experience data to monitor performance and to understand what good looks like. The experiences of the user and carer improves process and practice.
Domestic Abuse	There will be improved understanding of the prevalence of domestic abuse within safeguarding enquiries. Risks to adults with care and support needs will form part of the county's domestic abuse delivery plan.
Shared Understanding	There is an agreed and consistent approach across Surrey for shared understanding of best practice that delivers improved awareness and practice.
Mental Capacity Act	There will be greater assurance in relation to the development of the skills of staff in their application of the MCA. There will be assurance provided to the Board that DoLS applications are being responded to appropriately and in a timely manner.
Areas of Improving Knowledge and Understanding	There will be easy to access information for public and professionals. Briefing and training materials will be relevant to the audiences, informed by operational needs. General awareness raising materials will be targeted to Surrey's communities.

Appendix F – Inter-Board Protocol

Protocol: Health and Wellbeing Board, Children and Young People's Partnership, Safeguarding Adults Board, Safeguarding Children Board, Community Safety Board and Surrey Criminal Justice Partnership

This paper sets out the proposed working arrangements between the Surrey Health and Wellbeing Board (HWB), the Surrey Safeguarding Adults Board (SSAB), the Surrey Safeguarding Children Board (SSCB), the Surrey Children and Young People's Partnership (CYPP) and the Surrey Community Safety Board (CSB). It provides an overview of the roles and responsibilities of the five Boards, identifying interrelationships and ways that successful coherence between all will be achieved. Once agreed by all five Boards it shall be incorporated into the Surrey Health and Wellbeing Board's Operating Framework.

Health and Wellbeing Board:

The Health and Social Care Act 2012 introduced Health and Wellbeing Boards as a statutory committee of all upper tier local authorities from April 2013. The intention being to provide a forum for collaborative local leadership with the following functions:

- Assesses the needs of the local population and lead the Joint Strategic Needs Assessment and development of a joint health and wellbeing strategy.
- Promotes integration and partnership working between NHS, social care, education, borough and district councils, public health and the police
- Supports strategic joint commissioning and pooled budget arrangements, where appropriate
- Assesses the health, social care and public health commissioning strategies and plans
- Lead on local health improvement and prevention activity.
- Supports residents' voice and the exercise of patient choice.

Surrey Safeguarding Adults Board:

The SSAB is a statutory partnership. The objective of SSAB, as set out in the Care Act 2014, is to assure itself that, local safeguarding arrangements and partners act to help and protect adults in its area who meet the criteria of an adult at risk of abuse and neglect. SSAB has a strategic role that is greater than the sum of the operational duties of the core partners. It oversees and leads adult safeguarding across the locality and will be interested in a range of matters that contribute to the prevention of abuse and neglect.

SSAB has 3 core duties:

- It must publish a strategic plan that sets how it will meet its main objective and what the members will do to achieve this
- It must publish an annual report detailing what the SAB has done during the year to achieve its main objective and implement its strategic plan
- It must conduct any safeguarding adults review in accordance with the Care Act.

The functions that support the objectives and duties are:

- Developing a framework of multi-agency policies, protocols and procedures
- Requiring member agencies to provide assurance on their safeguarding activities

- Quality assuring the safeguarding of member agencies
- Implementing a multi-agency Competency Framework and training programme
- Undertaking Safeguarding Adults Reviews and learning lessons from them
- Learning lessons from other reviews including Domestic Homicide Reviews and children's Serious Case Reviews
- Undertaking activities to raise awareness of safeguarding and to support the prevention of abuse and neglect.

Surrey Safeguarding Children Board:

The Surrey Safeguarding Children Board (SSCB) is a statutory partnership with two main objectives as set out in Working Together (2015) and the Children Act 2004 regulations.

1. To coordinate what is done by each person or body represented on the Board for the purposes of safeguarding and promoting the welfare of children in the area.
2. To ensure the effectiveness of what is done by each such person or body for those purposes.

The statutory roles and functions which support these objectives are:

- Developing policies and procedures
- Communicating and raising awareness
- Monitoring and evaluating the effectiveness of partners individually and collectively
- Participating in the planning of services
- Undertaking reviews of all child deaths and serious case reviews and disseminating the learning
- Commissioning and delivery of multi-agency training
- Evaluation of single agency and multi-agency training

The Surrey Children and Young People's Partnership:

The purpose of the Surrey Children and Young People's Partnership is to provide strategic direction and leadership of the children and young people's joint commissioning system to deliver better outcomes across the children's system. The Children and Young People's Partnership sets out the strategic joint commissioning priorities for the partnership, and incorporates the Health and Wellbeing Board's priority for children.

The Surrey Children and Young People's Partnership Joint Commissioning Strategy 2017-22 sets out the ambition to address the inequality in outcomes that some of our children and families experience in Surrey. The strategic priorities are:

- Developing and delivering an integrated SEND offer with and for Surrey's children and families
- Developing and delivering an integrated early help offer for children and families in need
- Extending our Safer Surrey strengths-based model of practice: to enable us to continue placing children, young people and families at the heart of our practice (built into all our priorities)
- Supporting our children, young people and families to lead healthy lifestyles and have good emotional wellbeing and mental health
- Getting to good outcomes for our vulnerable children; particularly for our looked after children and care leavers

- Continuing to strengthen and deliver our partnership strategy and priority actions for CSE and missing children
- Building our multi-agency response to domestic abuse and neglect
- Embedding our Multi-Agency Safeguarding Hub (MASH) arrangements

The partnership will work closely with relevant boards to ensure a focus on these strategic priorities particularly from a joint commissioning perspective.

Community Safety Board

The Community Safety Board was created as a result of the Crime & Disorder Act 1998 that requires named responsible authorities to work together to develop and implement strategies for reducing crime and disorder in their area. In two tier authority areas, there is a requirement to have a county-level strategy group to add value and provide strategic co-ordination on county-wide activity. In Surrey, the multi agency Community Safety Board fulfils this role and is currently chaired by the Police and Crime Commissioner for Surrey. The Board work closely with the eight district and borough based community safety partnerships (CSPs) and the merged CSP (Mole Valley, Reigate & Banstead & Tandridge) in Surrey.

In delivery of its role in delivering strategic co-ordination of county-wide community safety activity and of ensuring effective partnership working the Board:

- Co-ordinates the delivery of a county strategic assessment and in partnership with the CSPs the development of their strategic assessments.
- Establishes its county wide priorities.
- Delivers county wide community safety strategies, policies, guidance, training and communications.
- Leads on 'high harm' issues, for example, domestic abuse, Prevent, Serious Organised Crime, Modern Slavery
- Maintains oversight of domestic homicide reviews (DHRs)
- Disseminating the learning from practice including homicide reviews, anti-social behaviour, domestic abuse and information sharing.
- Supports joint commissioning where appropriate
- Supports the victims voice in areas such as anti-social behaviour and domestic abuse"

Surrey Criminal Justice Partnership (SCJP)

SCJP is the county-wide strategic level Local Criminal Justice Board for Surrey. It undertakes the role of **co-operative working** under Section 10 of the Police Reform and Social Responsibility Act 2011 to provide an efficient and effective Criminal Justice System for the police area.

The key purpose of the SCJP is to set the direction for the delivery of improvements through multi-agency consultation and working. This supports the overall aims of the Criminal Justice System (CJS) to **uphold the law** and **reduce re-offending**.

SCJP Vision:

'A joined-up modernised quality criminal justice service that delivers value for money for the community and inspires public confidence'

This work falls primarily under supporting victims and witnesses through the CJS and to help reduce re-offending.

SCJP identifies its work through developments at a national Criminal Justice Board and through local input from key Surrey partners. Its current constitution states that it will:

- Identify priority areas of work through an annual Delivery Plan
- Identify areas of risk where a multi-agency response is necessary
- Identify performance measures necessary to monitor progress
- Commit appropriate resources in support of partnership working
- Agree a delivery model and identify areas for collaboration
- Agree communications and information sharing guidance
- Respond to consultation requests where resources allow
- Provide reports from meetings with decisions taken
- Provide access to approved non-confidential documents on a public facing website

Proposed working arrangements

1. The HWB will consult the SSAB and SSCB to validate a summary of the Surrey Joint Strategic Needs Assessment and inform the development of the Health and Wellbeing Strategy
2. The Surrey CYP will consult with the SSCB on the Children and Young People's Partnership Plan and its annual review.
3. The SSAB and the SSCB will formally present their annual reports to the HWB on the effectiveness of safeguarding arrangements and the HWB will provide a formal response to both
4. The HWB has identified Cabinet Member for Adult Social Care, Wellbeing and Independence and the Strategic Director for Adult Social Care and Public Health as individuals responsible for ensuring co-ordination of relevant activities and championing safeguarding adults in the work of the HWB
5. The HWB has identified the Cabinet Member for Children and Families Wellbeing, the Strategic Director for Children, Schools and Families as individuals responsible for ensuring co-ordination of relevant activities and championing safeguarding children in the work of the HWB
6. HWB members shall ensure messages and information about keeping adults and children safe are disseminated within partner organisations, including collaborating on stakeholder events where appropriate.
7. The members of the five Boards shall take responsibility to ensure safeguarding action taken by one body does not duplicate that taken by another.
8. Ensuring safeguarding is "everyone's business", reflected in the public health agenda, community safety and related health and social care commissioning strategies.
9. The SSAB and SSCB will share with the HWB, CSB and CYP their strategic plans and priorities for improvement to ensure alignment and best use of resources to protect adults and children at risk
10. SCJP will assist other strategic partnerships by providing a gateway to senior criminal justice leaders and to act as a reference group or consultative group in the wider context of criminal justice transformation.
11. SCJP will work with other senior partnerships to develop better outcomes for victims and offenders whilst reducing demand on the formal justice system. SCJP can contribute to shared-learning across these different fields of specialism.

Signed by all Board Chairs

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SURREY COUNTY COUNCIL

CABINET

DATE: 17 JULY 2018



REPORT OF: MRS CLARE CURRAN, CABINET MEMBER FOR CHILDREN

MR TIM OLIVER, CABINET LEAD MEMBER FOR PEOPLE

MRS HELYN CLACK, CABINET LEAD MEMBER FOR CORPORATE SUPPORT

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

SUBJECT: REGIONAL FRAMEWORK FOR CHILDREN'S RESIDENTIAL PROVISION (2018 – 2024)

SUMMARY OF ISSUE:

In Surrey, we believe that for most children and young people the best place to live is with their family of origin and where appropriate we will support parents to provide an environment in which their child can grow and thrive. Unfortunately, in some circumstances the safest and most appropriate option is for a child to be taken into care.

As Corporate Parents, Surrey County Council has a responsibility to ensure that we have sufficient placements available to meet the needs of our looked after children. We believe that for the majority of our looked after children, foster care is the most suitable placement option, however we also acknowledge that in some cases, young people require the type of care offered in a children's home. Where the needs of a child cannot be met through in-house provision (foster care or residential children's homes managed by SCC), we purchase/utilise services delivered by external providers.

In order to effectively manage the children's home market, achieve good outcomes for children and be compliant with Public Contract Regulations, Surrey has been an active member of a regional framework which is due to expire on 30 September 2018. In 2017 and early 2018 a total of 18 local authorities, including Surrey and our Orbis partners East Sussex and Brighton & Hove, came together to develop and tender for a revised framework. This new Flexible Framework is due to commence 1 September 2018. The initial contract term is three years, with the option to extend for a further three years (or part thereof). The framework does not commit the council to any given level of expenditure, although there is a contribution to shared management of the framework.

382 children's homes have successfully bid for a place on the new framework (compared with 263 homes on the current framework). The framework will assist Surrey in meeting its Sufficiency Duty, provide certainty regarding the cost of residential placements, secure value for money for local authorities, and outcomes for children will be robustly monitored.

RECOMMENDATIONS:

It is recommended that:

1. Following consideration of the available options, the results of the procurement process, and commercially sensitive information provided in Part 2 of the report, approval is given for the Council to enter into a regional Framework Partnership Agreement for children's residential provision (led by Southampton City Council) for the period 1 September 2018 – 31 August 2024.
2. Delegated authority be given to the Assistant Director(s) of Children's Services to 'call off' this framework in order to place looked after children in external children's homes, where this is deemed to be the most appropriate placement for the child or young person.
3. Delegated authority to be given to Executive Director – Children, Families and Learning, in consultation with the Leader of the Council and Cabinet Member for Children, to add new providers to the framework for Surrey, in consultation with other local authorities, during the life of the framework.

REASONS FOR RECOMMENDATIONS:

The existing regional framework (of which Surrey is a member) will expire on 30 September 2018. If the Council does not participate in a Framework or similar procurement arrangement, it will be only able to spot purchase children's residential provision, or enter into Block Contracts. Due to the level of spend, exclusive spot purchasing would place Council in breach of procurement law. Having only block contract arrangements in place would limit placement choice for children and their needs may not be met.

Additionally, if we do not join the Local Authorities of the Southern Region (LASR) Flexible Framework, more staff would need to be recruited by Surrey to undertake the increase in workload associated with negotiating individual contracts and monitoring the performance of a large number of providers. In the regional collaborative, these tasks will be shared across all the local authorities and coordinated centrally by a small Framework Coordination Team.

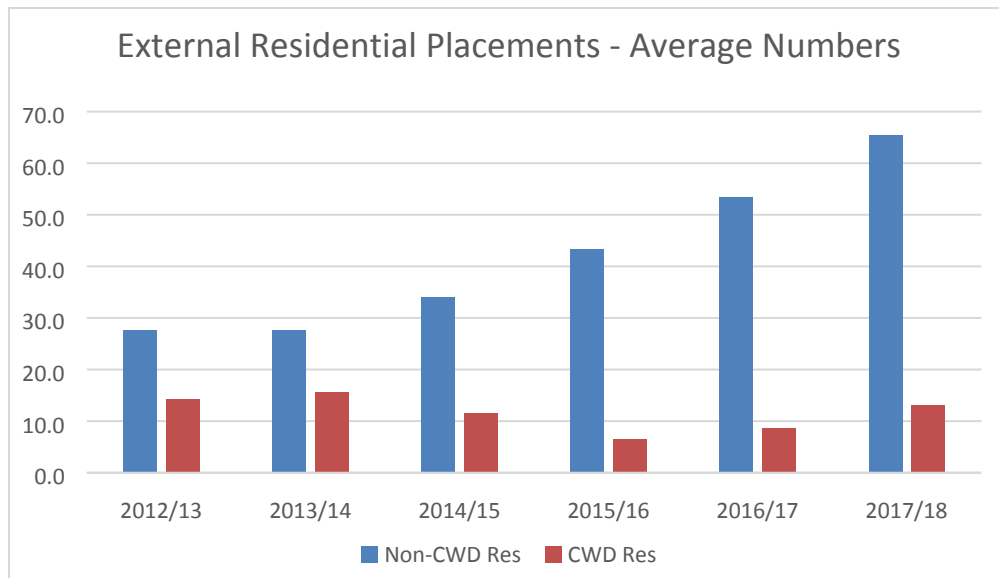
The LASR Flexible Framework will allow Councils across the region to manage the market, control expenditure and ensure value for money over the next six years. Prices will be fixed for the first three years of the framework, and there is the potential for further savings through block contracts and voluntary discounts.

Framework Agreements are technically £0 value contracts as they include no obligation to undertake any set minimum level of expenditure through them. It is, however, envisaged that this contract will act as the Council's primary route to the external children's residential care market going forward. The only financial commitment is a small contribution towards framework coordination and contract management costs (approximately £15k per annum for Surrey).

A similar arrangement for the commissioning of Independent Fostering Agencies has been in place for over 12 months, and the experience of partnership working and having a regional perspective of demand, sufficiency and provider performance has been very positive.

Strategic Context

1. Surrey County Council is committed to improving outcomes for all looked after children, ensuring that the young people we look after grow up with the same opportunities as other young people and that they are equipped to go on to live successful and fulfilling lives. The vision of the Corporate Parenting Board is “as corporate parents, we want every child to feel safe and confident about their future”.
2. Surrey County Council seeks to make placements locally and to place in foster care whenever possible. One of the areas of development of the Transformation Programme is seeking to increase local provision and specifically the numbers of foster carers significantly in Surrey to increase local capacity. For some children, however in-house provision cannot meet their needs and provision is purchased through external providers, which is the focus of this paper.
3. As at 31 March 2018, there were 940 looked after children in Surrey. 108 of these were Unaccompanied Asylum Seeking Children (UASC). Numbers of UASC have been steadily declining over the past 12 months, but over the last three years, Surrey has seen a steady growth in the number of non-UASC children becoming looked after, alongside a changing needs profile.
4. With a rise in adolescents with complex needs entering care, the number of young people being placed in residential provision (children’s homes) has also risen. As at 31 March 2018, 35 children and young people were placed in in-house residential provision, and 87 were placed with external providers (13 children with disabilities (CWD) and 74 non-CWD). The following graph shows how the number of children placed in external children’s homes as increased over the past 6 years:



5. The approach to commissioning is driven by the Child First: Commissioning Intentions for Children in Surrey 2017-22, as agreed by Cabinet. Commissioning Intention number 5 is to “Secure placements or accommodation for looked after children and care leavers, including unaccompanied asylum seeking children that are appropriate, local and value for money”.
6. The commissioning intentions in Child First set our direction and are supported by the ‘Sustainable Future’ work, which has highlighted actions we can take to develop a more local, cost effective and financially sustainable model for social care and SEND placements. We believe that through a regional approach we can put systems in

place to develop the market, bring children closer to home, and ensure that children's residential provision remains both high quality and affordable.

7. Commissioning children's residential care through a Regional Framework is just one action being put in place as part of our Sufficiency Strategy and a much broader *Placement Strategy Action Plan*. We believe that children and young people are most likely to thrive when living in a healthy family environment, and therefore most looked after children are placed in foster care. Work is being done across the organisation to recruit and retain more foster carers in Surrey, review current in-house residential provision, look at alternatives to residential care, enhance placement stability and permanency for our children, and support family reunification/return to home wherever it is appropriate to do so.
8. At the heart of Child First, is an intention to focus on prevention and early help – including the further development of our Edge of Care service to try and reduce the number of children and young people needing to enter care in the first place.
9. The Council Transformation Programmes set out by the Leader alongside the draft vision for 2030 will further increase the number of foster carers and develop new approaches to reduce the number of children entering care and shift to more local provision of care, in particular through the Family Resilience programme.

Financial Context

10. There is currently a high proportion of external residential placement spend which is not through the existing residential framework (48% of current spend is 'spot' purchased). During 2017/18 the annual average unit cost for an external residential placement (non CWD) was £0.223m. The annual unit cost of an external residential placement for children with disabilities was £0.181m. Unit costs have increased over the past five years by 30%. These average annual costs are mix of rates from the existing framework, 'spot' purchased placements, and include additional services purchased (e.g. therapies or 2 to 1 staffing support). This mix makes it very difficult to compare the current rates with the proposed rates for services under the new framework.
11. In 2017/18 spend on external residential placements totalled just under £17m against a budget of £15.6m. The budget was increased by £3m during 2017/18 due to an unprecedented increase in demand. The budget for Children's Residential placements with external children's homes for 2018/19 factors in further growth and is set at £21.7m.
12. Effective and appropriate use of a Flexible Framework Agreement, with improved contract monitoring arrangements in place, should provide Surrey County Council and other participating Local Authorities assurance of quality in the provision of children's residential care and price stability in what will otherwise be a market characterised by variable and escalating costs over the coming years.

Options Analysis

13. The following options were considered:
 - Option 1: Revert to spot purchasing
 - Option 2: Procure a SCC-specific solution
 - Option 3: Engage in a consortia commissioning solution
14. It was agreed that entering into a collaborative arrangement with other local authorities in the region to tender for a flexible framework was the most appropriate (and legally compliant) method of procurement currently available to us.

Commissioning Approach

15. Southampton City Council established and led a regional consortium of local authorities to enable a collaborative approach to re-commissioning children’s residential care.
16. The consortium is currently comprised of **18 local authorities** – Bournemouth Borough Council, Bracknell Forest Council, Brighton and Hove City Council, Dorset County Council, East Sussex County Council, Isle of Wight Council, Medway Council, Oxfordshire County Council, Poole Borough Council, Portsmouth City Council, Reading Borough Council, Slough Children’s Services Trust, Southampton City Council, Surrey County Council, West Berkshire County Council, West Sussex County Council, Windsor & Maidenhead Council, and Wokingham Borough Council.
17. The contract has been designed in a manner that will enable additional local authorities to join the consortium as permitted buyers for a fee at a later date.
18. As a large local authority, with the highest usage of residential children’s homes in the consortium, Surrey have displayed a high degree of influence over the development of the framework contract and service specification – particularly in regards to tender evaluation, the outcomes framework, performance monitoring (including key performance indicators and default clauses), and the development of a specific Lot focused on children with complex needs (Lot 5: Therapeutic Residential Care).
19. The contract has been let as a competitive tendering exercise. It was decided that an open process was appropriate because it gave the best opportunity to enable the required number of providers to join the framework. More information regarding the tendering process, including timelines and outcomes can be found in **Annex 1**.
20. The LASR Flexible Framework has been opened to children’s homes delivering services for *looked after children* under the following Lots:

LOT	DESCRIPTION
Lot 1	Planned and Same Day Residential Care
Lot 2	Crisis Care
Lot 3	Residential Care with DfE Regulated Education
Lot 4	Residential Parenting Assessments
Lot 5	Therapeutic Residential Care
Lot 6	Children with Disabilities

21. The new LASR Flexible Framework is underpinned by a comprehensive Outcomes Framework (**Annex 2**). Outcomes are focused on ensuring that our looked after children are safe from harm, experience good physical and mental health, are resilient and able to cope with life’s difficulties, they have good self-esteem, achieve well at school, are able to build and maintain positive relationships with others, and that they are well supported in the process of preparing for adulthood and moving to independence.
22. Outcomes for individual children are captured in the Referral Form, the Individual Placement Agreement (IPA) and the child’s Care Plan. It is the job of the child’s Social Worker and Independent Reviewing Officer (IRO) to monitor how well the placement is meeting the needs of our children, and how well they are making progress towards positive outcomes. This is then reported through the new Quality Assurance Form being completed by IROs after each Looked After Child Review (which takes place every 6 months).

23. Experience with previous frameworks and other commissioning arrangements has demonstrated that in order to be effective, frameworks must be robustly managed and providers closely monitored for to ensure high quality of provision and ongoing compliance with the terms of the contract.
24. It is proposed that a small Framework Coordination Team will be employed by the consortia to provide ongoing oversight of the framework across the region. This team will be responsible for coordinating contract management tasks including the monitoring of Key Performance Indicators, highlighting performance issues, monitoring OFSTED (or equivalent) ratings, responding to Freedom of Information requests, organising provider forums, ensuring volume discounts are being applied where available, and providing red-flag notification for local authorities when a provider has acted in a manner that causes concern or breached the terms of the contract. Default clauses within the terms and conditions provide the opportunity for providers to be suspended or have their contract terminated in the event of a breach.

Benefits of the Framework

25. **Increased Placement Choice.** 382 children's homes have successfully bid for a place on the new LASR Flexible Framework, compared with 263 homes on the current framework. Many of these homes provide services under more than one Lot, and therefore options for placing children in a manner that is compliant will be enhanced on commencement of this new framework.
26. **Price Transparency and Certainty.** Within their bids, providers have provided a breakdown of their weekly fee, providing an increased level of transparency regarding operating costs versus profit. We have also received from providers a list of 'additional services' that can be offered on top of the placement cost, should the child have specific areas of need.
27. **Managing Market Inflation.** All pricing submitted by providers in their initial bid will generally be 'fixed' until the end of the first three years of the framework and will not be subject to inflationary uplift. Providers may apply to reduce their fees when the framework opens each year (to be more competitive) but they will not be able to increase their fees unless they can prove that the need for an increase has arisen as a direct result of legislative changes and that these changes have resulted in increased financial risk to the provider (potentially risking placement stability for children). All applications to increase prices will need to be approved by the Project Board (made up of representatives from each of the local authorities in the consortium).
28. **Potential Savings through Block Contracts.** The Framework Agreement has been designed as a 'platform' from which solo and sub-regional block contracts may be called-off. Sir Martin Narey's Review of Children's Residential Care in England (2016) recommends that local authorities do more shared block contracting of this service type and that when doing so, savings of 5 – 10% may be expected when compared to traditional spot purchasing arrangements. Block contracts may also be used to stimulate growth in the local supply of children's homes. Work is underway within the consortium to ensure we are collectively maximising the opportunities that follow from this option.
29. **Potential Savings through Volume Discounts.** The pricing schedule included in the ITT allowed providers to voluntarily offer volume discounts as part of their bid.
30. **Provision for Children with Complex Needs.** *Lot 5: Therapeutic Residential Care* is a type of provision that has not been included in previous framework arrangements. The purpose of this Lot is to identify children's homes that

understand the challenges of working with highly traumatised children who have a range of difficulties in their social, emotional and intellectual development and display complex behaviours as a result of their past. To be awarded a place on this Lot, children’s homes have had to show how they work with children using a widely recognised, evidence based therapeutic model of care, and achieve good outcomes for this cohort.

CONSULTATION:

- 31. The outcomes framework is based on the Every Child Matters document commissioned by Central Government, and work completed by the South East Together consortium, who consulted extensively with providers, parents, children and young people.
- 32. A live market engagement event was held in Southampton in July 2017. Further market engagement took place via an interactive, online ‘Get Ready to Tender’ event in February 2018.
- 33. A bespoke contract, including terms and conditions has been developed by Southampton City Council and approved by all participating authorities through the Project Board.
- 34. Key internal stakeholders have been consulted at all stages of the commissioning and procurement process and provided feedback on the commissioning strategy, the specification, and the terms and conditions. This has included Looked after Children, SEND, and CWD team representatives. The Children’s Rights and Participation team were also consulted on the specification.
- 35. Providers, social workers, IROs and children and young people will all continue to be engaged and consulted as part of the annual review process.

RISK MANAGEMENT AND IMPLICATIONS:

36. Potential risks of being involved in the LASR Flexible Framework for the commissioning of children’s residential services:

Category	Risk Description	Mitigation Activity
Financial	There may be a risk of not finding sufficient placements to fulfil our statutory obligations, leading to continued high levels of spot purchasing.	The number of providers on the framework has increased from the previous framework. The framework will be opened annually to allow new children’s homes to be added to the framework – providing more placement choice.
Financial	Requests for price increases	Any request for a price increase will have to be fully justified and approved by the Framework Project Board. The contract makes it clear that prices are expected to be fixed for at least the first three years of the framework agreement.

Reputational	There may be a risk of not finding sufficient placements to fulfil our statutory obligations	The number of providers on the framework has increased from the previous framework. The framework will be opened annually to allow new children's homes to be added to the framework – providing more placement choice.
Reputational	Increased number of out of county placements	Ongoing work to develop local provision in Surrey, including the recruitment of more local foster carers, exploring alternatives to residential care, and using regional data collected by the consortium to encourage providers to open new children's homes in the local area, which will all reduce the number of out of county placements.

Financial and Value for Money Implications

37. According to the Institute of Public Care (IPC), working in a consortium gives local authorities scale and volume of business that helps drive savings through enabling providers to lower prices. The IPC Research Report (2015) shows that most consortia reported generating cashable savings and non-cashable savings in varying degrees (approximately 4-5% off spot purchased placement costs at a similar point in time) through working collaboratively. However the likelihood of securing further savings reduces the longer a consortium is in operation particularly if robust contract management is not in place. Indeed, many local authorities now share the view that the focus of consortia working should be on cost avoidance, transparency in pricing, and intensifying efforts in monitoring and improving the quality of placements.
38. The Department for Education is also encouraging local authorities to commission on a much larger (regional) scale, and work more collaboratively with the independent sector to develop innovative, value for money services that better meet the needs of looked after children (*Putting Children First: Delivering our vision for excellent children's social care*, DfE, July 2016)
39. The vast majority of homes awarded to the Framework Agreement (81%) have an Ofsted rating of good or outstanding. 10% have a rating of 'requires improvement to be good,' and the remaining 9% are homes registered with Ofsted but not yet inspected, or homes not regulated by Ofsted (those which may be located in Scotland and Wales). The contract will therefore offer a robust mechanism through which the Council will be able to assure that our looked after children are placed in high quality care.
40. The budget for external children's residential provision for non CWD placements is set at £19.4m for 2018/19. This was based on 74 open placements as at April 2018 with a continued growth of 2 placements per month during the year. For external placements for children with disabilities (CWD) the budget is £2.3m, based on an average of 13 placements throughout the year. The Council has recognised the rising demand and unit costs in this area and has agreed £6.1m of growth in 2018/19 within the Medium Term Financial Plan (MTFP) for external residential placements as part of a wider £19m growth packaged for Children's Services. The MTFP also sets out the need to achieve £0.6m of efficiencies with regards to managing market inflation per year over the next two years, however this does not purely relate to external residential placements.

41. Other than a small contribution towards framework coordination and shared contract management costs (approximately £15k per annum - calculated on a proportional usage basis and paid out of the Children's Services Placement Budget), there are no further costs associated with calling off the framework, nor is there a requirement that we use it. Being an active purchaser of placements through the framework however, allows Surrey to remain compliant with the Public Contract Regulations 2015 and working in partnership with other local authorities within the region builds buying power and leverage with the market.

Section 151 Officer Commentary

42. The County Council is under severe financial pressure and needs to ensure any new contractual arrangements are cost effective and will ideally reduce future costs. The service specifications under the proposed new framework are completely different to the current commissioned services and it is not possible at this time to correlate needs with current services to attempt any matching. This means comparisons are not meaningful between current service unit costs and the unit costs quoted in part 2. Any financial benefits cannot therefore be forecast at this stage, but the unit costs and total spend will be closely monitored.
43. The section 151 officer acknowledges there are advantages in operating a framework arrangement in that there is a greater transparency of unit costs; more providers signed up to the new framework so there is more choice; price inflation can be controlled and the County Council can take advantage of volume discounts with some providers. All of these advantages provide greater control over market prices and overall spend.

Legal Implications – Monitoring Officer

44. The Council's primary statutory duty under sections 22(3) and 22 A-F of the Children's Act 1989 to safeguard and promote the welfare of looked after children including their ensuing maintenance and accommodation needs; the Council's duty to fulfil its regulatory requirement to develop sufficient placements to meet the needs of looked after children, whilst improving the quality of placements must be considered, against the significant increase and changing profile of looked after children.
45. In order to be best placed to fulfil the above duties we have decided to become a partner of the Local Authorities of the Southern Region (LASR) Flexible Framework for the provision of children's residential care placements. This process has been compliant with the Public Contract Regulations 2015, specifically the 'Light touch regime' (Chapter 3 of the Regulations) and the Council's Procurement Standing Orders. The Cabinet needs to balance the Council meeting their duties against the increased forecasted costs of residential care placements if a framework (or similar procurement solution) is not entered into by 30 September 2018.

Equalities and Diversity

46. Being a partner of the LASR Flexible Framework for residential placements for children, will have a positive impact on equalities and diversity as it will improve placement choice and quality of provision and ensure a variety of placement options are available to meet the needs of some of Surrey's most vulnerable children, including those with complex behaviours and looked after children with disabilities.
47. An Equality Impact Assessment (EIA) has been carried out by the Project Group to analyse any potential negative or positive impacts of the outcomes of the tender on

individuals with protected characteristics. A summary of key impacts and actions can be found in **Annex 3**. A copy of the full EIA can be provided on request.

Corporate Parenting/Looked After Children implications

48. Being a partner of the LASR Flexible Framework will assist Surrey in fulfilling its sufficiency duty (providing sufficient placement choice and stability) and ensure better outcomes for Looked After Children. Better outcomes will be achieved through joined-up partnership working with other local authorities, increased access to a broad range of providers across the south of England (including within Surrey's borders), implementation of the Outcomes Framework and enhanced contract monitoring of independent providers.

Safeguarding responsibilities for vulnerable children and adults implications

49. The robust framework coordination and contract management arrangements that will be put in place through the LASR Flexible Framework implementation will ensure that placements made with independent children's homes will be monitored more closely than placements that are spot purchased. Regular monitoring through the framework will have a strong focus on providers' safeguarding policies and procedures and ensure that the safety of children and young people in care is a priority at all times.

WHAT HAPPENS NEXT:

50. The timetable for implementation is as follows:

Action	Date
Southampton Cabinet Meeting	17 July 2018
Surrey Cabinet Meeting	17 July 2018
Surrey to notify Southampton of Cabinet Decision	18 July 2018
Southampton to notify successful bidders	19 July 2018
Standstill period	10 days
Framework commencement date	1 September 2018

Contact Officer:

Frank Offer Head of Market Strategy, Tel: 020 8541 9507

Sam Morrison, Principal Commissioning Manager (Social Care & Wellbeing), Tel: 07976 850268

Libby Butler, Senior Commissioning Manager (Social Care & Wellbeing), Tel: 07973 944769

Consulted:

The CSF Commissioning Oversight Group (COG), led by the Assistant Director for Commissioning and Prevention, was briefed on the project and endorsed all actions and recommendations at meetings in June 2017 and March 2018.

A Strategic Sourcing Plan (SSP) was presented and the route to market approved at a Strategic Governance Board (SGB) meeting on 13 March 2018.

Meetings were held with Cllr Clare Curran (Cabinet Member for Children) and Cllr Tim Oliver (Cabinet Lead Member for People) during May 2018, and Cllr Helyn Clack (Cabinet Lead Member for Corporate Support) in June 2018.

Annexes:

- Annex 1: Competitive Tendering Process
- Annex 2: LASR Outcomes Framework
- Annex 3: Equality Impact Assessment (Summary)

Sources/background papers:

- Chief Secretary to the Treasury (2003) *Every Child Matters*. London. HM Government.
- Department for Education (2016) *Putting Children First: Delivering our vision for excellent children's social care*. London: Department of Education.
- Institute of Public Care (2015) *The Efficacy and Sustainability of Consortia Commissioning of Looked After Children's Services: Research Report*. Oxford Brookes University.
- Narey, Sir Martin (2016) *Residential Care in England: Report of Sir Martin Narey's independent review of children's residential care*. London. HM Government.
- Children Act 1989 (<https://www.legislation.gov.uk/ukpga/1989/41/contents>)
- The Public Contracts Regulations 2015 (http://www.legislation.gov.uk/uksi/2015/102/pdfs/uksi_20150102_en.pdf)
- Surrey County Council (2016) *Surrey Placement Strategy for Looked After Children 2016 – 2019*.
- Surrey County Council (2015) *Corporate Parenting Strategy 2015 – 2018*.
- Internal Document: *Child First: Commissioning Intentions for Children in Surrey 2017 – 2022* (a copy can be found [here](#) on S-Net)

Annex 1: Competitive Tendering Process

The Market

The providers in the current market know that demand is outstripping supply and that they hold the leverage and market advantage. Most providers are for profit, run by private companies. Although evidence from OFSTED suggests that many are providing quality care, it is clear that the market needs to be managed carefully and relationships built, to encourage more local development of children's homes with reasonable rates.

Out of Scope Services

The framework will *not* cover the services provided by specialist SEND providers or specialist SEN residential schools including Independent Non-Maintained Special Schools, unless they provide 52 week residential care and are registered as a Children's Home. It will also not cover provision (some crisis/short term/16+ accommodation) that is unregulated, as entry onto the framework has been determined by Ofsted rating (or equivalent quality rating in Scotland and Wales) and providers have been tiered according to both their Quality/Ofsted Rating and Price. Any provider who is unregulated, yet to be registered, or registered but has a quality rating as 'inadequate' (or equivalent) has not been accepted onto the framework.

Governance

A Project Board and three working groups were established. The Project Board has been meeting monthly to make strategic level decisions and sign-off on proposals and tender documentation that have been developed through the working groups.

The Project Board is chaired by the Associate Director at Southampton City Council, and membership is made up of one or two representatives from each local authority. Surrey has been represented by Commissioning, Children's Services and Procurement. The work has also been supported by Legal Services and Corporate Finance.

Specifications for all Lots have been developed by the Operational Working Group and signed off by the consortium Project Board. There has been extensive consultation across all 18 authorities in developing the Specification, and in refining the Specification, in which Surrey has played a key role.

Procurement Process

After publication of the OJEU notice on 28 February 2018 (OJEU Reference No. 2018/S 082-185099), an invitation to tender (ITT) was published on the 27 March and providers were asked to complete and submit their tender for one or more of the following lots:

LOT	DESCRIPTION
Lot 1	Planned and Same Day Residential Care
Lot 2	Crisis Care
Lot 3	Residential Care with DfE Regulated Education
Lot 4	Residential Parenting Assessments
Lot 5	Therapeutic Residential Care
Lot 6	Children with Disabilities

Providers were instructed to submit prices fixed for three years, i.e. for the main term of the contract.

The opportunity to tender for the first year of the Flexible Framework closed on 8 May 2018. Further opportunities to bid will be provided when the framework 'opens' for a brief period of time, on an annual basis.

Tender Evaluation Process

Bidders were required to respond to a number of standard questions with applicable pass/fail criteria laid down in the initial stage of this process. Such questions were to test financial capacity, grounds for mandatory exclusion, pre-determined insurance levels, and compliance to specific legislation(s).

The lot structure was key to developing the Quality and Pricing Structure. Quality for Lots 1, 2, 3 and 6 was measured by using the providers existing Ofsted inspection report outcomes. Following an Ofsted inspection, providers are awarded a quality outcome report, and providers were asked to declare their quality rating at tender stage, the declarations were checked at evaluation stage. The results were then used by the Consortia to award either a Pass or Fail to gain approval for inclusion on the framework or not:

Outstanding	Pass A rating awarded;
Good	Pass A rating awarded;
Requires Improvement to be good	Pass B rating awarded;
Inadequate	Fail - not included on the framework.

Emphasis was placed on fairness and equivalence to all providers during this procurement. An additional 'C Rating' was included to ensure new providers that are registered but not yet inspected and Welsh and Scottish providers were able to apply for a place on the framework. It states in the framework that Commissioners have the opportunity to request evidence to demonstrate quality for C rated providers when the framework is in place.

If successful at the Qualification stage, providers for Lots 4 and 5 were asked to submit responses to Method Statement Questions (MSQs), detailing their service offer. The responses were evaluated and moderated by a panel and successful providers ranked in accordance with their combined price and quality scoring.

Procurement Phase Outcomes

The table below details the numbers of providers that applied to the framework Lots and the ranking that has been applied to each:

Lot	Ranking Allocated	Number of Childrens Homes on Lot/Rank
Lot 1	A	174
Planned and Same	B	29
Day Residential	C	11
Care	FAIL	5
	<i>Lot 1 Total Homes Applied</i>	219
	<i>Lot 1 Total Homes on Framework</i>	214
Lot 2	A	52
Crisis Care	B	4
	C	8
	FAIL	0
	<i>Lot 2 Total Homes Applied</i>	64
	<i>Lot 2 Total Homes on Framework</i>	64

Lot 3	A	97
Residential Care	B	18
with DFE Registered	C	28
Education	FAIL	3
	<i>Lot 3 Total Homes Applied</i>	146
	<i>Lot 3 Total Homes on Framework</i>	143
Lot 4	A	2
Residential	B	0
Parenting	C	0
Assessments	FAIL	0
	<i>Lot 4 Total Homes Applied</i>	2
	<i>Lot 4 Total Homes on Framework</i>	2
Lot 5	A	127
Therapeutic	B	15
Residential Care	C	30
	FAIL	4
	<i>Lot 5 Total Homes Applied</i>	176
	<i>Lot 5 Total Homes on Framework</i>	172
Lot 6	A	28
Children with	B	6
Disabilities	C	0
	FAIL	0
	<i>Lot 6 Total Homes Applied</i>	34
	<i>Lot 6 Total Homes on Framework</i>	34

It is recommended that 382 individual children's homes be awarded to the framework (please note that many of these homes offer provision under more than one Lot).

Annex 2: LASR Outcomes Framework

Individual Outcomes for Looked After Children

Overall Goal:

There will be discernible outcomes prescribed by the individual's care plan, with the activities and methods employed to attain these outcomes directly tailored to that plan. Services which have no demonstrable link to achieving key outcomes in the individual's care plan shall not be included in the package of care for that child. The overall goal is to commission high quality residential care for looked after children that meets their individual needs and enables them to be happy, healthy, safe and confident in their future, through the achievement of the following positive outcomes:

1. Safety
2. Physical & Mental Health
3. Resilience
4. Self-Esteem
5. Emotional Intelligence
6. Control
7. Relationships
8. Achievement
9. Identity and Social Presentation
10. Preparation for Adulthood

Outcome	1. Safety – The child is protected and safe, and moreover, feels safe
Outputs	1.1 The child is helped to develop the knowledge and skills that will enable them to adopt safe practices in situations at home, at school and in the community 1.2 The child does not experience bullying, nor are they involved in the bullying of others 1.3 The child is emotionally attached to their primary carer 1.4 The child is able to use a computer and other forms of electrical communication effectively and safely
Outcome	2. Physical and Mental Health – The child experiences the highest attainable standards of physical health.
Outputs	2.1 The child has access to suitable healthcare, and support in learning to make healthy and safe choices. 2.2 The child attends routine appointments with health professionals and receives appropriate treatment where required. 2.3 Where the child has a disability or degenerative condition, their specific needs arising from this are addressed to enable them to achieve the best quality of life possible.
Outcome	3. Resilience – The child has the ability to deal with life’s difficulties. They are able to process and cope with failure and disappointment, and still feel a sense of optimism about the future.
Outputs	3.1 The child is given the opportunity to explore coping strategies and knows how to use them.
Outcome	4. Self Esteem – The child feels good about themselves, places value on their own opinions and ideas, and is generally positive about their personality and abilities.
Outputs	4.1 The child is supported in identifying their strengths or good qualities and are encouraged to try new things.
Outcome	5. Emotional Intelligence – Emotional Intelligence is a person’s ability to: perceive emotion in oneself and others; integrate emotion into thought; understand emotion in oneself and others; and manage or regulate emotion in oneself and others.
Outputs	5.1 The child is supported in understanding his/her emotions and the emotions of others 5.2 The child is taught to manage and resolve conflict in constructive ways
Outcome	6. Control – The child has sufficient control of their own life.
Outputs	6.1 The child is allowed and encouraged to take responsibility (age appropriate) for themselves and others. 6.2 The child feels included in important day to day decisions that affect them, has the opportunity to ask questions about their plan and is encouraged to give their view. 6.3 The child has knowledge of and access to independent advocacy services. 6.4 The child develops a level of independence appropriate for their age or stage.
Outcome	7. Relationships – The child builds and sustains supportive relationships with family, friends, peers and others.
Outputs	7.1 The child knows that people care about them, and feel close to others. 7.2 The child is supported to develop skills to interact with other people, form friendships and sustain good relationships with family, carer-givers, and others.

Outcome	8. Achievement – The child is growing in their learning and in the development of their skills.
Outputs	8.1 The child participates in education and experiences achievement in their learning, and in all other aspects of their lives. 8.2 The child has a variety of hobbies and interests and opportunities to develop these. 8.3 The child takes part in household tasks appropriate to their age and ability and receives recognition to the contribution they make to the day to day running of the children’s home.

Outcome	9. Identity and Social Presentation – The child has a strong and positive sense of self and is comfortable with their identity.
Outputs	9.1 The child has a positive sense of his/her ethnicity in the home as a black or minority ethnic child. 9.2 Religious, spiritual and/or culturally specific needs are taken into consideration and links with the religious and cultural practices of their birth family are strengthened. 9.3 The child is comfortable with their identity as a child in care, and where appropriate, undertakes life story work.

Outcome	10. Preparation for Adulthood – As they grow older, children and young people are able to maximise their independence and self-determination and are supported in the process to moving to independent adult life.
Outputs	10.1 The young person has a plan to engage in further education, employment or training when they leave school 10.2 The young person has a reasonable understanding of how financial institutions work and how to manage their money properly 10.3 The young person has access to and takes part in a variety of social, sporting and cultural activities (outside of the care setting), appropriate to their individual needs. 10.4 The young person progressively gains independent living skills appropriate to their age and level of development as they grow older. 10.5 The young person positively participates in, and contributes to, community life.

Service Outcomes

The following service qualities/outcomes describe expectations regarding the approach providers will take in achieving these outcomes with children. The contract will not oversubscribe how providers will work, but commissioners will expect providers to work in a way which meets the following service qualities:

Outcome	11. Co-Production
Outputs	Providers will work with children and young people in order to co-design and co-deliver their activities

Outcome	12. Value for Money
Outputs	Providers use appropriate levels of resource for each child. It is anticipated that support for children will reduce in intensity as the independence of the child grows over time. There should therefore be an ongoing review of resource levels and these should be set appropriately.
Outcome	13. Work Experience
Outputs	Providers will consider opportunities to create 'apprenticeships', helping our children to access different types of work experience, complementing education, employment and training plans.
Outcome	14. Connecting with the Local Community
Outputs	Providers make links with local communities which support the integration of children into the world beyond school and care, and allow providers to make use of local assets such as community groups, clubs and events, green spaces, and cultural and sporting facilities to support the delivery of outcomes.
Outcome	15. Promoting Inclusion
Outputs	Providers play an active role in promoting the inclusion of children in their care in society and challenge barriers to inclusion in the community or at a national level.
Outcome	16. Working in Partnership with Other Services
Outputs	Providers build relationships and seek partnerships with other local services, including relevant child, adolescent and adult services provided by local authorities and clinical commissioning groups, and services offered by the charitable and voluntary sector.
Outcome	17. Collaborating with Other Providers
Outputs	Innovations are developed collaboratively between groups of local providers, rather than separately. Providers share best practice with each other and coordinate trainings so it can be shared rather than duplicated.
Outcome	18. Contributing Social Value
Outputs	Providers deliver their services in ways which provide additional value to the local area; through careful and sustainable use of environmental resources, and by being good employers, thereby contributing to economic outcomes for local people.
Outcome	19. Ensuring Financial Sustainability
Outputs	Providers take responsibility for their financial viability and demonstrate that their organisation is financially sound and has a sustainable funding model.

Summary of key impacts and actions

<p>Information and engagement underpinning equalities analysis</p>	<ul style="list-style-type: none"> • The outcomes framework is based on the Every Child Matters document commissioned by Central Government, and work completed by the South East Together consortium. Both pieces of work took into consideration the views of providers, parents and children and young people across the region. • Live market engagement event with providers was held prior to development of the Framework, with questions and suggestions collated from providers, and responses provided by the Consortium. Recommendations made by the providers were incorporated into the final Framework Agreement. • An online event called “Get Ready to Tender” gave providers a further opportunity to ask questions. • Providers and looked after children and young people and their families will continue to be engaged and consulted as part of the annual review process.
<p>Key impacts (positive and/or negative) on people with protected characteristics</p>	<p>The Framework will provide greater choice for placements, enabling more appropriate placements to be made, and improved outcomes for looked after children of all ages and across groups with protected characteristics. Positive impacts have been identified in particular for the following protected characteristics:</p> <p>Age Older children are more likely to be in a residential placement than younger locally and nationally, although positive outcomes could be improved for younger children in some cases where a residential placement would provide the most suitable care. The Framework will ensure greater choice of provision will enable more suitable placements to be made, and improved outcomes for looked after children of all ages.</p> <p>Disability The Framework will provide increased clarity of placement availability which meet our requirements for children and young people with disabilities (the Local Offer), as well as offering greater choice of provision as part of Lot 6, leading to more suitable placements being made.</p> <p>Pregnancy and maternity The Framework Agreement has specific provision as part of Lot 4 – Residential Parenting Assessments, which is expected to improve outcomes for vulnerable parents and their children.</p> <p>Sex Boys are more likely to be in a residential placement than girls. The Framework will ensure greater choice of provision, enabling more suitable placements to be made, and improved outcomes for all looked after children.</p> <p>Race The Framework has specific outcomes to focus on improving residential care provision for looked after children of black or minority ethnicities. Outcome 9 of the Framework is focused on the child having “a strong and positive sense</p>

	<p>of self and is comfortable with their identity”. Outcome 9.1 is for “The child has a positive sense of his/her ethnicity in the home as a black or minority ethnic child.”</p> <p>Religion The service specification of the Framework has a specific outcome to focus on improving the religious, spiritual and cultural provision for children in residential care, with Outcome 9.2 “Religious, spiritual and or culturally specific needs are to be taken into consideration and links with the religious and cultural practices of their birth family are to be strengthened.”</p> <p>Whilst on the whole, the Framework is positive for children and young people who belong to groups with protected characteristics, they may be more likely to have more complex needs that need to be met as part of their placement. Placement decisions will be made on the basis of best match to meet the needs of the individual child or young person, the geographical location and the price, in that order.</p>
<p>Changes you have made to the proposal as a result of the EIA</p>	<p>The new Framework Agreement has a Lot included for Therapeutic Care provision, as the current Framework does not cover specific provision for children who have multiple, complex needs or a background of childhood trauma and therefore require a more intensive, therapeutic level of care than that which is commonly offered in the children’s home market.</p> <p>The Service Specification contains a very comprehensive Outcomes Framework, which was not included in the current Framework. This was developed with the needs of children and young people with protected characteristics in mind, and informed by Every Child Matters policy and consultation work by the South East Together Consortium.</p> <p>A bespoke contract, including terms and conditions, has been developed by Southampton City Council and approved by all participating authorities, which was informed by outputs market engagement events with providers, children and young people.</p>
<p>Key mitigating actions planned to address any outstanding negative impacts</p>	<p>The mechanisms within this Framework Agreement allow for an individual placement agreement for each child or young person, which will specify the needs to be met and outcomes required. This will make sure that children and young people with protected characteristics can be well-accommodated in their placement.</p>
<p>Potential negative impacts that cannot be mitigated</p>	<p>None</p>

SURREY COUNTY COUNCIL**CABINET****DATE: 17 JULY 2018****REPORT OF: HELEN CLACK, CABINET LEAD MEMBER FOR CORPORATE SUPPORT****LEAD OFFICER: CLAIRE BARRETT, DEPUTY CHIEF PROPERTY OFFICER****SUBJECT: PROVISION OF SOFT FACILITIES MANAGEMENT SERVICES FOR ORBIS PROPERTY – CONTRACT AWARD****SUMMARY OF ISSUE:**

The Council has a number of contracts (13) expiring between October 2018 and March 2019 all related to the provision of Soft Facilities Management services. These contracts provide the following services:

- a) Grounds Maintenance & Arboriculture Services
- b) Cleaning – Building and Washrooms
- c) Cleaning – Windows
- d) Pest Control
- e) Waste Collection
- f) Waste Collection – Confidential
- g) Security – Manned Guarding and Patrols
- h) CCTV & Access Control Servicing and Maintenance

These services are required to allow the Council to safely and compliantly operate its property assets, such as corporate offices, libraries, adult and children's social care facilities and Surrey Fire & Rescue properties.

These contracts also contribute to how residents and services experience Council services when visiting these assets and ensure that public buildings meet legislative standards. Full details of the different contracts and expiry dates are set out in para. 8 of the Details section.

This report sets out the options that have been considered after analysis of current arrangements and market intelligence, sets out the current procurement procedure underway to support the strategy and seeks approval through delegation to the Executive Director and Leader of the Council to award contracts for these services once the procurement and evaluation process is complete and allow for a smooth transition of services to new providers.

In September 2015, Surrey County Council Cabinet approved the business plan for to establish a public sector partnership to create an integrated business services organisation called Orbis delivering business and support services to both authorities. This indicated potential for savings of 12% to be delivered over the course of the three year business plan (to 2018/19).

The partnership incorporates the following services:

- Human Resources (HR) / Personnel and Training

-
- Property Services / Property and Capital Investment
 - Information Management and Technology / ICT
 - Procurement
 - Finance (including Internal Audit)
 - Business Operations (Shared Services)

Each individual service has then created an integrated service model which is designed to deliver the benefits, both financial and non-financial, identified in the Orbis Business Plan to Surrey County Council and the other partner Councils. The strategy aims to optimise consistency, quality and efficiency in the way services are delivered and received by internal and external customers. Part of this model relates to the way the services are delivered by the Councils supply chain, and establishing a service that rationalises current contract management administration and the large number of different agreements in place with customers to create a simpler and more effective model.

The Property Services integrated service model is now in the process of being delivered and officers from Property Services and Procurement in Surrey have developed a procurement strategy to replace the contracts now required to support the delivery of services to customers. The strategy was approved in October 2017 by the Property Senior Leadership Team.

The strategy was developed after analysis of the following:

- Current contractual arrangements and how they could be aligned.
- Spend and demand within each contract and across each partner.
- Market intelligence from the supply chain.
- The standards and specifications for each contract in each partner.
- The flexibility required for different customers (for example fire stations vs. libraries).
- How the contracts could support the future delivery and growth of Property Services' offer to internal and external customers.
- The potential benefits that the combined value of these contracts could deliver to each partner.

Any potential benefits need to be balanced against the sovereign priorities of the Council, particularly around supporting the local economy and ensuring contracts are accessible to a range of different organisations and that the services delivered meet customers and residents expectations.

Officers from each of the three partner Councils have redesigned the specifications and performance standards currently in place to create consistent output based requirements that will drive these services to be delivered with optimum use of resources and allow suppliers to determine innovative solutions which will be flexible to meet the standards required and customers who receive the service.

A number of options were considered for the procurement of these contracts based on analysis of the above and the intelligence received from the market and public sector partners. These are detailed in the table below:

<p>Option 1: Procurement of a Total Facilities Management (TFM) service provider.</p> <p>This would entail offering all of the services and others currently not in scope (such as helpdesk, portage and caretaking) under a single provider across all partners.</p>	<p>The current market for this option is relatively small and is consolidating further, TFM providers are facing a number of inflationary and other economic pressures which are restricting competition and innovation.</p> <p>A TFM service relies on combining delivery of various back office functions (help desk etc.) with the distinct services detailed in para 1 above. As it was these services are out of scope for the current procurement, providers of TFM indicated they would be unlikely to have interest in the services set out in para 4 as a combined service.</p> <p>There is no evidence from public sector partners who have delivered services through a TFM model that a greater financial or non-financial benefit would be seen by the Council if this option was pursued at this time.</p> <p>This option also offers some limitations for the services to be offered to external customers as the school may just want a specific service only (for example building or window cleaning).</p>
<p>Option 2: Procurement of single service provider for each, or a combination of the services, in para 1.</p> <p>For example procure a single cleaning provider for all three partner Councils, or procure a single combined waste collection, confidential waste and pest control provider for all three Councils.</p>	<p>Although the market indicated an interest in this combination there was no clear evidence that this option would deliver improved efficiencies or value for money. The number of providers who were engaged who did show an interest in this option was not high enough to provide certainty that a good enough level of competition would be seen for the contracts.</p> <p>This option was however built in to the procurement approach (option 3) to allow suppliers to demonstrate they could provide services across the partnership with improved value and outcomes.</p>
<p>Option 3: (The approved option) Design a flexible procurement process which allowed suppliers to bid for any combination of the services, and for any sovereign authority (for example Grounds Maintenance in Surrey and / or East Sussex, or Cleaning and Pest Control in Surrey only etc.)</p>	<p>This option was seen as offering the most advantages as it allowed for suppliers to determine how they could best offer optimum value for money, innovation and improved service levels. It also ensured that the procurement was accessible to SME's and local suppliers as well as larger organisations. There was evidence from the market that this would attract the greatest interest and therefore competition for the Councils and partners needs.</p> <p>The design of a common set of specifications across all 3 partners and service levels allows bidders to provide an efficient and consistent</p>

	offer to Property Services' customers. External customers will also be able to determine which services best suit their needs and access the contracts individually, rather than being required under a TFM model to have to also sign up to additional support which may not be required.
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The contracts are to be let on an initial 3 year period, with the option to extend for up to 2 further years. This will allow Property Services to review the delivery of the integrated services model in the medium term and whether further opportunities to deliver financial and non-financial benefits emerge.

RECOMMENDATIONS:

It is recommended that:

1. Cabinet approve the approach outlined in this report and;
2. Authority is delegated the Executive Director of Economy, Growth & Commercial , in consultation with the Leader of the Council, award contracts for Surrey County Council and appoint Service Providers (suppliers) to provide a range of Soft Facilities Management Services to Orbis Property Services internal and external customers.

REASON FOR RECOMMENDATIONS:

The current arrangements for the services detailed below (para. 1) expire at intervals between 31 October 2018 and 31 March 2019. The contracts which expire first are:

- a) Pest Control – 30 September 2018
- b) Building and Washroom Cleaning – 31 October 2018
- c) Window Cleaning – 31 October 2018
- d) Manned & Patrol Security – 31 October 2018

Of the above contracts Building and Washroom Cleaning has potential for significant transfer of staff from more than one contractor to another and therefore requires a well-planned mobilisation and transition period. Manned and Patrol Security also has some staff transfer implications. The minimum time considered desirable for this would be two months. This means that the above contracts will need to be awarded by the end of August 2018.

DETAILS:

Background and Options

1. Historically services provided by the current supply chain across the three partners have been delivered in a number of different ways and there has been detailed work across authorities to align contract dates and specifications and where appropriate establish common ways of working based on sharing of best practice.
2. Property Services manages a significant number of assets and customers on behalf of each of the Councils, providing access to a range of services some

of which are from supply chain partners (para 1 above). The assets and customers can be broadly defined as:

- a) Corporate Buildings
 - b) Maintained Schools and Nurseries
 - c) Academies and Free Schools
 - d) Libraries
 - e) Fire & Rescue Services
 - f) Adults and Children's Social Care facilities
 - g) Nationality & Registration Services
 - h) Heritage Buildings
3. Not all of the above are currently provided with services by Property Services. But the procurement underway complements the ambition of Property Services to provide a broad range of services to current and future customers.
 4. In accordance with the Councils' Procurement Standing Orders and UK Law as set out in the Public Contract Regulations (2015) a procurement procedure is being undertaken to identify suitable, value for money Service Providers to deliver the services detailed in para. 1 above.

Tender Process

5. A procurement procedure commenced in January 2018, the first stage of this was to evaluate expressions of interest from organisations in order to select the most suitably qualified and experienced bidders to submit a full tender offer to the Council. The deadline for receipt of all tenders is the 6 July 2018. A period of evaluation and clarification will then follow to ensure a fair and transparent process of selecting the most economically advantageous tender.
6. The award criteria for this procurement is based on a combination of Quality and Cost to determine the most economically advantageous tender/s, application of which is also regulated by the Public Contract Regulations. The tenders received will be evaluated by officers across the Orbis Partnership in line with the award criteria. Initially the services above have been offered to the market as separate geographic areas to enable the market to determine the best combination for delivery, optimising quality and cost based on the scope offered whilst giving access to these contracts to Local and SME business on an equal footing with larger organisations.
7. Some of the services above may involve transfer of eligible staff under the Transfer of Undertakings (Protection of Employment) regulations. In order for this to be a smooth transition and minimum period of 2 months is required for some services to commence on the 1 November 2018. The Council will need to have completed the evaluations, standstill period and award of contract by the end of August 2018.
8. In total up to eight individual contracts will be let for Surrey County Council as a result of this procurement, the required start dates are below:

Service	Required Start Date
Grounds Maintenance & Arboriculture Services	1 Feb 2019
Cleaning – Building and Washrooms	1 Nov 2018

Cleaning – Windows	1 Nov 2018
Pest Control	1 Oct 2018
Waste Collection	1 April 2019
Waste Collection – Confidential	1 Feb 2019
Security – Manned and Patrol	1 Nov 2018
CCTV & Access Control	1 Nov 2018

9. The first of the new contracts (Pest Control) is anticipated to be operational from 1 October 2018 to 31 March 2022 with the option to extend the contract for up to a further two years (five years in total). All subsequent contracts will be let to 31 March 2022 also with an option to extend for up to two years.
10. The Council will be entering into contracts on behalf of Surrey County Council only, the other Orbis partners will enter into their own contractual arrangements. This is to allow flexibility for each Council to retain control over the services delivered to its' customers and ultimately residents.

Benefits of the Contract

11. The objectives of the procurement and therefore benefits to the Council are to:
- a. Provide a customer focussed offering to current and future Property Service customers.
 - b. Develop an effective and value for money offering which makes the best use of internal and external resources.
 - c. Contribute to the savings targets set out in the Orbis Business Plan.
 - d. Have the ability to flex to meet customer's needs and demands.
 - e. Optimise the use of digital technology for the monitoring and where appropriate delivery of these services.
 - f. Be aligned and contribute to each of the Councils priorities for its communities.
 - g. Provide a consistent level of performance and satisfaction.
 - h. Use innovation appropriately to improve service performance and delivery.
 - i. Strive for continuous improvement and improved cost of delivery.
 - j. Contribute towards the Council meeting their statutory duties.
12. The procurement also seeks to ensure that the economic, social and environmental well-being of communities, both residents and businesses across all three authorities are considered fully and the resulting contracts are expected to offer significant employment opportunities to local communities.
13. The Social Value Charter is included in the procurement and award criteria and will ensure that added value is delivered in the form of local supply chain spend, employment and skills opportunities, and community engagement.
14. In addition these services contribute to how many public services are experienced by residents, including libraries, offices and social care facilities.

Key Implications

15. Some of the services above will involve transfer of eligible staff under the Transfer of Undertakings (Protection of Employment) regulations. In order for this to be a smooth transition a minimum mobilisation period of 2 months is required for some services to commence on the 1 November 2018. The Council will need to have completed the evaluations, standstill period and award of contract by the end of August 2018.
16. Contract performance will be monitored through a series of robust key performance indicators included in the contract and reviewed at performance review meetings. In addition the Council can recover cost for poor or non-performance.
17. The management responsibility for the call off contract lies with Orbis Property Services and will be managed in line with the contract management strategy as laid out in the contract.

RISK MANAGEMENT AND IMPLICATIONS:

18. The Procurement Documents were prepared jointly by representatives from Orbis Procurement and Property Services.
19. The Contract has been drafted by Orbis Public Law.
20. Key risks associated with the contract have been identified, along with mitigation activities.
21. The individual contract terms and conditions include various termination clauses such as a termination without cause clause, which will allow the Council to terminate the contract for any reason should priorities/requirements change.
22. Volumes or spend set within the contract can be flexed according to demand or change in priority.
23. All bidders have been selected against a robust set of minimum requirements before they were asked to offer a full tender.

Financial and Value for Money Implications

24. This procurement has been undertaken in order to ensure that the new Orbis Property Service model can offer services whilst delivering the savings planned within the 2018/19 and 2019/20. The new contracts will contribute to this.
25. The services detailed above have a range of annual values, with some provided on a reactive demand driven basis and others to a defined programme of activities.
26. The total annual spend across all services for Surrey County Council and its associated customers is approx. £3.9million, this ranges from c. £21,000 p.a. for Pest Control to c. £2.3million for Building and Washroom Cleaning. The

annual contract values for Surrey County Council for each of the 8 services are detailed in the table below:

Service	Annual Value
Grounds Maintenance & Arboriculture Services	c. £505,000
Cleaning – Building and Washrooms	c. £2.35million
Cleaning – Windows	c. £26,000
Pest Control	c. £21,000
Waste Collection	c. £290,000
Waste Collection – Confidential	c. £17,000
Security – Manned and Patrol	c. £510,000
CCTV & Access Control	c. £173,000

27. The total contract spend for all partner Councils for the services detailed above is approx. £8.45 million, however the value of some of these can fluctuate with demand, and the number of customers Property Services support.
28. The competitive process being undertaken will support the ability of Property Services to continue to provide these services, limiting the effects of inflationary and other cost pressures (such as National Minimum Wage), and the partnership approach being taken will help optimise our leverage with the market.

Section 151 Officer Commentary

29. As set out in the report the recommendation is to delegate authority to award soft facilities management contracts to the Executive Director of Economy, Growth & Commercial. The contracts relate to existing services and will only be awarded if within available resources. Any TUPE risks will be with the supplier rather than the Council. As such the Section 151 Officer is satisfied with the recommendation.

Legal Implications – Monitoring Officer

30. Under Section 3(1) Local Government Act 1999 the Council is under a general duty to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”. Options for approaching the market were assessed and a new style of contracting approach chosen. The benefits of this approach, highlighted in paragraph 11 of this report, demonstrate compliance with this duty. Furthermore, the new style of contracting, whereby the wider public sector can join the arrangements at any time, enables further efficiencies for the public sector in Surrey as a whole.
31. As set out in the main body of this report, a procurement process in compliance with the Council’s Procurement Standing Orders and the Public Contracts Regulations 2015 is being undertaken. The final award decision will not be returning to Cabinet as authority is being delegated under this report.
32. Restrictions remain in place concerning the provision of certain services to schools and academies in the county by virtue of the Council’s shareholding in Babcock 4S Limited. Babcock 4S Limited provides procurement

management services to schools and academies, who are responsible for making their own commissioning decisions.

Equalities and Diversity

33. An Equalities Impact Assessment has been completed. The services are still going to be delivered in a similar fashion and no impact to operations or resident experience or accessibility has been identified.

WHAT HAPPENS NEXT:

34. The timetable for implementation is as follows:

Action	Date
Cabinet decision to approve recommendations	17 July 2018
Cabinet 5 day 'call in' period	25 July 2018
Completion of Evaluation of Tenders	By 8 August 2018
'Alcatel' Standstill Period	23 August 2018
Contract Signature	1 September 2018
Contract Commencement Date	Various dates (see para. 8)

35. The Council is required under EU procurement regulation to observe an 'Alcatel' standstill period (which allows unsuccessful bidders the opportunity to challenge the proposed contract award).

CONTACT DETAILS:

Contact Officer:

Ian Roadnight, Strategic Procurement Manager, 07900 678262
Liz Hart, Orbis FM Manager, 07968 832181

Consulted:

Orbis Procurement
Orbis Public Law
Orbis Property Services
Orbis Finance

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SURREY COUNTY COUNCIL**CABINET****DATE: 17 JULY 2018****REPORT OF: TIM OLIVER, CABINET LEAD MEMBER FOR PEOPLE**

LEAD OFFICER: HELEN ATKINSON, EXECUTIVE DIRECTOR HEALTH, WELLBEING AND ADULT SOCIAL CARE
DAVID HILL, EXECUTIVE DIRECTOR CHILDREN, FAMILIES AND LEARNING

SUBJECT: SURREY HEARTLANDS HEALTH AND CARE PARTNERSHIP – IMPLEMENTATION OF THE DEVOLUTION AGREEMENT

SUMMARY OF ISSUE:

Surrey County Council is playing an important role in the three Sustainability and Transformation Partnerships across Surrey.

On 31 October 2017 the Cabinet considered a report regarding the Sustainability and Transformation Partnerships in Surrey with a focus on the work that had begun to implement the devolution agreement for Surrey Heartlands.

This report provides a further update on the progress that has been made in implementing the Surrey Heartlands devolution agreement and asks the Cabinet to endorse the next steps, including the pooling of budgets with NHS partners in an agreement under s75 of the National Health Service Act 2006 (s75 agreement) as part of a more joined up and integrated health and social care system.

RECOMMENDATIONS:

It is recommended that Cabinet:

1. Notes the progress made between the Council and health partners in Surrey Heartlands and endorses the direction of travel towards a devolved health and care system;
2. Agrees that the following Council budgets will be pooled with the Surrey Heartlands CCG budgets under a s75 agreement:
 - The Surrey Heartlands proportion of the Council's budget for adult social care and public health
 - The Surrey Heartlands proportion of the Council's budgets relating to children's community health services and Child and Adolescent Mental Health Services.
3. Notes the phased approach being proposed to creating a devolved health and care system by entering in to a s75 agreement but with appropriate safeguards in year one of the agreement including no transfer of additional financial risk to (or from) the Council and with the Council hosting the pooled budgets.

4. Notes the intention to delegate within the agreement authority to the Surrey Heartlands Joint Committee to take commissioning decisions in relation to the functional areas included, and that the Leader will approve the final detailed delegations before the agreement is completed.
5. Delegates authority to the Executive Director for Children, Families and Learning and Executive Director for Health, Wellbeing and Social Care, in consultation with the Cabinet Members for People, Adults and Children, to approve a 'section 75' agreement with the Surrey Heartlands Clinical Commissioning Groups.

REASON FOR RECOMMENDATIONS:

Sustainability and Transformation Partnerships are playing a pivotal role in shaping the future health and care priorities and landscape. In the eight months since the last Surrey Heartlands update to the Cabinet, significant progress has been made in the development of the devolution arrangements for Surrey Heartlands.

Devolution and the integration of health and social care are key mechanisms for enabling the Surrey Heartlands Health and Care Partnership to achieve its aims and ambitions, and are aligned to the draft vision for Surrey in 2030 endorsed by the County Council at its meeting on 22 May 2018.

DETAILS:

Background and context

1. Sustainability and Transformation Partnerships (STPs) bring together leaders from local NHS organisations to deliver place-based strategic plans for local health and care systems – there are 44 STPs across England. In Surrey, there are three STPs (Surrey Heartlands; Frimley Health & Care; and Sussex and East Surrey) and the County Council has been proactively involved in the development of these partnerships since they were introduced in 2016.
2. The Surrey Heartlands STP covers approximately three quarters of Surrey and in June 2017 secured 'devolution' status having agreed the Surrey Heartlands Health and Care Devolution agreement with national partners (NHS England and NHS Improvement). As one of the more advanced STPs in the country, Surrey Heartlands has been designated as one of ten emerging Integrated Care Systems (along with the Frimley Health and Care System) which recognises the progress made locally between partners and the confidence national partners have in the local systems ability to take on greater local control and accountability for the health and care system.
3. The Devolution Agreement set the direction for the local health and care system to:
 - a. accelerate integration between NHS partners and the County Council;
 - b. secure new freedoms and flexibilities to enable the local system to make the most of its collective resources and take responsibility for its own performance;
 - c. introduce local democratic accountability and ownership for the health and care system; and
 - d. work towards a single population based budget for health and care services across Surrey Heartlands, taking more control locally over decision about health and care services.

4. The Leader's report to the meeting of the County Council on 22 May 2018 set out a new draft vision for Surrey in 2030 – the report described the challenges facing the County Council and its public sector partners and the need to shift to a more place based outcome driven model working together with residents to find sustainable solutions and to fully exploit the benefits. The integration of health and social care services, enabled by a fully devolved health and care system will be crucial to achieving that vision.

Progress and next steps

5. Since October 2017 significant progress has been made in implementing the Devolution Agreement – details are set out below under two main headings: Governance and Strategic Commissioning Development.

Governance

6. The newly created Surrey Heartlands Joint Committee (support by a new Surrey Heartlands Executive Leadership Group¹) is now well established as part of the integrated commissioning leadership arrangements for Surrey Heartlands.
7. Having operated in 'shadow' form during 2017/18, the Joint Committee will be the primary decision-making forum for integrated health and social care commissioning for Surrey Heartlands with its membership made up of representatives of the County Council and the three Surrey Heartlands Clinical Commissioning Groups (CCGs). NHS England are also represented on the Committee through the Surrey Heartlands CCGs Joint Accountable Officer who holds a dual role with NHS England. The Surrey County Council Cabinet Lead Member for People will chair the Joint Committee for 2018/19.
8. During its shadow year, the Joint Committee has played an influential role in more joined up and integrated working between the County Council and Surrey Heartlands CCGs. For example, it has:
 - a. Overseen the allocation and use of NHS transformation funding (£15m in 2017/18);
 - b. Helped to shape the future commissioning function for Surrey Heartlands, discussing how the system will work, plan and make decisions together; and
 - c. Provided direction to the partnership – for example through its shared ambitions to secure the best health and wellbeing outcomes for our residents with a focus on the wider determinants of health and the links between a healthy population and aspirations around economic growth.
9. The next step for the Joint Committee is to formalise its status through a 'section 75' partnership agreement between the County Council and the Surrey Heartlands CCGs (see the Legal Implications section below for more details about 'section 75' agreements).

¹ The Surrey Heartlands Executive Leadership Group is an executive / officer group established under the devolution arrangements. It is chaired by the County Council's Chief Executive and brings together executive leads from the County Council, Surrey Heartlands CCGs and the Surrey Heartlands Health and Care Partnership core team.

10. During the shadow year, decision making authority at the Joint Committee has rested with the delegated authority individual had been given by their own organisation - the 'section 75' agreement will enable the collective decision making across a number of County Council and CCG services / functions and will enable the pooling of budgets to support the integrated commissioning of health and social care services.
11. For the first year (2018/19), the 'section 75' agreement which is being finalised will set out the following:
- a. Pooling of County Council budgets (relevant Surrey Heartlands proportion) sitting across Adult Social Care and Public Health, plus the budgets related to Children Community and CAMHS contracts - the net indicative 18/19 budget for this is circa £265m.
 - b. Pooling of Surrey Heartlands CCG budgets (incl. community services, mental health, learning disabilities) – the net indicative 18/19 budget for this is circa £225m.
 - c. Retaining current risk share arrangements – for year one of this agreement no new financial risk share arrangements will be introduced.
 - d. The County Council will host the pooled budgets.
12. The main Council functional areas proposed to be included within the 'section 75' agreement include (but are not limited to) those commissioning responsibilities (and associated budgets) for:
- a. residential and nursing care and community based support (e.g. home care, day care, direct payments) for direct care services for older adults, physical and sensory disabilities, learning disabilities and mental health (this includes all spot and block care services that have been commissioned against individuals' support plans);
 - b. reablement, hospital social care teams, locality assessment teams, carers direct care services;
 - c. public health in relation to children's public health services, sexual health, healthy weight, public mental health, substance misuse, smoking and tobacco control and public health agreements with GPs; and
 - d. Child and Adolescent Mental Health Services, and children's community health.
13. This report asks the Cabinet to delegate authority to the Executive Director for Children, Families and Learning and Executive Director for Health, Wellbeing and Social Care, in consultation with the Cabinet Members for People, Adults and Children, to approve a 'section 75' legal agreement with the Surrey Heartlands Clinical Commissioning Groups for 2018/19-2020/21.

Commissioning and Strategic Commissioning Development

14. Since the last update to the Cabinet, discussions have continued with national and regional partners relating to the scope of functions that could be delegated in 2018/19 to Surrey Heartlands.
15. Agreements have already been reached with both the Kent, Surrey and Sussex Academic Health Science Network and Health Education England which give local leaders greater say in the use of the resources allocated to Surrey Heartlands.
16. Discussions continue with NHS England in relation to a range of their current functions – a ‘case for change’ report is currently being finalised with a focus on some specialised NHS services, immunisations and dental services, and is due to enter the NHS England committee cycle later this year.
17. A range of areas have already been identified as the next areas of focus for securing devolved or delegated responsibility to Surrey Heartlands – these include:
 - a. Working with partners around the wider determinants of health and economic growth;
 - b. Freedoms, flexibilities and devolved funding to enable us to transform services for the most vulnerable people we serve;
 - c. Exploring arrangements with other national regional bodies – e.g. Public Health England, the Clinical Research Network; and
 - d. Exploring the opportunities for delegation of other NHS functions – e.g. CAMHS tier 4, pharmacy, health and justice, prison health.
18. Crucial to more integrated working across Surrey Heartlands is the further development of a strategic commissioning function across health and social care.
19. Building on the strong relationship between the County Council and the Surrey Heartlands CCGs and existing joint commissioning arrangements, two important pieces of work are underway to support the implementation of our devolved and integrated arrangements:
 - a. reviewing commissioning across health and social care – this review will lead to recommendations for the most appropriate geographical level for health and social care commissioning decisions to sit (i.e. at a Surrey Heartlands level, at a more local level, or at a level greater than Surrey Heartlands) and about how we collectively undertake commissioning; and
 - b. developing a proposition for system assurance – a key part of being a devolved care system is to take greater responsibility locally for system performance and assurance.
20. The commissioning ‘review’ is due to be completed in July 2018 and will link across into work taking place as part of the County Council’s transformation programme.

21. The system assurance proposition will feed into discussions with NHS England and NHS Improvement initially, and form part of the case for change document entering the NHS England committee cycle later this year.

Working across Surrey

22. The County Council has a responsibility and commitment to ensure best possible outcomes for all Surrey residents – whilst the devolution agreement only covers Surrey Heartlands the opportunities being explored are not limited to the Surrey Heartlands geography.
23. In addition, a new Surrey wide commissioning collaborative group is in the process of being established (replacing three existing groups) – with representation from the six Surrey CCGs and the County Council. This new group will help to lead and coordinate health and social care commissioning activity across Surrey, linking into the Surrey Heartlands arrangements.

CONSULTATION:

24. A wide range of partners have been involved in the development of the Surrey Heartlands Health and Care Partnership including the organisations that commission and provide NHS services.
25. The Surrey Health and Wellbeing Board has received regular updates at its meetings in relation to the Surrey Heartlands Health and Care Partnership and a specific Surrey Heartlands scrutiny task group has been established to focus on key aspects of the Partnership's work.
26. Surrey Heartlands has placed significant focus on citizen engagement with a number of mechanisms in place to communicate with residents and enable residents to help shape the approach being taken – this includes:
- a. Undertaking specific research work to collect the views of residents re. health and social care services;
 - b. Regular stakeholder engagement forums to share and discuss plans and ideas; and
 - c. Regular communication and updates through a dedicated website and monthly newsletter.

RISK MANAGEMENT AND IMPLICATIONS:

27. The overall risk management arrangements for the STP are led by health partners. The STP process provides a vehicle for strengthening partnership governance arrangements, closer alignment of strategies and plans with partners, and supporting the delivery of existing plans (such as the integration of health and social care) – these are identified as key mitigating actions (processes / controls) within the Council's Leadership Risk Register against the risks associated with the achievement of the Medium Term Financial Plan and the implementation of new models of delivery.
28. In addition to the opportunities that taking on additional devolved/delegated commissioning responsibilities brings to the health and social care system, there will also be associated risks. These could include risks relating to the local system's ability to effectively commission any given service, capacity and resources within the local system to take on new responsibilities and potential financial and reputational risks. Through the development of

business cases / case for change documentation, the County Council and its partners will assess and ensure effective controls are in place to manage and mitigate any identified risks.

29. An early focus in terms of risk management will be the risks associated with transition during the shift of responsibilities from national partners to local partners (such as how to ensure continuity of any given service during the transition). These risks will be mitigated through the creation of detailed delivery plans, dialogue between local and national partners and robust governance arrangements to ensure a smooth transition.

Financial and Value for Money Implications

30. The Surrey Heartlands Devolution agreement and Section 75 agreement relate to approximately 70% of the Council's Adult Social Care and Public Health budget. The other 30% will need to be considered alongside the finalisation of the Surrey Heartlands pooled budget to ensure a fair and appropriate allocation of funding to each of the integrated care systems.
31. The Section 75 will be the mechanism for capturing the financial arrangements within the Surrey Heartlands partnership. The pooled fund financials (investment, costs and benefits) and the risk/gain share will be captured in the Section 75.
32. Health and Social Care Integration Section 75 agreements in relation to the Surrey Better Care Fund (established in 2015) and the Surrey Heath Integrated Care Service (shadow in 2017 and formally established in 2018) are already in place and pooled budgets are hosted by the Council. These agreements incorporate a 50:50 risk share.
33. Where the Surrey Heartlands Pooled Budget includes existing pooled funds, e.g. the Better Care Fund, existing risk share arrangements already in place under these existing Section 75 agreements will be "honoured". No other risk share arrangements will be introduced in the first year of the Surrey Heartlands Pooled Budget. Meaning that existing financial risk (overspends/deficits) will sit with the existing partner. Financial modelling of alternative risk shares will be undertaken during the year in order to propose any appropriate changes to the risk share going forward.

Section 151 Officer Commentary

34. The Surrey Heartlands Joint Committee will oversee how the pooled funds are invested in health and social care services, identifying the service changes and benefits of partnership working across the integrated health and social care system, enabling the implications of integration for the Council to then be reflected in the 5 year Medium Term Financial Plan due to be considered by the Council in November 2018.
35. There is limited impact from Health and Social Care integration or the Devolution Agreement in the existing Medium Term Financial Plan 2018-21.

Legal Implications – Monitoring Officer

36. The legislative framework that enables the devolution of health service functions from NHS England to local areas is set out in the National Health

Service Act 2006 ('the Act'). Devolution may be made to local authorities, combined authorities and CCGs under Sections 13Z and 13ZA of the Act.

37. The governance arrangements proposed in this report include the establishment of a joint committee of the Council and the Surrey Heartlands CCGs under a Section 75 agreement. These agreements enable the Council and NHS bodies, such as CCGs, to come together to jointly commission and/or provide services. The Council is party to a number of s75 agreements already, including for the Better Care Fund and Joint Children's Mental Health Commissioning across Surrey. S75 agreements can include provisions for lead commissioning, the pooling of funds between the parties and risk/gain share arrangements, with associated governance.
38. NHS England will not be a party to the joint committee in its own right. Instead, the Chief Accountable Officer for the three Heartlands CCGs will hold a post within NHS England. He will be granted internal delegations from NHS England to take certain decisions collectively with the Council and the Heartlands CCGs at the joint committee.
39. For the Council, the joint committee will take decisions in the place of Cabinet for functions delegated to it from the date the s75 agreement is completed. The decisions will be made collectively with the CCGs on the basis of consensus. In the event of a deadlock situation the Council and the individual CCGs, respectively, would always retain the ability to take decisions concerning their own functions and statutory duties. Cabinet should note that the responsibility for ensuring the adequate delivery of the functions it is delegating, such as its functions under the Care Act 2014, will remain with the Council at all times.
40. In accordance with the requirements of the NHS Bodies and Local Authorities Partnership Arrangements Regulations 2000, prior to approving this report Cabinet will need to satisfy itself that the proposed partnership arrangements are likely to lead to an improvement in the way in which those functions are exercised.
41. Legal Services will continue to advise on the s75 agreement and the governance and procurement processes necessary to support the devolution plans.

Equalities and Diversity

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

Corporate Parenting/Looked After Children

43. The further integration of health and social care services will support the Council's role as a corporate parent and services for looked after children. More joined up service delivery by organisations will aid the identification and support of people vulnerable to abuse and enhance consistency of approach and training to safeguarding issues.

Safeguarding responsibilities for vulnerable children and adults implications

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

Public Health implications

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

WHAT HAPPENS NEXT:

- Section 75 legal agreement to be finalised and detailed pooling arrangements to be agreed;
- Pooled budget to be established;
- Commissioning and procurement arrangements to support the joint commissioning to be agreed.
- First formal meeting of the Surrey Heartlands Joint Commissioning Committee in September 2018.

Contact Officer:

Justin Newman, Devolution Programme Director justin.newman@nhs.net

Consulted:

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

Annexes:

None

Sources/background papers:

- Cabinet report – 31 October 2017: Sustainability and Transformation Partnerships
- Cabinet report – 28 March 2017: Surrey Heartlands Sustainability and Transformation Plan
- Cabinet report – 18 October 2016: Sustainability and Transformation Plans
- Cabinet report – 21 June 2016: Sustainability and Transformation Plans
- Cabinet report – 22 March 2016: Health and social care integration
- Cabinet report – 24 November 2015: Progressing the integration of health and social care in Surrey
- Cabinet report – 16 December 2014: Health and social care integration

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SURREY COUNTY COUNCIL**CABINET****DATE: 17 JULY 2018****REPORT OF: MR DAVID HODGE CBE, LEADER OF THE COUNCIL****LEAD OFFICER: JOANNA KILLIAN, CHIEF EXECUTIVE****SUBJECT: ANNUAL REPORT OF THE SHAREHOLDER BOARD****SUMMARY OF ISSUE:**

As part of its strategy to innovate in developing new models of delivery and to benefit from the freedoms introduced by the Localism Act, Surrey County Council has made investments and created trading companies to deliver income and efficiencies and in doing so has established a Shareholder Board, which reports annually to the Council. The purpose of the Board is to safeguard the council's interest as shareholder and to take decisions in matters that require the approval of the Council as owner of a company.

RECOMMENDATIONS:

It is recommended that the Annual Report of the Shareholder Board (Annex A) is endorsed and that Cabinet present the report to Council at its meeting in October 2018.

REASON FOR RECOMMENDATIONS:

To inform the Council about the activities of the Shareholder Board.

The Shareholder Board has been established in accordance with best practice governance to ensure effective oversight and alignment with the strategic objectives and values of the council.

DETAILS:

1. The Shareholder Board was created following the report to Cabinet in March 2013 outlining the Council's strategic approach to innovation and evaluating new models of delivery. It has been established in accordance with best practice governance principles to ensure effective over-sight and alignment with the strategic objectives and values of the Council. The Board's responsibilities and powers include:
 - appointing and removing directors;
 - approval of annual business plans; and
 - reviewing the financial and overall performance of trading companies.
2. The Board safeguards the Council's interest and takes decisions in matters that require the approval of the Council as owner or a shareholder of a company.

Shareholder control is exercised over all companies owned by the Council, and in relation to any shares held whether the purpose is trading, service provision, or investment. Decisions in relation to the day to day operation of companies are taken by the directors of each company.

3. The Shareholder Board comprises of 3 members of the council's Cabinet and the Chief Executive. The membership of the board may be further strengthened in the future. The board is supported by officers of the Council, including the Section 151 Officer (Director of Finance) and the Monitoring Officer (Legal Services Manager).
4. The Shareholder Board meets at least quarterly and receives detailed and comprehensive information and briefings to support its decision-making. The extent of this decision-making depends upon the Council's shareholding and the requirements of each company's Articles of Association, or other contractual documents such as a Shareholders Agreement in relation to Joint Venture companies.
5. The Annual Report of the Shareholder Board is attached as Annex A to this report.

CONSULTATION:

6. The Shareholder Board considered their annual report at their meeting on 19 June 2018.

RISK MANAGEMENT AND IMPLICATIONS:

7. Effective risk management is a vital part of the Council's approach to innovation and establishing new models for service delivery and to generate income. The Shareholder Board provides the governance to ensure that risks are effectively managed.

Financial and Value for Money Implications

8. The Shareholder Board is responsible for monitoring the financial performance of companies in which the council owns shares and also maintains oversight of the Council's group position. The Board and its advisors ensure that the relationship between the Council and its companies are on an "arms-length" basis as required by legislation. This means, for example, that the Council must recover the full cost of any accommodation, goods and services supplied to a trading company. Any financial assistance provided must be for a limited period, provided under a formal agreement and made in the expectation of returns in the future.

Section 151 Officer Commentary

9. There are no new financial implications arising from this report. The Shareholder Board ensures effective governance over the Council's companies and shareholding interests in order to enhance the financial resilience of the Council over the longer term. The board are supported by officers of the Council, who seek additional specialist technical external advice when required.

Legal Implications – Monitoring Officer

10. There are no direct legal implications arising from this report. The legal basis for company ownership and oversight is explained in the body of the report.

Equalities and Diversity

There are no direct equalities implications arising from this report.

WHAT HAPPENS NEXT:

The annual report of the Shareholder Board will be presented to Council at its October 2018 meeting.

Contact Officer:

Susan Smyth, Head of Strategic Finance (Business Development & Investment) and Secretary to the Shareholder Board
Tel: 020 8541 7588

Annexes:

Annex A – Annual Report of the Shareholder Board.

Sources/background papers:

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

Financial Year 2017/18



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The council has created trading companies and made investments to enhance the financial resilience of the council



Listen



Responsibility



Trust



Respect

Our Corporate Strategy, Confident in Surrey's future

The council's strategic framework for innovation and investment is supporting the development of new ideas and approaches to enhance the financial resilience of the council. The Shareholder Board monitors the council's trading activity and its investments in companies to ensure satisfactory performance and effective risk management. The financial returns delivered by innovation and investment will help to ensure that we continue to deliver quality services to our residents.

The Shareholder Board is an example of best practice governance. It provides effective oversight and alignment with the strategic objectives and values of the council. The Board safeguards the council's interests and takes decisions in matters that require the approval of the council as owner or as a shareholder of a company.

The Annual Report of the Shareholder Board provides an overview of the progress we have made in developing new models of delivery and enhancing the financial resilience of the council. The Investment Board produces an annual report about the council's property investment portfolio and therefore to avoid duplication this report focusses on other investments and trading activity. There is a degree of overlap however since the council's property investment company is covered in this report in a similar way to other its other companies. The relationship to the investment strategy is explained in more fully in the report.



David Hodge CBE
Leader of Surrey County Council

THE SHAREHOLDER BOARD

Governance

- The Shareholder Board was created in September 2013 following the report to Cabinet setting out the council’s strategic approach to innovation and new models of delivery.
- The Board and its role is noted in the constitution of the council.
- The Board works in accordance with its Terms of Reference which are reviewed on an annual basis.
- Meetings take place at least quarterly.

The Shareholder Board is comprised of 3 members of the council’s Cabinet and the Chief Executive. As named posts rather than post holders is noted in the constitution the board reflects changes agreed at the Council’s AGM. The board is supported by officers of the council, including the Section 151 Officer (Director of Finance) and the Monitoring Officer (Legal Services Manager).

Members

- Leader
- Deputy Leader
- Cabinet Lead Member for Corporate Support*
- Chief Executive

Advisors

- Deputy Chief Executive
- Director of Finance (Section 151 Officer)
- Legal Services Manager (Monitoring Officer)
- Head of Strategic Finance (Board Secretary)

*

**previously the Cabinet Member for Property & Business Services.*

The full Terms of Reference for the Shareholder Board are appended to this report. These were recently updated to confirm that the board will perform the same oversight for Limited Liability Partnerships (LLPs) since this is the form of company structure that is being used for the residential and development Joint Venture with Places for People. This Joint Venture is being established following the Cabinet decision in December 2017 and is a delivery model to deliver housing and mixed use development utilising the council’s vacant sites.

Purpose

The primary and most common purpose behind the creation of a Local Authority Trading Company (LATC) is to enable a council to participate in commercial trading activities. Many local authorities have created an LATC for this purpose, with the most common reason given being in order to grow income to protect services. Surrey County Council's first trading company, Babcock 4S Ltd, the Joint Venture with Babcock to provide school improvement services was created in 2003.

The decision to create a company or invest in shares is taken by Cabinet upon the basis of a business case. Like many other councils, SCC has created companies in order to trade and grow income; with profits generated for the council available to support the delivery of the council's Medium Term Financial Plan and enhance financial resilience. This is however not the only reason for the creation of a company or investment in shares.

Surrey Choices was set up in order to safeguard the provision of services to people with learning and physical disabilities. Cabinet approved the creation of a Property Company in order to strengthen the council's ability to invest in a diversified and balanced portfolio of assets in pursuit of the Investment Strategy. The council's investment in FutureGov Ltd enhances the portfolio of assets and supports a company that has a track record of delivering innovative design solutions to local authorities and in social care. The investment in the Municipal Bonds Agency will give the council an alternative source of finance at preferential rates.

The council has created companies and purchased shares in order to –

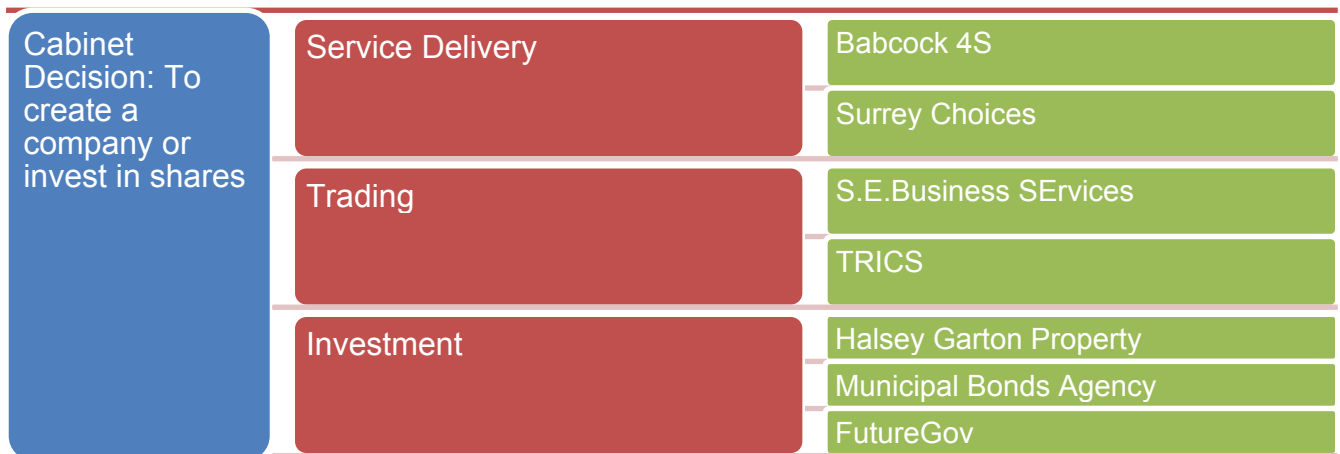
Deliver services, benefiting from efficiencies driven by operating in a commercial environment

Trade & generate income

Invest in assets to deliver an income

THE COUNCIL'S SHAREHOLDINGS

The decision to create a company or to invest in shares is taken by Cabinet or in accordance with delegated decision-making, upon the basis of a business case which articulates the financial implications and associated risks for the council.



These proposals are made with realistic and prudent expectations regarding the investment required and the length of time it will take to establish a successful company. The council therefore recognises that returns will not necessarily be received in the short-term but will contribute to financial resilience in the longer term.

Company	Ownership
Halsey Garton Property	100%
S.E.Business Services	100%
Surrey Choices	100%

Company	Ownership
Babcock 4S	19.99%
TRICS	16.67%
FutureGov	13.8%

The council's minority shareholding in the Municipal Bonds Agency will depend upon the total equity raised.

The Joint Venture (JV) with Places for People, approved by Cabinet at its meeting in December 2017, to deliver housing and mixed use development is not yet included in this report as it is in the early stages of being set-up. The Shareholder Board approved the JV's first business plan in April 2018 and it will therefore be included in future annual reports.

Shareholder Board & Decision-Making

The day-to-day operation of each company is the responsibility of the Directors (of each company) with the Shareholder Board being responsible for taking decisions on behalf of the council where these are of a more strategic nature. The extent of this decision-making will depend upon the council's shareholding and upon terms included in a company's Articles of Association (matters reserved for the Shareholder) and / or a Shareholders Agreement in relation to Joint Venture companies.

The Articles of Association for the council's wholly owned companies stipulate that the shareholder, that is the Shareholder Board on behalf of the council, are required to approve or make decisions in relation to the following matters summarised in the table below.

<u>Decision</u>	<u>Rationale</u>
Changes to the Articles	Removes all controls
Appoint and remove Directors	To ensure that the company is appropriately managed and that there is satisfactory governance
Material change in the nature or scope of the business	To ensure companies only undertake activities for which approval has been given and to protect the council's reputation
Purchase of shares or interest in another company. Acquisitions of any business or any shares.	Significant business decision which may involve further financial risk
Borrowing or the raising of finance (except from SCC). The creation of any security interest (except SCC)	To avoid taking on debt that undermines security for SCC debt (excluding de-minimis bank overdrafts) and to avoid incurring further financial risk
Issuing, withdrawal or buy back of shares	To maintain SCC ownership as originally intended

<u>Decision</u>	<u>Rationale</u>
Enter any Joint Venture, consortium or partnership	To ensure companies only undertake activities for which approval has been given in order to protect SCC reputation. To ensure that it is the shareholder that takes decisions that may involve substantial financial risk (rather than the Directors alone).
Selling, transferring, leasing, assigning property or assets (excluding de-minimis and replacement of operational equipment)	To avoid dilution of assets or security in relation to SCC debt
Disposal of any business or any shares	To maintain SCC ownership as originally intended
Entering into an administration order or steps to voluntarily wind up the company	To protect SCC's reputation

Directors

Each company must have at least one person named as a Director – the council itself cannot act in this capacity. The Shareholder Board is responsible for appointing (and removing) Directors to act on behalf of the council. Directors have specific responsibilities in Company Law and therefore the Shareholder Board will need to ensure that persons with the appropriate skills are selected. The name of the person(s) appointed to each company is noted in the next section of the report. In the case of Joint Ventures the person appointed by the council to act in respect of its shareholding is noted.

In February 2018 the Shareholder Board appointed 3 members to be Directors for its wholly owned companies-

Halsey Garton Property	• Edward Hawkins
S.E.Business Services	• Jeff Harris
Surrey Choices	• Bernie Muir

These members will work alongside the other appointed directors, bringing their valuable experience to the board, and will be responsible for delivering the day-to-day activities of the company in accordance with the strategies and business plans agreed by the Shareholder Board.

As Directors, their role is not to provide scrutiny, but to be accountable to the Shareholder Board, alongside other directors, for the performance of the company and for their own performance as a Director. The Shareholder Board will continue to be the subject for scrutiny rather than individual directors.

Directors appointed by the council receive no additional remuneration and undertake this role as part of their duties as an officer or member of the council.

Company Details

The following pages contain information about each company, including a description of activities and purpose, Cabinet approval & date of incorporation and progress made to date. Financial information has been included where this is generally publically available (e.g. from the statutory accounts of each company) or not commercially sensitive however information that is commercially sensitive, such as the future business plans, has been excluded

Cabinet Approval	May 2014
Ownership	100%
Date of Incorporation	June 2014
	Commenced trade in November 2015
Council Investment	Share Capital £69m Loans of £179m (as at 31 st March 2018)
Return on Investment	In 2017/18 the company paid a dividend of £1.6m and made interest payments to the council of £9.0m. The dividend in 2016/17 was £750,000
Directors	John Stebbings, Susan Smyth & Edward Hawkins



Halsey Garton Property Ltd is named after people associated with the history of Surrey County Council.

Halsey was the first Chairman of the council (1893) and Garton was the High Sheriff of Surrey in 1913.

Halsey Garton Property

Company Profile & Business Case

Halsey Garton Property Ltd was incorporated in June 2014 in order to fully implement the recommendations of the Investment Strategy approved by Cabinet in July 2013. The company enables the council to invest in a diversified and balanced portfolio of assets to deliver income and enhance the council’s financial resilience over the longer term.

Council Investment

The council provided initial share capital of £1,000 and provides further equity and debt financing to enable the company to progress agreed investments. This is provided on an arm’s length basis following the approval of the business case by Cabinet or more recently under the delegated authority of the Investment Board. The council has provided a further £69m of equity funds and loans of £179m as at 31st March 2018 to enable the company to purchase agreed investment assets.

Progress Report

The company purchased its first asset in November 2015. The company now owns investment assets with a value of £245m.

14 Properties

Commercial tenants

Providing an annual rent roll of £14m

Weighted average unexpired lease term of 9.7 years to breaks / lease expiry

Income streams from tenants under lease agreements of £164m

The company paid a dividend of £1.6m in 2017/18 and paid the council £9.0m in interest payments. Further information about the company and its investment portfolio is provided by the Investment Board Annual Report. The link between the Shareholder Board and the Investment Board is summarised in the table below.

Investment Board

- Approves the business case for asset purchase or development by HGP
- Approves the provision of finance (equity & debt) to enable HGP to purchase asset
- Reviews and considers the performance of the total property investment portfolio-assets held by both SCC and HGP
- Considers the financial results of HGP from the point of view of the council - e.g. the interest received from providing loans (debt finance) to the company and the expected annual dividend.

Shareholder Board

- Receives and considers the year-end financial accounts of HGP and approves the proposed dividend
- Approves the annual business plan
- Appoints and removes Directors
- Approves changes to the Articles of Association
- Reviews the financial results of HGP from the point of view of the company - e.g. rents received less expenses including interest payable to the council and administration costs.



Cabinet Approval	March 2013
Ownership	100%
Date of Incorporation	June 2013. Commenced Trade in December 2013
Council Investment	£100 Share Capital
Return on Investment	The company has provided the following dividends- 2014/15: £400,000 2015/16: £400,000 2016/17: £440,000 2017/18: £400,000
Directors	Rachel Crossley, Jeff Harris, Liz Mills & Steve Ruddy

S.E.Business Services

Company Profile

S.E.Business Services commenced trade in December 2013 following Cabinet approval as part of the New Models of Delivery strategy in March 2013. The company provides business to business professional, technical, training and contingency services, enabling the council to trade in those functions in which it has particular expertise and capacity.

Business Case

Originally developed in order to enable the council to trade and to provide IT services, including data hosting, helpdesk and application support to a private sector organisation, the company has further developed and expanded to provide further IT contracts and services. Shareholder Board approval followed by Cabinet approval in March 2014, has enabled the company to enter the aviation fire contingency market created as a result of regulatory and licensing changes for UK airports. The company was selected to provide these services under contract in April 2014.

Council Investment

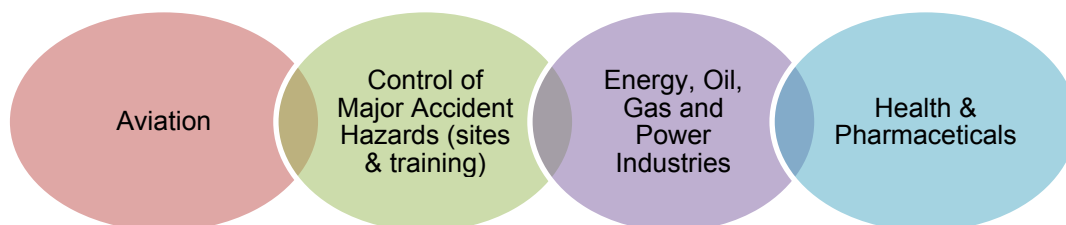
The council provided share capital of £100 and an initial working capital loan to enable the company to commence trade– all lending has been provided on an “arms-length” basis and has been fully repaid.

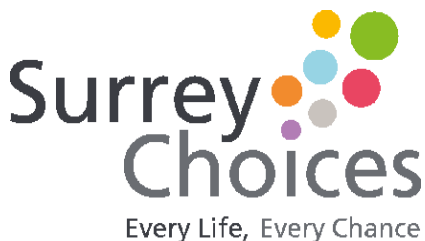
Progress Report

The company has delivered profits in excess of those expected in the original Business Case and in line with its approved Annual Business Plan for the year. These profits have been delivered as a result of entering the fire aviation contingency market and by securing a strategic contract with Heathrow Airport., together with the expansion of IT services currently being delivered to two private sector organisations operating in the health sector. The company has paid dividends since its first full year of trading.

The company employs staff as required to deliver confirmed contracts, and engages appropriate contractors, advisors and service providers to undertake the activities of the company. The Company receives services from the council, including contract delivery and operational services, professional legal and finance services and accountancy support services. The council makes an appropriate charge to the company for any services provided, ensuring that the full cost of the activity is recovered.

The company will continue to develop its client base and reputation in the market in order to secure further contracts in target markets from the provision of business continuity services, training and development, technical services and subject matter consultancy and advice.





Cabinet Approval	December 2013
Ownership	100%
Date of Incorporation	March 2014
	Commenced Trade in August 2014
Council Investment	£100 Share Capital Loans of £2.8m (set up loan of £0.7m and a revolving credit facility of £2.1m)
Directors	Penny Fell (Managing Director), Kevin Kilburn & Bernie Muir

Surrey Choices

Company Profile

Surrey Choices Ltd commenced trade in August 2014, following Cabinet approval of the business case in December 2013. The company provides people with learning and physical disabilities with a range of services in a variety of settings. The service offer includes day services and support for people who wish to seek employment or become engaged in work, volunteering or training opportunities. The Shared Lives service matches carers who provide support in a family home environment to people with disabilities. The company has developed a respite service creating additional capacity in the Surrey based market. The commissioning contract to supply services to the council triggered the transfer of employees from the council to the company under TUPE regulations in August 2014.

Business Case

The council created the company in order to ensure the sustainability of the services provided and to create a commercial environment in which to deliver efficiencies and continued innovation. Benefits to the council are to be derived from income generated from trading activity from the supply of services to those people with personal budgets and those that privately purchase. The business case demonstrated that the company would make a modest profit within the first five years of operation.

Council Investment

The council provided share capital and loans to enable the company to purchase operational assets from the council and to provide for working capital requirements– all lending has been provided on an “arms-length” basis at market rates of interest.

Progress Report

The company delivers services to the council under a commissioning contract; this is currently a block arrangement meaning that the risk of any volume increase rests with the company rather than with the council. In the first 18 months of operation the council increased the number of new referrals and this led to deteriorating financial situation for the company and losses for the first two years of operation.

In light of this, the Adults Service (ASC) undertook a review of the contract and made appropriate amendments. This review concluded in October 2016 and recognised the importance of ensuring the continuation of the services provided to the residents of Surrey. This has enabled the company to put together a revised business plan which was approved by the Shareholder Board in December 2016. This revised plan, based upon prudent assumptions particularly in terms of non-council business and the delivery of significant cost savings, demonstrated a break-even position to be achievable in 2017/18 with modest profits thereafter. Since then a more optimistic business plan was approved by the Shareholder Board and this has been delivered with the draft results for the financial year just ended reporting a pre-tax profit of c.£400,000.

There have been a number of changes to the management team since the creation of the company and this has inevitably impacted upon progress. The original Managing Director (MD) resigned in August 2016, and an interim was in place up until August 2017. The current MD has recently resigned for family reasons however there is now significantly more resilience in place than previously, with a strong senior management team who have delivered a number of changes to improve the internal controls and governance environment.

Alongside this the contract management meetings with ASC have been reinvigorated with strategic commissioning meetings taking place regularly with the Strategic Director of ASC and a number of sub-groups established to focus on key areas; including performance reporting and the quality of service outcomes.



Cabinet Approval	July 2003
Ownership	19.99%
Date of Incorporation	September 2003
Council Investment	£199.99
Return on Investment	The last dividend received was in 2013/14 of £273,000.
Surrey County Council Director	Jason Russell

Babcock 4S

Company Profile

The Company provides educational support services under a Service Delivery Agreement (SDA) with the council and has developed a range of services to schools. Their services include those related to education, including curriculum advice, governor support and more generic services such as Human Resources support, technology support and facilities management. The company also provides services to other local authorities.

Business Case

The Joint Venture company was formed in 2004 when the council selected a commercial partner to deliver its school support and improvement services. Originally named VT Four S Limited, the company was renamed as Babcock 4S Limited when Babcock Internal PLC acquired VT Education and Skills Limited in 2010.

The Joint Venture was proposed in a time of uncertainty regarding the role of Local Education Authorities. The Government had announced its intentions for the greater independence of schools and predicted that the market for education services would be provided by a small number of larger providers. The council formed the Joint Venture in response to these proposed changes, selecting a partner to enable the services to be traded, utilising the partner’s commercial skills to enter the market and providing greater sustainability if the levels of service purchased by the council were to decline.

Council Investment

The council received a substantial consideration from VT Education and Skills upon commencement of the Joint Venture and award of the contract to supply services. Investment required to establish the company in the market was provided by VT Education and Skills, as at the time Local Authorities were operating under a different capital finance regime which restricted borrowing and investment.

Progress Report

The Joint Venture has proved to be successful, delivering a financial return to the council as a shareholder, significant dividends and improving school performance as part of its SDA with the council. However the company is being significantly impacted by changes in the schools market and the changing role of Local Education Authorities. The change to academy status means that a proportion of funding is transferred from the local authority to individual schools and the academy is then responsible for commissioning its own support services. Some academies have chosen to continue to purchase their support services from B4S but others have not. The company has lost a number of significant local authority contracts since 2012 or seen the contract value of those remaining significantly reduce.

The council's contract for services (the SDA) has diminished significantly over time as a result of these changes, from £9.1m originally to an expected £2.5m in 2018/19 and will end in March 2019 as required by the end date specified in the original procurement process. The Cabinet at their meeting in April 2018 agreed the approach for the continued delivery of its statutory and strategic school support services, alongside the development of schools led support. The agreed approach was recommended as the best fit to the council's strategic direction, financial position and enables it to meet its legal responsibilities.

The contract coming to an end, however does not impact upon the ability of the company to continue to trade since about 80% of its turnover is from trading with schools directly albeit this is alongside the other changes described, with an overall impact upon the nature of the business in the future. The Shareholder Board recognise that the increasing emergence of free-schools and multi-academy trusts will impact on whether a single provider for schools improvement is the best long-term approach and that the company will need to manage these risks and any associated costs, such as redundancy, accordingly.



Cabinet Approval	July 2014
Ownership	16.67%
Date of Incorporation	October 2014
	Commenced trade in January 2015
Council Investment	£37,500 Share Capital
Return on Investment	The company has provided the following dividends- 2015: £81,300 2016: £83,800 2017: £80,200
Surrey County Council Director	Mike Green

Company Profile

TRICS Consortium Ltd commenced trade in January 2015, following Cabinet approval in July 2014. The Company provides a service to the transport planning and property development customer community by providing access to a comprehensive database of travel patterns known as trip rates. Trip rate data is used by planning consultants in support of planning applications in order to demonstrate the impact of major developments on local traffic. The database is recognised in national planning policy and is widely used by the planning profession and its use has been given due weight by Inspectors at Planning Inquiries.

The company is a joint venture with five other local authorities, Dorset County Council, East Sussex County Council, Hampshire County Council, Kent County Council, and West Sussex County Council. These councils held the rights to the database under a long-standing partnership arrangement and therefore became the shareholders of the company. The company now owns all Intellectual Property Rights in relation to the database and the brand.

TRICS

Business Case

The creation of the company ensures that the commercial activities of the consortium councils is being undertaken in an appropriate manner and will enable the growth potential of the database into other territories to be fully exploited.

Council Investment

The council, together with the other five local authority shareholders, invested equity funds to provide for working capital and set-up expenses. The funds provided were from balances held by the consortium, created from surpluses from previous activity.

Progress Report

The Company commenced trading on 1st January 2015 when it took over the operation of the database from the incumbent supplier. The company comprises of the Managing Director, recruited to deliver the day-to-day operation of the company, three employees that TUPE transferred from the previous supplier and has recently recruited a further employee to support its growth. The company is benefiting from increased memberships and user activity is on the increase in particular from the residential development sector. The company is further progressing its plans to expand its reach into international markets, with a legal agreement reached to host data in New Zealand and Australia, which is expected to go-live in 2018.

The company continues to deliver profits in excess of expectations and has distributed a dividend to its shareholders each year since its creation, thereby delivering a significant return on investment within a short timeframe.

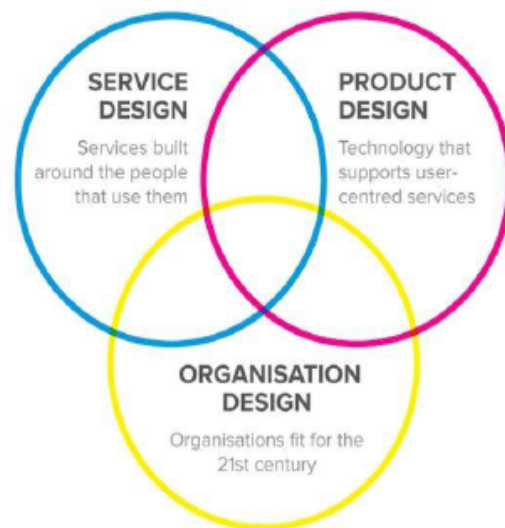
FUTUREGOV

Cabinet Approval	December 2013
Ownership	13.8%
Date of Purchase of Shares	January 2014
Council Investment	£125,000 Share Capital £125,000 Loan Notes
Surrey County Council Director	Susan Smyth attends the board meetings of the company as an observer & advisor.

FutureGov

Company Profile

FutureGov Ltd provides innovative digital design consultancy and re-design solutions to Local Authorities and other public sector organisations. Over the last 10 years the company has developed an integrated design approach to service delivery based upon the needs and expectations of residents in a way that saves money and is driven by cutting edge technical technology.



Business Case & Council Investment

The investment in FutureGov was undertaken in 2014 to strengthen a partnership that had already delivered innovative products within the social care market. The council's investment of equity and debt finance in 2014 was made alongside investment from Nesta, a charity whose investment function has a track record in identifying commercial opportunities that deliver social value. The debt financing provided by both parties is at market applicable interest rates, with the interest receivable offsetting the funding costs incurred on the initial equity investment. The business case expected that the investment would generate a modest net return to the council over a five year period.

Progress Report

The company has delivered a significant growth in sales revenue since the date of investment however fell short of delivering fully against its ambitious business plan and profits targets. The company continues to refine their business strategy and now focusses on consultancy services and specialises in digital design. The company is recognised as a key player in the digital design and transformation public sector market and frequently successfully competes against the big consultancy firms.

The company has invested in a number of key hires to support its growth including an experienced non-executive director who has encouraged the company to seek bigger contracts which has resulted in some significant success. As a result the company has reported profits for the last two years and is expected to grow further.



MUNICIPAL BONDS AGENCY

Cabinet Approval	Decision taken under delegated approval in September 2015.
Ownership	Minority
Date of Incorporation	September 2014
Council Investment	£450,000 share capital

Municipal Bonds Agency

Company Profile

The Municipal Bond Agency’s objective is to provide an alternative to the Public Works Loans Board (PWLB) as a cheaper source of borrowing for local authorities from the issuing of bonds. The agency, developed by the Local Government Association (LGA), has raised equity funds from 56 councils to provide for operating costs and sufficient capital against risks.

Business Case & Council Investment

The agency will provide access to all local authorities to raise external borrowing provided that they meet the criteria set, however preferential terms will be provided to those councils that are also shareholders in the company. This means that, for example, on a loan of £10m a council that is a shareholder would save £15,000 per annum compared to PWLB, and if it were not a shareholder the saving would be about £5,000.

Progress Report

The Municipal Bond Agency has distributed a framework agreement which set out the terms upon which local authorities will be able to borrow from them. Authorities will be expected to pass the agency’s own credit checks and agree to a joint and several guarantee that would operate if a local authority defaulted on its borrowing.

This requirement to agree to a joint and severally liable guarantee has created some concerns for local authorities particularly at a time of ongoing financial uncertainty. This together with the continued low interest rate environment and short-term borrowing strategies adopted by a number of local authorities has meant that the first bond issue has not been achieved in accordance with originally anticipated timeframes.

When the Shareholder Board reported to Cabinet last year we reported that the Leader had written to the agency to express concerns on behalf of the council. We received a response from the Chairman of the Agency who reassured us that the first bond issue was to be expected in the next few months however this has not been the case. The Secretary of the Shareholder Board has asked for further reassurance and the response is awaited. The Shareholder Board will continue to monitor progress.

GLOSSARY

Articles of Association

A company's Articles of Association set the rules (the constitution) for the company. The Articles are filed as part of the incorporation process and are publically available documents. The objects of the company describe what the company will do. The objects of a company are now deemed to be unlimited, unless the Articles limit them.

The Articles may restrict the decision-making powers of the Directors – these are described as Reserved Matters. The Articles may be changed at any time by a special resolution of the members (the shareholders) of the company.

Companies created by the council follow the model articles with the exception of the introduction of reserve powers in matters of strategic importance and one or two other minor exceptions.

Assets

A council owned company may purchase assets from the council. In disposing of assets, the council must ensure that it receives appropriate market value and the company in turn will be required to purchase at market value in order to ensure that there is no financial subsidy or advantage that may be deemed as state aid.

The council will retain property assets unless there is a financial advantage to transfer (for example, where the purpose of the trading company relates to property activities). Market rents will be charged for occupancy of property assets – rents are a pre-tax expense making this arrangement tax efficient and this also ensures that the council's balance sheet remains strong and is not diluted.

Surrey Choices Ltd purchased operational assets, such as vehicles and musical equipment, at appropriate market values from the council and this formed part of the initial set-up costs for the company.

Debt Financing

Debt financing provides the funds required to run a business. A company may borrow the money required to grow and develop the business.

Interest on debt is a business expense, and therefore deducted before tax.

Companies created by the council, such as S.E.Business Services and Surrey Choices have been set-up with limited equity funds. Funding for growth and working capital requirements has been provided by the council under an agreed loan facility. The council provides loans to enable Halsey Garton Property to buy investment assets.

GLOSSARY

Directors Duties

The Shareholder Board are responsible for appointing (and removing) Directors to act on its behalf in relation to companies in which the council holds shares. Directors duties are described in the Companies Act 2006 and include a responsibility to promote the success of the company, exercise independent judgement and exercise reasonable care, skill and diligence.

Directors appointed by the Shareholder Board do not receive additional remuneration for their role and are covered by indemnities provided by the council in respect of financial loss (an extension of the indemnities provided by the council to staff and members as agreed by Cabinet in March 2013). This does not and cannot extend to negligence, default, breach of duty or breach of trust.

The council's legal team brief Directors so that they understand their duties.

Group Companies

Companies form a Group if one is a subsidiary of the other or both are subsidiaries of the same body corporate or each of them is controlled by the same person. Companies within a Group can take advantage of Group Tax relief. In tax legislation, the council is a body corporate that can perform the link between LATCs and therefore the losses of one company can be offset against profits of another.

This group status in tax law also provides the council with the ability to be exempt from stamp duty which would ordinarily apply to property transactions (including the entering into lease arrangements) between group companies).

The council is required to produce Group Accounting statements which mean that the financial results of its LATC's will be included together with the financial results of the council. The council will continue to also produce detailed Annual Statements of Accounts on a single entity basis.

Joint Venture

A Joint Venture company is one that is owned by more than one shareholder, where the shareholders concerned are corporate bodies in their own right. The term Joint Venture is not one that is legally defined and is often used in respect of other arrangements that do not necessarily involve a limited company. For example a Joint Venture may also be a Limited Liability Partnership or may be used to describe an arrangement between public bodies.

GLOSSARY

LATC (Local Authority Trading Company)

The terminology “LATC” is often used to describe a company that is owned by a Local Authority (i.e. Local Authority Trading Company). It is not a different form of company and most companies described as LATC’s are companies limited by shares, with the shares and therefore the company being wholly owned by the local authority.

Companies created by SCC are most likely to be limited by shares, as this structure ensures that profits can be returned to the shareholder (the council) in the form of dividend payments, and provides the possibility for future sale. It is the most suitable structure for trading activity and enables the Council to create a tax group.

It is possible that other company structures may be applicable in certain circumstances; however these structures tend to involve the removal of council control or would mean an inability to return profits-examples are companies that are limited by guarantee.

Limited Liability Partnership (LLP)

A Limited Liability Partnership is an alternative legal structure that is similar to a traditional partnership (e.g. as used by a firm of solicitors) but it limits financial risk whilst still being able to benefit from flexibility of structure, tax, profit distribution and the rights and duties of the partners. A partner of an LLP is called a member and is similar to a degree to a shareholder. A partnership agreement will usually be put in place to set out the rights, responsibilities and liabilities of each member and will specify the way in which the LLP will be managed.

LLPs do not have to pay Corporation Tax – it is “transparent” for tax. This means that each member is taxed in accordance with its own tax status. This is beneficial for the Council as it means that Corporation Tax is not payable on its share of the profits. A LLP however can only be set-up by a council in certain circumstances and cannot be established where the purpose of the LLP is purely to trade or deliver an income.

An LLP is permissible for the creation of the “JV” with Places for People since this entity is being established for the purpose of creating a model to deliver benefits to residents from the development of housing and mixed used schemes utilising the council’s vacant sites. As this is an activity that the council can undertake in its own right (rather than requiring a company to be set-up) a LLP is an appropriate structure.

GLOSSARY

Reserved Matters

Reserved matters are important decisions for which the Directors are required to seek and gain Shareholder Approval. These decisions are written in the Company's articles of association which set the constitution or the rules for the running of the company.

The Shareholder Board has delegated authority to perform these functions on behalf of the council. The reserved matters of SCC's companies have been written to ensure that the Shareholder Board is responsible for consideration of issues of strategic importance, take decisions that may involve changes to financial risks or may have an impact on the council's reputation.

Share Capital (Equity)

Equity or shares in a company represent the ownership interests. The Equity invested is the amount of funds contributed by the owners to the financial requirements of the company. In a limited liability company, the owners / shareholders lose no more than the amount invested. Equity invested at start-up is evaluated on the basis of assets owned and/or earnings potential.

Financial returns to the shareholders are made in the form of dividend payments. Dividends are not a business expense and are paid from post-tax profits.

Shareholders

The Shareholders (the owners of a company) and directors have different roles in a company. The Shareholders own the company and the directors manage it. The Directors must obtain shareholder approval for decisions where the shareholder has restricted the powers of the Directors – these are called reserved matters. The Shareholder Board has delegated authority to perform these functions on behalf of the council.

Shareholders Agreement

These are agreements between shareholders which are private documents. These agreements set out how the shareholders interact with each other and can define what happens in the event of dispute. A shareholder agreement is only relevant when there is more than one shareholder and is recommended practice for Joint Ventures.

SCC has entered into a shareholder agreement for TRICS Consortium Ltd and in relation to the investment in FutureGov Ltd (in this instance it is called an Investment Agreement but is essentially the same thing).

GLOSSARY

Support Services

The 2003 Local Government Act provides the ability for the council to enter into agreements for the supply of goods and services, by and to a LATC. The supply of goods, services and financial assistance must be made without subsidy. The legislation guides the council to apply CIPFA definitions of total cost in calculating the cost of supplies made to a Trading company. This provides the ability to recover all costs in the organisation, including a proportion of all central overheads, depreciation, capital costs and pension back-funding. This wide definition allows significant overhead recovery in the provision of services to an LATC. The supply of goods and services calculated on this basis will be compliant with state aid legislation.

The arrangements for LATCs should seek to ensure that the overall cost base of the Group is not unnecessarily duplicated or increased as a result of any new arrangements. Therefore SCC will provide services to an LATC where it is in a position to do so, where these services are fit for purpose for the business and support its strategy and can be supplied at a cost that is competitive. This is particularly important from a Group perspective where costs are relatively fixed, for example in the provision of payroll services where a substantial portion of the cost relates to the system.

TUPE

The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) protects employees when a business changes to a new owner and apply to “relevant transfers” which may occur in many situations, including service provision or contract changes. In these situations, the employment transfers, employment terms and conditions transfer and continuity of employment is maintained.

The new employer is therefore required to provide the same terms and conditions to the staff concerned. Alternate provision can be made, e.g. a cash alternative to a lease car, but this alternate provision must be acceptable to the employee.

SCC is required to follow the provisions of the TUPE act. This will apply where a service is being transferred to a trading company, as occurred with the award of the commissioning contract for services to Surrey Choices. A LATC will additionally be required to follow TUPE provisions when taking over a service contract from another supplier – for example, as in the case for S.E.Business Services in the provision of IT managed services previously supplied to the customer by another provider.

GLOSSARY

Teckal

Procurement complications arise where the Local Authority creates a company to supply services that the LA wishes to continue to purchase – be those that were previously in-house or previously provided externally. The Council is not permitted to automatically purchase from a LATC company outside of normal EU procurement rules. The LATC is required to tender alongside other private sector suppliers.

Procurement issues in relation to the purchase of goods and services from a LATC were evaluated in the Teckal case. According to the 1999 Teckal judgement, public procurement rules do not apply to contracts if the control exercised by the contracting authority over the entity awarded the contract is similar to that which it exercises over its own departments and, if at the same time that entity carries out the essential part of its activities with the controlling authority. This judgement has now been codified into a new EU Directive and in UK Law by the Public Contract Regulations 2015.

SCC will need to ensure that arrangements comply when considering transferring activities to a trading company, assuming that the council wishes to continue to purchase the services. The arrangements for Surrey Choices comply with these considerations.

A LATC falling within the Teckal exemptions will itself be required to comply with the EU public procurement rules, and therefore Surrey Choices is subject these procurement regulations.

Transfer Pricing / State Aid

Transfer Pricing refers to the price at which divisions of a company or a group of companies transact with each other – the terminology relates to all aspects of inter-company financial arrangements. These arrangements have potential implications for the tax authorities since they can be used by multi-national corporations to move profits to countries with lower taxes. The UK has adopted principles of “arm’s length” in tax laws.

State Aid issues would apply where a LATC is established, or provided with goods and services and financial assistance at a subsidy.

SCC will need to ensure that it steers an appropriate path or middle ground between issues of transfer pricing (in relation to tax) and those in relation to State Aid. The cost of goods and services and financial assistance (e.g. loans) supplied by the Council to an LATC will therefore be tested against the market to ensure that prices / rates can be justified on an arm’s length basis.



SHAREHOLDER BOARD

TERMS OF REFERENCE

Overview

The Shareholder Board will exercise the Council's role as shareholder in any company (limited by shares and wholly or partly owned by the Council) and as member of a limited liability partnership ("LLP") for the purposes of service provision and/or trading activities. The Board acts with the delegated authority of Cabinet to ensure the performance of any such company or LLP is satisfactory.

Any reference in these terms of reference to "Company" is defined as a company in which the Council holds shares.

The Shareholder Board may also decide, from time to time, whether to accept proposals to submit a bid to provide goods and / or services which, if successful would commit the council to the establishment of a company (which may include a joint venture company). In these instances, the decision of the Shareholder Board would be ratified in accordance with the council's decision-making process.

Membership

- | | |
|--|----------------|
| • Leader of the Council (Chairman) | David Hodge |
| • Deputy Leader of the Council | John Furey |
| • Cabinet Member for Corporate Support | Helyn Clack |
| • Chief Executive | Joanna Killian |

The Director of Finance and Legal Services Manager will be advisors to the Board to provide open and strong technical advice. Susan Smyth, Strategic Head of Finance, will act as secretary to the Board. Additional advisors may be invited to attend the Board as required.

Purpose

The Shareholder Board will:

1. Have the power to appoint and remove Company Directors and LLP management board members
2. Approve and monitor Company or LLP Business Plans
3. Approve the allotment of further shares in a Company (whether to third party shareholders or the Council)
4. Exercise any reserved powers in the Articles of a Company or the Members' Agreement of a LLP
5. Endorse any amendments to Company or LLP Business Plans

6. Periodically evaluate financial performance of a Company or LLP
7. Agree significant capital or revenue investments proposed by a Company or LLP
8. Determine the distribution of any surplus or the issue of any dividends from a Company or LLP
9. Consider any recommendation from Company Directors or LLP management board members to cease trading
10. Report to the Council annually on trading activity
11. Review the risks associated with trading activities.

The Shareholder Board will not have operational control over Companies or LLPs. All decisions regarding the day to day operation of each Company or LLP, its business developments and commercial opportunities, staff terms and conditions and the development and implementation of its internal procedures, rest with the Directors of each Company or LLP management board members.

Relationship to scrutiny

Select Committees will retain their scrutiny function in relation to the Shareholder Board. The Corporate Overview Select Committee will be able to call the Shareholder Board to account for progress in relation to any Company for which the Council is a shareholder or LLP in which it is a member and any returns the Council is making.

Scope

In respect of Teckal-compliant companies

The Shareholder Board will:

1. Monitor Teckal compliance at least annually.
2. Ensure the Business Plan of a Teckal compliant Company is aligned to the corporate objectives of the Council.

In respect of non Teckal-compliant wholly Council-owned companies

The Shareholder Board will also:

1. Seek to achieve appropriate returns on investment from trading activities.
2. Ensure trading activities are conducted in accordance with the values of the Council.

In respect of any shareholding and/or membership of a LLP and/or joint ventures

The Shareholder Board will:

1. Evaluate the return and benefits of the shareholding and/or membership against the values of the Council.
2. Where appropriate, exercise influence over the company and/or LLP and/or joint ventures in accordance with the values of the Council.

In respect of the submission of a bid which will commit the council to the establishment of a company (or Joint Venture)

The Shareholder Board will:

1. Evaluate the return and benefits of the proposal, including an evaluation of the proposed profit share in a Joint Venture.
2. Seek to achieve appropriate returns on investment from trading activities.
3. Ensure trading activities are conducted in accordance with the values of the Council.

Operation of the Shareholder Board

1. The Cabinet has delegated to the Shareholder Board the authority to take decisions in respect of 100% of the Council's shareholding in any Company or membership of a LLP.
2. The Shareholder Board will meet quarterly, or as required.
3. The quorum for a meeting of the Shareholder Board is a minimum of 3 members, one of whom must be the Leader or Deputy Leader, who will chair the meeting.
4. The Shareholder Board may take decisions outside of a Company's general meeting or LLP's members' meeting as follows;
 - a. At meetings of its members by consensus of those present, unless any member of the Board requires a vote, in which event a majority decision will be taken with each member of the Shareholder Board present having a single vote. The Chairman of the meeting has a casting vote in the event that there is no clear majority; or
 - b. In cases of urgency, by a decision made by the Leader or Deputy Leader in consultation with the Chief Executive.
5. Any decisions made by the Shareholder Board in accordance with 4a or b above, must be notified to the Company's directors or LLP management board members as soon as reasonably practicable following such decision being taken.
6. The Shareholder Board may take decisions at a Company's general meeting or LLP members' meeting in accordance with the principles set out in 4a above.
7. 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 and signs any resolutions agreed by the Board.
8. The Shareholder Board will review the Terms of Reference annually.

V10: Last reviewed / updated: 19.06.2018

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SURREY COUNTY COUNCIL

CABINET

DATE: 17 JULY 2018



REPORT OF: MR DAVID HODGE, LEADER OF THE COUNCIL

LEAD OFFICER: KEVIN KILBURN, DEPUTY CHIEF FINANCE OFFICER

SUBJECT: FINANCE AND BUDGET MONITORING REPORT TO 30 JUNE 2018

SUMMARY OF ISSUE:

This report presents the council's financial position for 2018/19 at the end of June 2018. The context for the report is the Annual County Council report on Developing a Vision for Surrey in 2030. The council faces a significant, and unprecedented budget shortfall in 2019/20 following the use of substantial one-off sources of funding this year. This reinforces the need to achieve 2018/19's planned savings in full to protect the council's reserves and to meet future years' budget risks.

Annex 1 to this report highlights indications of material or significant variances to the Medium Term Financial Plan (MTFP) assumptions, including financial year end projections for the capital and revenue budgets as well as emerging issues, risks, areas of concern and proposed actions to resolve them. Annex 2 shows the progress of the MTFP savings projects for 2018/19.

The council has a target of £15m additional in year savings in 2018/19. It is crucial the council achieves this target at the year end to increase its financial resilience and minimise the reserves it needs to draw on. To meet this financial challenge, officers have developed plans for additional in-year savings to off-set any unmitigated rise in budget pressures or shortfall in the delivery of targeted savings, and also to meet the challenging budget gap for 2019/20. Annex 3 summarises proposals for in year savings.

RECOMMENDATIONS:

Recommendations to follow.

REASON FOR RECOMMENDATION:

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

It is also presented to authorise in year savings changes to the 2018/19 revenue budget in order to increase the council's financial resilience.

DETAILS:**Revenue budget overview**

1. Surrey County Council set its 2018/19 budget and MTFP 2018-21 in early February 2018 in the context of continuing rising demand and cost pressures totalling £108m, and over seven years of Government funding cuts. To counteract these pressures, the council has targeted to deliver £66m revenue savings and spending reductions this year. However, balancing this year's budget required £56m in one off funding, which will not be repeatable in future years. This included the application of £21m from reserves, leaving £60m earmarked reserves and £21m general balances at 1 April 2018.

Revenue savings

2. The council has conducted deep dive reviews into the 2018/19 MTFP savings programme. The review has increased assurances about savings and identified actions to increase confidence. It will also conduct deep dive reviews into the 2019/20 savings programme with the same aims.
3. Officers have developed proposals for plans to achieve £15m additional in-year revenue savings in 2018/19. Annex 3 summarises the proposals.
4. New and more robust arrangements that are being put in place mean that throughout the year, the Corporate Leadership Team: will track and monitor delivery of MTFP savings and additional in year savings; and will develop plans for alternative savings as required. This is to ensure a considered, strategic and corporate approach to financial reporting and management.

Pressures

5. The council's main financial pressures stem from demographic demand growth in social care for adults and children, special educational needs and disabilities (SEND) and maintaining the road and infrastructure network. To ensure these pressures are visible and controlled, the Corporate Leadership Team will track pressures closely every month and will put in place mitigating actions wherever possible.
6. As reported last month, early indications suggest SEND pressures are continuing to rise in 2018/19, as more children have an Education, Health and Social Care Plan (EHCP). This national issue is exacerbated by the failure of funding in the Dedicated Schools Grant High Needs Block to keep pace. As at 30 June 2018, the council has developed plans to offset half of this increase in pressure and aims to achieve further in year savings to close this challenging budget gap.

Capital programme

7. The council set its three year MTFP capital programme at £322m, including £144m in 2018/19. This major investment in Surrey's infrastructure and economy focuses on the growth in pupil numbers and the importance residents

place on good roads and services. The council has increased capital spending for road repairs and maintenance over and above that planned in the MTFP by £15m over the next two years.

8. The council has conducted a deep dive review of the capital programme. The intention of this is to ensure the capital programme aligns with the council's priorities and long term strategy, and that each year's expenditure is more accurately forecast and profiled. Cabinet will receive detailed recommendations from the review for restating and reprofiling capital expenditure at its next meeting.

Service transformation

9. Local authority funding remains uncertain, especially around the future of the Business Rates Retention Scheme, the Fair Funding Review, negative Revenue Support Grant and the prospects anticipated in the deferred Green Paper on adult social care. The council does not forecast any significant new or additional government funding to meet the continuing and rising pressures it faces over the medium term. Faced with these uncertainties and pressures, the Cabinet is developing a programme of transformational changes to ensure the council has sustainable services for residents. This transformation was set out in the County Council report of 22 May 2018, "Developing a Vision for Surrey in 2030". The programme will include projects to manage service demands, increase income and, or, deliver savings to reduce overall annual expenditure by approximately £250m over the next three years. This includes £133m of savings already in the MTFP, of which £66m is targeted for delivery in 2018/19.
10. The additional benefit of the transformation programme will start to flow from 2019/20, but the bulk of the savings will inevitably follow in 2020/21 for the council to attain a sustainable budget in future years. Therefore for the 2019/20 budget to be achieved will require all services to deliver further sizable savings from their current operating budgets.
11. Outline Business Cases for the transformation savings will be presented for agreement in principle and will provide additional confidence to members. These, and the more detailed Full Business Cases for savings, will link to a robust budget setting process for 2019/20 and the next five year MTFP. The budget and MTFP, subject to any changes resulting from the Local Government Finance Settlement, will be presented to the Full County Council in November 2018. This is three months in advance of previous years.

Risk based approach

12. The council operates a risk based approach to budget monitoring across all services. The approach ensures the council focuses on monitoring those higher risk budgets due to their value, volatility or reputational impact.
13. Managers with high risk budgets monitor their budgets monthly, managers with low risk budgets monitor their budgets quarterly (or more frequently on an

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

CONSULTATION:

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

RISK MANAGEMENT AND IMPLICATIONS:

15. Risk implications are stated throughout the report and each relevant director or head of service has updated their strategic and or service risk registers accordingly. In addition, the leadership risk register continues to reflect the increasing uncertainty of future funding likely to be allocated to the council and the sustainability of the MTFP. In the light of the increased and significant financial risks faced by the council, the Leadership Risk Register will be reviewed to increase confidence in directorate plans to mitigate the risks and issues.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

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

SECTION 151 OFFICER COMMENTARY

17. The Section 151 Officer confirms the financial information presented in this report is consistent with the council's general accounting ledger and forecasts have been based on reasonable assumptions, taking into account all material, financial and business issues and risks.
18. The council has a duty to ensure its expenditure does not exceed resources available. During 2018/19, the council targets to deliver £66m spending reductions and manage £108m pressures as it moves towards a sustainable budget for future years. All services must continue to take all appropriate action to keep costs down and optimise income (e.g. through minimising spending, managing vacancies wherever possible). Adverse variances will required remedial in-year savings and budget reductions.
19. It is drawn to members' attention that the council's reserves are already at low levels bearing in mind the ongoing uncertainty about: future funding, demand pressures, savings and the transformation programme. Any future use of reserves will need to be planned carefully so that they are not depleted to unacceptable levels.

LEGAL IMPLICATIONS – MONITORING OFFICER

20. The Local Government Finance Act requires the council to take steps to ensure that the council's expenditure (that is expenditure incurred already in year and anticipated to be incurred) does not exceed the resources available. Cabinet should be aware that if the Section 151 Officer, at any time, is not satisfied that

appropriate strategies and controls are in place to manage expenditure within the in-year budget she must formally draw this to the attention of the Cabinet and Council and they must take immediate steps to ensure a balanced in-year budget.

EQUALITIES AND DIVERSITY

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

WHAT HAPPENS NEXT:

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

Contact Officer:

Kevin Kilburn, Deputy Chief Finance Officer

020 8541 9207

Consulted:

Cabinet, executive directors, heads of service.

Annexes:

Annex 1 – Overall and directorate financial position for: revenue budget, savings, pressures and capital programme; balance sheet, reserves, debt and treasury management.

Annex 2 – MTFP savings projects 2018/19

Annex 3 - Proposals for in year savings 2018/19

Sources/background papers:

Revenue and capital budget movements.

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SURREY COUNTY COUNCIL**CABINET****DATE: 17 JULY 2018****REPORT OF: MS DENISE TURNER-STEWART, CABINET MEMBER FOR COMMUNITY SERVICES****LEAD OFFICER: JASON RUSSELL EXECUTIVE DIRECTOR FOR HIGHWAYS, TRANSPORT & ENVIRONMENT****SUBJECT: CROSS-PARTY REVIEW OF LOCAL AND JOINT COMMITTEES****SUMMARY OF ISSUE:**

Cabinet is invited to consider and respond to the conclusions and recommendations contained within the report of the Cross-Party Review of Local and Joint Committees.

RECOMMENDATIONS

It is recommended that:

1. Cabinet examine the report and recommendations of the Cross-Party Review Group of Local and Joint Committees; and following full consideration of the findings and their implications, determines how to respond and take forward any changes as part of the wider transformation programme.
2. Cabinet thank the members of the Cross-Party Review Group for the diligent work they have undertaken in completing the review.

REASON FOR RECOMMENDATIONS:

1. A cross-party review of local and joint committees (LCs/JCs) was established at the direction of the Leader, under the Chairmanship of County Councillor Mary Angell, to review the current model of LCs/JCs, and to make recommendations to Cabinet as to how it can improve joint working and engagement with residents.
2. The Review Group, consisting of County Councillors Mary Angell (Lead), Will Forster, Tim Hall, Jeff Harris and Ernest Mallett has now completed its review and makes a number of recommendations for Cabinet consideration.
3. The Review Group has undertaken a wide-reaching and detailed review, and the findings highlight a number of areas where the County Council can be proud of its local engagement and devolved decision making structures, which represents best practice nationally.

4. The review has also identified areas for improvement and the report makes a number of recommendations for Cabinet to consider.
5. The Council is embarking on a wholesale transformation programme to address the unprecedented demand and financial challenges it faces. In light of this, it is important that Cabinet gives careful and thorough consideration to the report and its findings, before determining how to address them.

DETAILS

6. The Review Group's approach, findings, and the rationale for their recommendations are set out in detail in Annex 1.

CONSULTATION:

7. The Review Group has undertaken extensive consultation, as detailed below:
 - Sent questionnaires to all 81 borough and district members of LCs/JCs;
 - Sent questionnaires to all 81 SCC members;
 - Sent questionnaires to all 475 borough/district councillors;
 - Sent questionnaires to all Surrey Leaders and Chief Executive Officers (CEO) of district/borough councils;
 - Sent questionnaires to 87 parish/town councils;
 - Sent survey to residents associations – 46 responses received;
 - Set up online survey on SCC website for residents and businesses - 377 responses received;
 - Visited 10 out of 11 local/joint committees to gain views;
 - Met with Chairman and Vice-Chairman of Elmbridge Local Committee;
 - Visited CEOs/district/borough leaders when individual meetings requested;
 - Visited Worplesdon Parish Council;
 - Met with SCC CEO Joanna Killian;
 - Met with Executive Director Jason Russell;
 - Met with Head of Economic Growth, Kevin Lloyd;
 - Met with Leader David Hodge and SCC Cabinet;
 - Interviewed North Yorkshire and Cumbria councils via conference calls.

RISK MANAGEMENT AND IMPLICATIONS:

8. There are no significant risk management implications arising from this report.
9. Increased partnership working should reduce the risks of fragmented service delivery and duplication or omission.
10. The Review Group has produced a suggested action plan to deliver the Review Group's recommendations, which will be considered as Cabinet determines how to take the review forward.

11. The established joint committees are bound by the approved policies, budgets and financial regulations of both participating councils.

Financial and Value for Money Implications

12. The Section 151 Officer confirms that all material financial and business issues and risks have been considered in this report. Agreeing to the recommendations will not expose the council to any significant additional costs or risks.

Legal Implications – Monitoring Officer

13. Sections 101(5) and 102 of the Local Government Act 1972 empower local authorities to agree to discharge functions jointly, and to establish joint committees to enable this to happen. The annex to this report sets out the Review's recommendations for future governance arrangements for joint committees in Surrey. As new joint committees are set up, in each case the detailed arrangements will be approved by Cabinet and Council in accordance with regulations.

Equalities and Diversity

14. An Equality Impact Assessment (EIA) was completed covering the options for change regarding local committees as part of the November 2012 Cabinet report on the public value review of the Community Partnership Team. A summary of the key impacts and actions was provided at this time and has been reviewed.
15. An initial screening has been undertaken of any potential equalities and diversity impacts arising from the annex to this report, which sets out the Review's findings. This has identified no significant concerns of potential negative impact on any protected characteristics.
16. Taking forward any changes to current arrangements arising from this report as part of the wider transformation programme will effectively deliver some of the positive impacts identified through the original EIA, such as enabling better partnership working with improved shared outcomes for local residents and communities.
17. Equalities issues, particularly in relation to any disabilities, will be given consideration in the arrangements for public participation in connection to LC/JC to ensure that anyone with a protected characteristic is not disadvantaged.
18. Officers will continue to consider possible impacts and mitigating actions during consideration of the review.

WHAT HAPPENS NEXT:

19. Cabinet will consider the findings and recommendations and will determine how to respond and take forward any changes as part of the wider transformation programme.

20. Future changes to the role of local and joint committees arising from Cabinet's consideration of the review report, will be discussed with relevant members and officers before implementation.
21. Implementation of any changes arising from Cabinet's consideration of the review such as the establishment of additional joint committees, may require further Cabinet or full Council approval.

Contact Officers:

James Painter, Partnership Manager, james.painter@surreycc.gov.uk

Consulted:

Mrs Denise Turner-Stewart, Cabinet Member for Community Services
Mr David Hodge, Leader of Surrey County Council
Joanna Killian, Chief Executive, Surrey County Council

Annexes:

Annex 1: Local and Joint Committee Review Group report
Appendix A – Member Review Group Terms of Reference
Appendix B – Feedback on local and joint committees from members
Appendix C – Survey results
Appendix D – Overview of LCs/JCs Ideal Channels of Communication
Appendix E – LC & JC Frustrations
Appendix F - LC & JC what we are good at
Appendix G - Review Group action plan

Sources/background papers:

County Council vision for 2030, 22 May 2018 County Council meeting

Surrey County Council

Cross-Party Review of Local and Joint Committees

Report of the Cross-Party Review

Mary Angell (Chairman), Will Foster, Tim Hall,
Jeff Harris and Ernest Mallett.

July 2018

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1. EXECUTIVE SUMMARY

- 1.1 The current local committee (LC) system has been in place since April 2002. The original aims of the LCs were to build relationships with district and borough councils, devolve decisions closer to residents, improve local performance monitoring, and enable local residents to raise issues of local concern directly to their local councillors.
- 1.2 In order to address new and evolving policy drivers, such as the Surrey County Council's (SCC) transformation programme, vision for 2030, and the development of joint committees (JCs) in some areas, a cross-party review group was established by the Leader under the chairmanship of County Councillor Mrs Angell to review the current model, and make recommendations for improvement.
- 1.3 The review group ask Cabinet to consider and respond to the review's conclusions and recommendations, which are intended to deliver improved outcomes and value for money for residents.

Summary of Recommendations

The Cross-Party Review has made 14 recommendations, these are set out below, with further information and the rationale detailed on the following pages:

Recommendation 1: Prior consultation and engagement with local and joint committees should be a requirement on all matters with a specific local impact being brought to Cabinet.

Recommendation 2: Cabinet should examine what further powers can be devolved to the local and joint committees.

Recommendation 3: Cabinet should commit to safeguarding the on-going provision of funding allocations that help members to become game changers locally.

Recommendation 4: Engage with district and borough councils to encourage all local committees to become joint committees at the earliest opportunity.

Recommendation 5: The Leader or Deputy Leader of the district/borough councils should chair or vice-chair the joint committee on a permanent, or alternating basis, if this is met with local agreement.

Recommendation 6: Local and joint committees to play a key place-based role across SCC, district/borough councils and partners helping to articulate the needs and ambitions of communities.

Recommendation 7: Ensure good governance of joint committees by adopting a simplified framework for any new joint committees, and working towards gradual alignment for the existing three joint committees.

Recommendation 8: Each local/joint Committee could have the authority to co-opt non-voting advisory members. This may include members of parish councils or other groups with local influence. The JC itself could contain one, possibly two members from the public with specific expertise or involvement in a particular project. Another possibility for those boroughs/districts that contain parishes is that the Vice-Chairman be a parish councillor.

Recommendation 9: Each Local and Joint Committee should hold an annual meeting to set priorities prior to the start of the council year to consider all local priorities, and use this as an opportunity to invite strategic partners, businesses and residents, to engage in the process.

Recommendation 10: Local and joint committees should highlight their achievements and undertake annual monitoring of their performance against agreed priorities

Recommendation 11: Invite district and borough councils to consider providing additional officer(s) resource in support of the collaborative work undertaken by joint committees, working alongside SCC officers.

Recommendation 12: Improve effective communications between local and joint committees and Surrey residents.

Recommendation 13: Retain and strengthen the 'open forum' section of the meeting.

Recommendation 14: Chairmen and Vice-chairmen of LCs/JCs should receive training to support them in their roles.

2. INTRODUCTION

- 2.1. Local government as a whole is under pressure with increasing demands and significant funding pressures. SCC's draft vision for 2030 envisages a transformation programme working together with residents and BC/DCs to respond to these pressures.
- 2.2. Local and joint committees (LCs/JCs), are well placed to help support and shape this programme of work. The cross-party review of LCs/JCs was established at the direction of the Leader, under the chairmanship of county councillor Mrs Mary Angell, to review the current model of LCs/JCs, and to make recommendations to improve joint working, and engagement with residents.
- 2.3. The aim of the cross-party review of LCs/JCs was to review the current LC/JC model in recognition of the new and evolving policy drivers in order to reposition and repurpose them for the future.
- 2.4. The recommendations in this report are designed to:
 - To set out SCC's vision for local governance and engagement;
 - To recommend the future role of LCs/JCs, in support of county councillors becoming the 'game changers' that the Leader describes.
 - To promote efficient and effective communication and achieve economic prosperity.

3. BACKGROUND

Background to Local / Joint Committees

- 3.1. Local committees were established in April 2002. The original aims of the LCs were to devolve decisions closer to the residents, to improve local performance monitoring and to improve local representation. To enable this to happen, these SCC committees consisted of an equal number of county and borough/district members who meet four times a year formally, and four times informally.
- 3.2. In three areas, Woking, Spelthorne and Runnymede, JCs have been created in place of the SCC LC arrangements. JCs are true partnerships with functions delegated by both participating authorities, enabling joined up decision making on issues that affect residents.
- 3.3. The closer working permitted by JCs also allows both authorities to respond jointly on local issues. One example of this is the Joint Youth Strategy that is overseen by the Woking JC.

Background to the Review

- 3.4. The Cross-Party Review Group of County Councillors Mary Angell (Lead), Will Forster, Tim Hall, Jeff Harris and Ernest Mallett, worked between February and July 2018 to identify recommendations for Cabinet's consideration. Detailed notes were written up for every single meeting and all actions recorded for the record.
- 3.5. A copy of the terms of reference for the review group is attached as Appendix A to this report.

4. APPROACH

- 4.1. As part of the process, the members asked residents, businesses, members and local authority representatives about the effectiveness of the current system, compared the current model with other public sector organisations, and also contrasted the terms of reference for LCs/JCs with innovative approaches to place shaping elsewhere.
- 4.2. The Group followed a proven methodology:
- **Consulting** widely with residents, businesses, members and local authority representatives;
 - **Comparing** performance with others;
 - **Challenging** why, how and by whom a function is provided;
 - **Collaborating** with partners.

Consulting

- 4.3. Questionnaires were tailored specifically for the different groups consulted.
- 4.4. The Group undertook the following consultation:
- Sent questionnaires to all 81 borough and district members of LCs/JCs
 - Sent questionnaires to all 81 SCC members;
 - Sent questionnaires to all 475 borough/district councillors;
 - Sent questionnaires to all Surrey Leaders and CEOs of district/borough councils;
 - Sent questionnaires to 87 parish/town councils;
 - Sent a survey to residents associations – 46 responses received;
 - Set up an online survey on SCC website for residents and businesses – 377 responses received;
 - Visited 10 out of 11 LCs/JCs to gain views;
 - Met with the Chairman and Vice-Chairman of Elmbridge LC;
 - Visited CEOs/D/B Leaders when individual meetings requested;
 - Visited Worplesdon Parish Council;
 - Met with SCC Chief Executive Joanna Killian;
 - Met with Executive Director Jason Russell;
 - Met with Head of Economic Growth, Kevin Lloyd;
 - Met with Leader David Hodge and SCC Cabinet;
 - Interviewed North Yorkshire and Cumbria County Councils via Conference calls.
 - Visited Wiltshire to observe the Royal Wootton Bassett and Cricklade Area Board and to interview the Chairman, Cabinet member, Board members, Parish members and officers.

Challenging

- 4.5. Members undertook visits to Wiltshire to watch the Wootton Bassett Area Board, and met with parish clerks at Worplesdon Parish Council, to provide a challenge to the existing Surrey approach.
- 4.6. The Review Group have sought to challenge senior officers across the organisation, and from Cabinet and the Chief Executive.
- 4.7. This challenge has been furthered via listening to residents' views of the current system and members of the review group and key officers participating in facilitated sessions using the Shift Space, focused on challenging the current concepts and practices.
- 4.8. The Review Group considered four themes of **Governance** (Different models of governance, remit, constitution, agenda setting , resident engagement, membership, chairmanship, administration and geographical scale); **Devolution programmes** (cross authority, devolved commissioning, highways devolution); **Local Engagement** (local webpages, social media, newsletters, 'How to' videos and You Tube, Resident recognition, celebrate success, the integration of social and traditional engagement, Peers in local government); **Local/devolved funding** (members community funding allocation, Local highways allocation, LC/JC devolved highways funding, community safety funding, publicity and information for the public on external funding).
- 4.9. Private conversations with Surrey Leaders and CEOs have provided a vigorous challenge in respect of the nature of SCC engagement with partners.

Comparing

- 4.10. The Review Group analysed all the agenda items considered by the 11 Surrey LCs/JCs in all their public and informal meetings for the period 2017-2018. This provided a clear picture of the range of agenda items considered, and their relevance to different geographical areas. There was a surprising similarity between all agenda items regardless of the location of the LCs/JCs. This is reflected in members' concerns that there is a round robin of repetitive reports that circulate between many LCs/JCs.
- 4.11. Members reviewed the models for place shaping, local decision-making, partnership between authorities and engagement with residents, across England, including metropolitan boroughs and shire authorities in unitary and two/three tier areas. This was a wide-scale undertaking – looking at current practice in 110 authorities across the country, and 27 two-tier authorities.

4.12. This desktop research was followed up with telephone interviews with Cumbria and North Yorkshire, both of which have a similar area committee system but different budgetary arrangements and methods of working.

Collaborating

4.13. The Chairman of the Review Group met with officers from Worplesdon Parish Council, the discussion centred on identifying areas where the councils could work together for the benefit of residents. It was clear that good communication was key to effective joint working arrangements, especially in relation to officers/members providing consistent and timely messages.

4.14. A further key area of work identified, was a requirement to simplify current administrative processes toward unlocking bureaucracy that can inhibit joint working. One practical suggestion was that a simple approval process should be put into place to enable parish councils that have available funding/resources to take forward local projects in line with county policy.

4.15. Worplesdon Parish Council wanted a greater involvement with LCs/JCs and a voice during discussions as they felt that all tiers of local government were working for the same residents.

4.16. The Review Group were able to discuss the draft vision for 2030 for SCC, with senior officers, the Chief Executive and the Leader. The Review Group is clear that the LCs/JCs can play a pivotal role in supporting SCC and its partners to achieve this vision, for the benefit of residents.

5. FINDINGS

Feedback from consultation: Local and Joint Committee Members, Leaders, and Chief Executives

- 5.1. During the discussions with members of the LCs/JCs, the review group identified a number of themes; these are detailed below and set out in the diagrams in Appendix D & E (the LCs/JCs likes and frustrations):
- 5.2. *Contributing to the strategic direction of both county and district/borough councils:*
- LCs/JCs feel they operate in a bubble, and are not clear how they fit into the people and places agenda. They feel unable to input into SCC's strategic 'big' plans that SCC must make for the future.
 - Many members believe that the SCC Cabinet and senior officers have become distant from LCs/JCs. They say it is difficult to engage with service directorates, and officers' use 'confidentiality' and 'protected engagement' as reasons for not providing information to LCs/JCs. There is a sense that many senior officers within SCC feel they are not accountable to LCs/JCs.
 - The engagement with the present Lead Cabinet Member for Place has been an exception, and has been very much appreciated by all members.
 - Communication was generally not good, and LCs/JCs feel they are left expecting to deal with the local outcomes and consequences once decisions have been made by the Cabinet.
 - LCs/JCs have very limited decision-making powers, and there is a sense of frustration and irrelevance after their highways budget was diminished due to funding cuts.
 - LCs/JCs currently feel unable to influence SCC Cabinet or the BC/DCs. With reference to the identification of possible cuts in services currently provided by SCC, it would be helpful if BC/DCs could be consulted early in the process to enable the consideration of alternative solutions where applicable.
 - Agenda items considered are mostly SCC issues, and even JCs feel that agendas are unduly influenced by SCC input as the work themes flow from the chairmen/vice-chairmen's group that is managed solely by SCC officers. District and borough colleagues do not have the opportunity to add to those agendas, and find difficulty in attending the meetings when they are held exclusively at County Hall.
 - LCs/JCs are not clear what level of scrutiny of local service provision is expected of LCs/JCs going forward.

5.3. *Being at the heart of local priority-setting for their 'place':*

- More time should be spent considering priorities for their local area.
- LCs/JCs want to contribute to the formulation of strategies, plans and policies of SCC as they are uniquely placed to understand the circumstances and characteristics of their area.
- Members felt there is an issue of accountability, with senior officers too remote from the LCs/JCs. Issues with high levels of local impact are not brought to them as a matter of course. They would like earlier involvement in priority setting for their area – such as school place planning, or school closures.
- Strategic planning issues around development and the implications for infrastructure are very high priorities for residents, and yet the LCs do not currently have a role in this.
- All county services should proactively seek the views and expertise of the LC/JC members.
- At present, there is a sense of repetition from a number of services, with identical papers being presented to the various LCs/JCs.
- The focus on highways prevents time being spent on considering other SCC functions. There could be a role for LCs/JCs to look at education, adult social care, children's services, family support programmes, early help, health and wellbeing, health services, public health initiatives, culture and waste partnerships.
- With reference to the identification of possible cuts in services that are currently provided by SCC, it would be helpful if the LCs/JCs, and thereby also district and borough members could be consulted early in the process to enable the consideration of alternative solutions where applicable.
- LCs/JCs are seen as essential for addressing issues of local importance, building community engagement and enabling residents to participate in and influence local decision-making.

5.4. *On the use of venues:*

- At present the chairmen/vice-chairmen's group is always held at County Hall in Kingston, but these meetings could be held at other district/borough venues across the county.
- The use of variable locations for each LC/JC seems to improve resident participation. The deterrent is the cost of hiring portable audio equipment.

5.5. *Supporting the committees:*

- Local partnership officers are excellent and provide support, but they are stretched. LCs/JCs need increased communication support if they are to take on more responsibility.

- Some chairmen and vice-chairmen felt they lacked support, and requested more training to help them fulfil their role.
- District/borough councillors should be able to add topics to the agendas for the meetings.

5.6. During the consultation, LC/JC members were also asked to vote on their top priorities for LCs/JCs. LC/JC members generally felt that public participation was vital to the success of the LCs/JCs, and identified the following as their top priorities:

- To be a forum for decision-making;
- To be a forum for discussing priorities and strategies;
- To improve partnership working.

Public Survey results

5.7. Analysis of the public survey results is attached as appendix C.

5.8. Overall, **472** responses were received from BC/DC councillors not on the LC, parish and town councils, residents associations, the majority (83% of responses) were from businesses, community groups and residents.

5.9. Key findings were:

- **73%** were not aware of the committee and **35%** of those who knew about the committee had not engaged with it;
- those who had engaged with the committee were largely positive about the experience with **65%** feeling it was a good opportunity for residents to voice their views and this was also ranked highest in their views on the purpose of the committee;
- **73%** did not feel it allowed residents to engage with SCC, being seen as remote and with little ability to influence the majority of services;
- of those not aware of the committee **87%** wanted a forum for residents to voice their views and **75%** wanted a forum for discussing local priorities and strategies;

Benchmarking

Desktop research

5.10. Investigation of the 27 two-tier county councils revealed that:

- Only 7 out of the 27 (26%) have a LC/JC or area board type arrangement currently in place: Buckinghamshire, Cumbria, Devon, North Yorkshire, Surrey, Warwickshire, and West Sussex.
- 13 out of 27 (48%) including Surrey have member-led grants or equivalent – Derby, Devon, Hampshire, Hertfordshire, Kent, Lancashire, North Yorkshire,

Nottinghamshire, Suffolk, Staffordshire, Warwickshire, and Worcestershire. The standout is Hertfordshire, which gives each member £10k community and £90k highways to allocate.

- Three county councils take a 'place-based' rather than a committee approach, e.g. North Yorkshire County Council.
- All former two-tier shire areas which made the transition to becoming single tier unitary authorities after 2009 were investigated (including Cornwall and Wiltshire), in order to identify what LC/JC or equivalents were in place in these areas. This research identified some interesting practise and innovative methods of resident engagement. The Review Group decided that a visit to Wiltshire should be arranged in order to allow for more in depth analysis.

5.11. It is most likely a symptom of budget cuts, but there is an evident story of reduced capacity; several web pages featured outdated plans etc., or made reference to localism approaches that are now defunct or much diminished.

5.12. Interestingly the larger the county, the more likely it is to have devolved arrangements. Out of the 27, Surrey is the joint fourth largest county in terms of the number of BC/DCs.

Interviews and visits

5.13. Three of the comparator authorities were identified as having an innovative approach that the Review Group decided to investigate further. The Review Group therefore interviewed representatives from Cumbria County Council and North Yorkshire County Council and visited a Wiltshire Council Local Area Board to understand the benefits of their approaches.

5.14. Each of the three authorities could identify areas where their approaches worked well, and it enabled the Review Group to consider the need to strengthen the links between the Cabinet and LC/JC decisions and the need for joint priority setting sessions to ensure that there was an opportunity to influence strategic decision-making.

5.15. However it was noted that each of the authorities were also looking to review their approaches to ensure that they remained fit for purpose.

5.16. As part of this process it was also useful to compare the different ways that each of the LCs/JCs worked in practice and to identify areas of good practice that could be implemented easily across the county.

- 5.17. None of the three comparator authorities had an equal number of BC/DC councillors on the committees, although the North Yorkshire County Council model included a parish council representative on the committee, as well as a borough councillor.
- 5.18. The greatest difference between the Surrey model and the three comparator authorities was the enhanced level of community partnership work undertaken under the auspices of the LCs/JCs. The three comparator authorities placed a higher organisational priority on the enabling role of the LCs/JCs to drive forward partnership work, evidenced by larger budgets and greater officer resource invested to support this process.
- 5.19. In terms of engagement, neither Cumbria County Council nor North Yorkshire County Council evidenced a greater rate of resident engagement at their committees, although North Yorkshire County Council did have Voluntary, Community Faith Sector representatives on the committees alongside councillor representatives from all three tiers, and Cumbria County Council had 6-monthly meetings with councillors from all three-tiers of local government.
- 5.20. Cumbria County Council had also instituted meetings of the chairman & vice-chairman of the area committees with the borough/district Chief Executive and two or three senior members to focus on how to make an operational difference for local residents every 6 months and felt that this arrangement delivered benefits for residents.

6. CONCLUSIONS

Conclusions of the Cross-Party Review Group

Delivering the vision for Surrey for 2030:

- 6.1. Local and joint committees must be at the heart of SCC's transformation ambition of *'radically improving the way we work as one team with our partners'*.
- 6.2. LCs/JCs can support SCC's objective of developing stronger and more resilient communities across county through:
 - efficient, transparent and accountable decision-making;
 - effective collaborating with public, voluntary and private sector partners locally to meet the aspirations of local people;
 - shaping the delivery of local services;
 - addressing local issues of importance; and engaging with residents;
 - building community leadership and local engagement.
- 6.3. To achieve this, SCC needs to demonstrate that LCs/JCs make a difference to the lives of residents, and that residents can participate in and influence local decision-making.
- 6.4. Joint Committees would be uniquely placed to look at the wider agenda, refocus resources, build capacity in the voluntary sector and have an honest conversation with residents/partners about what can be achieved without the need for cumbersome bureaucracy.
- 6.5. LCs/JCs should have the freedom to say "in this place we will agree the following to meet the priorities and needs of our residents".
- 6.6. JCs have shown that if the mind-set is right and a common view is held, then from that flows collaborative conversations that facilitate decision making for our residents.
- 6.7. It is imperative to strengthen and develop strategic leads with all our BC/DC partners and recognise the value and work of the BC/DCs. Successful partnership working requires that both SCC and BC/DCs are prepared to be influenced by each other and commit to a genuine partnership with sound governance and a healthy culture of mutual trust and respect, thereby supporting the development of SCC strategy and policy.

- 6.8. The Review Group were asked to consider how LCs/JCs can best support the Cabinet decision-making model, and whether there is any scope to devolve decisions closer to residents.
- 6.9. Each LC/JC wanted to contribute to the formulation of strategies, plans and policies of SCC with reference to the circumstances and characteristics of their particular area. However at present, members feel they have had little or no input prior to Cabinet decision-making.
- 6.10. Consequently, LCs have degenerated into talking-shops, and they are seen to have restricted decision-making powers. This democratic deficit has led to some apathy among residents, which can lead to unease and “single issues” campaigns when local opinions, particularly over development, are ignored.
- 6.11. As Cabinet is unlikely to devolve any additional responsibilities to LCs/JCs then these committees will continue to have a limited role and decision-making will not move closer to residents.
- 6.12. These attitudes can be reversed by empowering LCs, or more effectively by JCs actively involving parish and BC/DC councillors and residents in decision-making.
- 6.13. This means LCs/JCs have to be redesigned, with some decision-making powers devolved downward, and this necessitates far more thought being given to committee leadership.
- 6.14. Furthermore, both Cabinet members and senior officers need to involve the LC/JCs prior to decision-making, give them far more feedback, and most importantly become answerable to them.
- 6.15. Cabinet and LC/JC Chairmen need to give consideration to how SCC and local authorities can raise our ambition and work better together for our local communities and address issues of importance to resident, so that:
- best practice is shared and replicated;
 - residents are engaged with LCs/JCs, and can participate in, and influence the decisions they take;
 - we demonstrate a real difference and improvement in lives of residents as a result of the work of the LCs/JCs.
- 6.16. The Review Group therefore set the following ambitions for LCs/JCs:
- engaging with partners to understand needs, and target support to areas of concern;
 - empowering residents and communities to use their strengths and be resilient;
 - working together to achieve shared outcomes for residents;

- enabling the various councils to look for opportunities and work together effectively with our partners, residents and colleagues to ensure the best possible outcomes for Surrey and its people;
- trusting and supporting each other and actively contribute to achieve our goals;
- sharing our expertise, knowledge, intelligence and resources to good effect;
- establishing and developing strong and lasting relationships based on listening, trust and mutual respect;
- engaging with others respectfully.

What it means to be a game changer

6.17. County and BC/DC Councillors are well placed to be game changers. To deliver on this role, they need further devolved powers, and officers need to be engaging and consulting with LCs/JCs as a matter of routine.

6.18. A game changer is someone who can make a difference locally. The Review Group considers councillors to be community champions. A unique feature of being a councillor is the proximity of their role to the communities they serve. Political proximity means that councillors experience on a day-to-day basis, the problems faced by their communities and the consequences of decisions made by local authorities. Backbench councillors are fully aware of the limitations in holding to account other public bodies that make policy decisions, spend public money, and affect the wellbeing of local communities e.g. NHS, Police, utility companies, transport bodies, local employers, local enterprise partnerships etc.

6.19. Councillors undertake a varied and challenging role. In their area, they are:

- community workers and ambassadors;
- support workers;
- trouble shooters;
- brokers;
- negotiators;
- arbiters;
- spokespersons;
- coordinators.

6.20. Evidence shows that councillors are spending more and more time seeking to influence others, broker deals, and interact with local organisations. Key is the need to develop good personal and working relationships with members of other councils e.g. parish councils.

7. RECOMMENDATIONS

- 7.1. Local and joint committees should be at the heart of priority setting for their place, and therefore integral to the SCC's transformation journey. To achieve this requires cultural change, changes in focus, officer support, and building a shared ambition with local councils.

Recommendation 1: Prior consultation and engagement with local and joint committees should be a requirement on all matters with a specific local impact being brought to Cabinet.

- 7.2. The Review Group believes that SCC's Cabinet and services should give greater consideration to local impact when developing county strategy and policy:
- Officers need to be engaging and consulting with LCs/JCs as a matter of routine, on all matters due to be determined by Cabinet. Local members have a vast amount of local knowledge, and officers need to make best use of this resource.
 - LCs/JCs need to be kept better informed about the local impact from forthcoming Cabinet decisions – it can be hard to determine likely local impact from the existing forward plan that SCC publishes. Therefore, the Cabinet checklist, and Cabinet report template should be updated to include an assessment of local impact. Officers should be required to complete this section when submitting items for the forward plan, and within the Cabinet report itself. Before reporting to Cabinet, services should consult the relevant LC/JC, and/or the LC/JC Chairmen's Group.
 - LCs/JCs should be part of SCC consultations.
 - LC/JC Chairmen should proactively monitor the Cabinet forward programme as part of planning their committee's forward work programme.
 - As part of committee agenda planning, LC/JC Chairmen should consider whether there are local matters that need to be escalated to Cabinet.

Case Study

The Local Committee for Barrow in-Furness in Cumbria influenced decision making and engagement in relation to the provision of adult day care services. When interviewed, officers there considered this helped to ensure the services provided better reflected local need.

Recommendation 2: Cabinet should examine what further powers can be devolved to the local and joint committees.

- 7.3. The review group believes that decisions on local matters should be determined locally wherever possible:

- LCs/JCs are ideally placed to facilitate closer working across local authorities, and to deliver on shared ambitions.
- To deliver on this role, they need a meaningful, and wide-ranging remit, across the range of SCC functions.
- LCs/JCs can support the effective local delivery of countywide policies and strategies, by having the ability to shape, shift and amend in relation to local needs.

Case Study

As part of their community leadership role, the North Yorkshire County Council's Area Committees had direct involvement with the rollout of the community library project throughout North Yorkshire, to ensure that local issues were taken into account.

- 7.4. Feedback provided was that members on LCs/JCs did not feel that having officer reports just for noting made the best use of valuable committee time. The Wiltshire practice of providing updates from services and partners available for comment, but not part of the formal agenda, should be instigated as this could make better use of officer and committee time.

Recommendation 3: Cabinet should commit to safeguarding the on-going provision of funding allocations that help members to become game changers locally.

- 7.5. The review group believes that the Member Community Fund and Local Highway Fund are welcome sources of additional funding that can be determined at a local level:
- Feedback from residents demonstrates that these funds are valued.
 - Member discretion over local funding enables them to respond quickly to local concerns.
 - Funding allocations members with the potential to lever in additional match funding where possible, for the benefit of the local area. Further investigation should be undertaken into exploring the potential of securing matched funding toward local projects in areas such as Highways.

Case Study

13 out of 27 County Councils (48%) including Surrey have a Member-led Grant system or equivalent.

Recommendation 4: Engage with district and borough councils to encourage all local committees to become joint committees at the earliest opportunity.

Recommendation 5: The Leader or Deputy Leader of the district/borough councils should chair or vice-chair the joint committee on a permanent, or alternating basis, if this is met with local agreement.

- 7.6. The review group believes that JCs represent the best way to achieve SCC's ambitions to connect better with communities better, and put the needs of our residents first.
- 7.7. Inviting the leader/deputy leader of the BC/DC to chair or vice-chair the meetings would address many of the concerns expressed to the Review Group about the relevance of LCs/JCs to the county.
- 7.8. BC/DC chairmanship/vice-chairmanship of JC meetings would send a clear message that SCC is very serious about its relationships with local partners, as the district/borough would then be an integral part of the high-level discussions within SCC.
- 7.9. For by implication, the Committee of the Chairmen of the JCs, would then be composed mostly of the leaders of BC/DCs, and it becomes a de facto high-level interface between the County Cabinet and BC/DCs and provide a channel for BC/DC concerns to be communicated rapidly. It would also provide an effective means of getting decisions quickly disseminated across the BC/DCs, parishes and the public at large.

'Under the previous local committee, we used it to find fault with the county council, rather than working together to fix a problem, or to navigate a route toward a collective outcome'.

Quote from a current joint committee member provided during the review

Recommendation 6: Local and joint committees to play a key place-based role across SCC, district/borough councils and partners helping to articulate the needs and ambitions of communities.

- 7.10. The review group believes that LCs/JCs have a key role to play to shape SCC's understanding of place across Surrey, and helping the authority to best understand the needs, ambitions and priorities within communities.
- 7.11. It is important to consider how the LC/JC model could best support the place agenda and provide good governance across traditional boundaries at the sub county level for example in relation to Local Economic Partnerships or Local Authority Cluster arrangements.
- 7.12. Local and joint committees have a crucial enabling role helping to drive forward projects and priorities locally; furthermore, the forward plans of both SCC and the BC/DCs must drive forward the agendas of the LCs/JCs.

Recommendation 7: Ensure good governance of joint committees by adopting a simplified framework for any new joint committees, and working towards gradual alignment for the existing three joint committees.

- 7.13. The review group believes that the existing terms of reference for the LCs/JCs are more detailed and complex than those in place for comparator authorities such as Wiltshire and West Sussex. The complexity of current constitutional arrangements may have the unintended consequence of inhibiting the committee's ability to take a place-shaping role.
- Officers across participating authorities should review the approach to establishing a JC, and seek to introduce a simplified framework.
 - The relevant sections of SCC's Constitution would also be updated to reflect any new working arrangements.

Recommendation 8: Each local/joint committee could have the authority to co-opt non-voting advisory members. This may include members of Parish Councils or other groups with local influence. The joint committee itself could contain one, possibly two members from the public with specific expertise or involvement in a particular project. Another possibility for those boroughs/districts that contain parishes is that the vice-chairman be a parish councillor.

- 7.14. The review group believes that the three tiers of local government should be working more closely together – with improved communication, meaningful engagement, and collaboration.

Case Study:

Durham Area Action Partnership boards are made up of elected members from organisations such as the county council, town and parish councils, and health, police and fire brigade, community and voluntary groups, and the public. The boards of up to 21 members, are made up of:

- one third elected councillors (of which at least one position is for town and parish councils)
- one third members of the public
- one third representatives from partner organisations

Recommendation 9: Each Local and Joint Committee should hold an annual meeting to set priorities prior to the start of the council year to

consider all local priorities, and use this as an opportunity to invite strategic partners, businesses and residents, to engage in the process.

- 7.15. The review group believe that an annual meeting to set and review priorities and highlight successes achieved, would provide an ideal opportunity to engage with partners to understand needs and target support to areas of concern.
- 7.16. This process would enable the county to look for opportunities and work together effectively with partners, residents and colleagues to ensure the best possible outcomes for Surrey and its people. In order to be a success, this engagement needs to be based on the following principles:
- To trust and support each other and actively contribute to achieve our goals. To share our expertise, knowledge, intelligence and resources to good effect.
 - To establish and develop strong and lasting relationships based on listening, trust and mutual respect.
 - To engage with others respectfully.

Recommendation 10: Local and joint committees should highlight their achievements and undertake annual monitoring of their performance against agreed priorities

- 7.17. Both members and officers connected to the LCs/JCs should be responsible for taking forward actions and feeding back to the LCs/JCs. In relation to the fulfilment of a place-based role, achievement might be measured over a longer time period than one year, in which case progress would be reviewed annually.
- 7.18. Local and Joint Committees should seek feedback about their performance and support new colleagues to learn and develop. Members must make time to reflect on their own performance and personal development, be supportive of colleagues to achieve better outcomes for residents and challenge the ways things have always been done.

Case Study: Wiltshire Area Boards

Wiltshire Area Boards produce a themed plan annually, following a public priority-setting session. The plan is both member and officer led, and consists of practical projects/actions, in connection to each theme. For example, in relation to children and young people, the Royal Wootton Bassett Area Board sponsored a modern apprenticeships fair with the local enterprise network and schools.

‘Being Chairman the Area Board is a full time role, the Chairmanship of the Board is only 5% of the work, 95% of the work is behind the scenes working with the community, helping to initiate projects and to deliver against the Boards locally agreed priorities’ Chairman Wiltshire Area Board

7.19. Local and Joint Committees should be encouraged to celebrate their successes. Rather than reporting on a set of Key Performance Indicators LCs/JCs should take time to see feedback about the difference they have made locally.

Recommendation 11: Invite district and borough councils to consider providing additional officer(s) resource in support of the collaborative work undertaken by joint committees, working alongside SCC officers

7.20. The review group believes that JCs are true partnerships between SCC, and the other participating local authority. The JC can assist in determining priorities for collaborative work, and enables more joined up and cohesive decision making on issues that affect residents.

- In line with the unified approach advocated through the establishment of JCs, and in order for JCs to realise fully their potential, consideration should be given to the more creative use of staffing resources across both authorities to support the working of the JCs.

Recommendation 12: Improve effective communications between local and joint committees and Surrey residents.

7.21. The review group believes that LCs/JCs need to continue to adopt the processes, culture and technology of the Internet. All LCs/JCs have a social media and online presence, and the review group found that this far exceeds what is currently offered elsewhere. The LCs/JCs should continue to build on this:

Case Study Examples of current Social Media linked to local / joint committees

Tandridge LC
@TandridgeLC

There's an extra £45,000 to spend on #Highway maintenance in the #Tandridge area. Tell us what you think should be the priority.

Cutting back vegetation	3%
Drain clearing	17%
Road sign repair/cleaning	0%
Small pothole patching	80%

Mole Valley LC @MoleValleyLC · Mar 19
Cllr Stephen Cooksey gave £2300 from his #MembersAllocation to the Amber Foundation towards their helping the homeless young back into employment project.

The Amber Foundation
@AmberFoundation

Replying to @MoleValleyLC
Thank you for your kind donation. It is really appreciated and will really help us to support young people to positively turn their lives around #EndYouthHomelessness #TransformingYoungLives

Mole Valley LC @MoleValleyLC · Mar 21
Replying to @AmberFoundation
You're very welcome 😊

Don't miss the chance to have your say on how #Surrey County Council engages with residents. Our quick, easy and anonymous survey closes soon on 19 March. Thanks everyone! #SpelthorneSays <http://ow.ly/O68a30iO3kr>

Spelthorne JC Hi Adrian. This isn't a pretend consultation and your comments and feedback won't be ignored: please do complete the survey so we can capture your thoughts. ^GL

- Emphasis should be given to improving access to local information and increasing two-way electronic communication and conversation, to encourage the involvement of residents, local businesses, and communities. Thought must be given to communication with residents who do not use electronic communication routinely in their daily lives.
- Residents should be permitted to submit agenda suggestions, comments and questions online. Residents should be proactively asked to give their ideas.
- Training and support will be required for members in e-communications and webpages.

Recommendation 13: Retain and strengthen the ‘Open Forum’ section of the meeting.

7.22. The review group believes that LC/JC meetings must be welcoming and easier to approach and understand. Residents and stakeholders should be listened to at meetings. Communication needs to be clear, timely and constructive to all our audiences.

7.23. When answering questions, members and officers must make sure they are transparent about our decisions and actions and encourage feedback. LC/JC Chairmen must use their discretion to allow more public engagement during the meetings. They must be honest, open and realistic with residents about what can be achieved. LCs/JCs provide an opportunity to inform the public about the work of SCC and the borough and/or district council, and the challenges and budget pressures facing public services.

Case Study: Networking Sessions

The review group observed a Wiltshire Area Board meeting. The first hour of the session was dedicated to informal networking and providing residents with an opportunity to meet their local councillor(s). Information and advice was also available from Wiltshire Council’s Health Trainer, and Wiltshire Police’s Neighbourhood Officer. The Chairman of the Area Board provided feedback that they felt the informal session was crucial to the success of the Area Board meetings, and that residents provided feedback that they very much valued the chance to raise matters on an informal, or one-one basis, with some residents finding the formal meeting more intimidating.

Recommendation 14: Chairmen and Vice-chairmen of LCs/JCs should receive training to support them in their roles.

7.24 The review group believes that the Local /Joint Committee Chairman’s role is a demanding one, including facilitating and leading executive and non-executive decisions, managing expectations around the different methods of both resident and committee engagement on the different type of functions. They also facilitate the only member forum that the Council provides for informal questions relating to the work of the Council (or both Councils when a Joint Committee Chairman). It is therefore important that the Chairmen of these committees received bespoke training that enable them to manage the different elements of the role.

8. NEXT STEPS

- 8.1. With Cabinet approval, officers will move to implement the recommendations of the review, through delivery against the actions outlined in the action plan at Appendix G.

9. ACKNOWLEDGEMENTS

- 9.1. The Review Group wish to thank everyone who has engaged in the process. We appreciated the welcome from all LC/JCs and the forthright comments made by members.
- 9.2. The Review Group would like to express their gratitude to Partnership Manager, James Painter, Victoria Eade, Michelle Collins, Nicola Morris, Jessica Edmundson and other officers for their professionalism and exemplary work during the Review and report writing.

10. APPENDICES

Appendix A - Member Review Group Terms of Reference

Appendix B - Feedback on local and joint committees from members

Appendix C – Survey results

Appendix D - Overview of LCs/JCs Ideal Channels of Communication

Appendix E - LC & JC Frustrations

Appendix F - LC & JC What we are good at

Appendix G - Review group action plan



APPENDIX A: Terms of Reference for Review

Cross Party Review Group on Local/Joint Committees

Terms of Reference

Context

The Cross Party Review Group on Local/Joint Committees (LCs/JCs) has been established at the request of the Leader under the Chairmanship of County Councillor Mary Angell.

The current Local Committee (LC) system has been in place since April 2002. The original aims of the LCs were to build relationships with district and borough councils (BC/DCs), devolve decisions closer to residents, improve local performance monitoring and enable local residents to raise issues of local concern directly to their local councillors.

With new and evolving policy drivers, the development of Joint Committees (JCs) in some areas, and a political drive for county councillors to be game changers locally, there is a need to review the LC model; to reposition and repurpose them for the future.

Aims of the Cross-Party Review Group:

- To set out SCC's vision for local governance; and engagement;
- To recommend the future role of LCs/JCs, supporting County Councillors as game changers in their local communities.

Objectives

- Undertake a review of the current model of local governance in Surrey.
- Explore ways to raise local awareness and engagement with local/joint committees.
- Identify how LCs/JCs can contribute to the joined-up delivery of services provided locally. Consider how the LCs/JCs can best support the Cabinet decision-making model and whether there is further scope to devolve decisions closer to residents.
- Assess the extent to which LCs/JCs provide political oversight of key county and district/borough policies and services locally.
- Define the concept of county councillors as 'game changers/community leaders' and consider how committees, and members locally, are supported to deliver on this by the council's services.
- Factor in recent legislative and policy changes to inform the SCC's future political direction for local governance and engagement.
- Review the sources of funding available to members and LCs/JCs.

- Establish the cost-benefit for Surrey residents of LCs/JCs.

Scope:

In scope: LCs/JCs, remit, membership and operations.

Approach:

At all points in the process, the review will follow the following established methodology of:

- **Consulting** widely, talking with and listening to members and officers at the BC/DCs, other partners, residents, staff and specifically vulnerable groups.
- **Challenging** how a function can best be provided
- **Comparing** performance with others and identifying best practise, toward delivering the best possible service
- **Collaborating** with partners

Step 1: Review the existing model of LCs/JCs. To include:

- Feedback from residents, councillors, officers and districts/boroughs.
- Analysis of the impact that LCs/JCs have had, such as on local services, relationships with partners locally, and influencing SCC policy.
- Identifying areas of good practice.
- Collect evidence of benefits to residents and assess current level of public engagement.

Step 2: What should the future look like for LCs and JCs? To include:

- Setting the vision for LCs/JCs going forwards.
- Working with the Cabinet to define what it means to be a 'game changer'
- Outline how county councillors can become game changers.
- Assessing how specific services are best delivered, and look for a closer alignment of County and Borough services so that there is a seamless delivery of services for residents.
- Consider how best to increase engagement with residents and local communities and partners.
- Forming conclusions and making recommendations to Cabinet and Council.

Membership:

The Chairman will be Surrey County Councillor Mrs Mary Angell. The Chairman may appoint a Vice Chairman.

The Cross Party Review Group will comprise the following representation: Mrs Mary Angell (Chairman), Mr Tim Hall, Mr Jeff Harris, Mr Will Forster, and Mr Ernest Mallet M.B.E.

An officer team led by Jane Last and James Painter act in a supporting role. Other representatives may be invited to attend on an ad hoc basis at the discretion of the Chairman.

Operation of the Review Group:

- The working group will commence operations on the 16th February 2018 and continue in operation until June 2018.
- Meetings will be scheduled every two-three weeks, with the option to hold additional meetings at the discretion of the Chairman.
- The Working Group will meet in private and record actions.
- Officers from the Community Partnership and Community Safety Service (CPCS) will administer the Working Group, with meetings being held in SCC venues.

APPENDIX B: Feedback on local and joint committees from committee members

Overview of respondents

82 responses were received, 50 from county members, 27 from Borough members (5 people did not answer) a 50% response rate. Responses per Borough/District: Elmbridge 11, Epsom & Ewell 5, Guildford 9, Mole Valley 4, Reigate & Banstead 10, Runnymede 2, Spelthorne 5, Surrey Heath 9, Tandridge 5, Waverley 11, Woking 6.

Views on effectiveness

Members generally felt that the committees were good at discussing local priorities and strategies, local decision making and working in partnership. There was a lower level of support for their effectiveness in influencing the strategic agenda of either the BC/Dc or SCC and in scrutinising local services.

The majority of members felt that committees were effective in engaging with the public around petitions and questions and in listening to residents, but less so in providing information to them. This question was asked in the 2013 PVR survey. There has been a decrease from 83% of respondents thinking petitions are very effective or effective to 58% in this survey. This may be due to committees being less able to respond to requests in petitions due to limited funding. However there has been a slight increase in the effectiveness of committees in listening to residents from 59% to 66% which may be as a result of the introduction of open forums for residents and making it easier for them to engage with the committee following the PVR.

How committees had made a difference locally

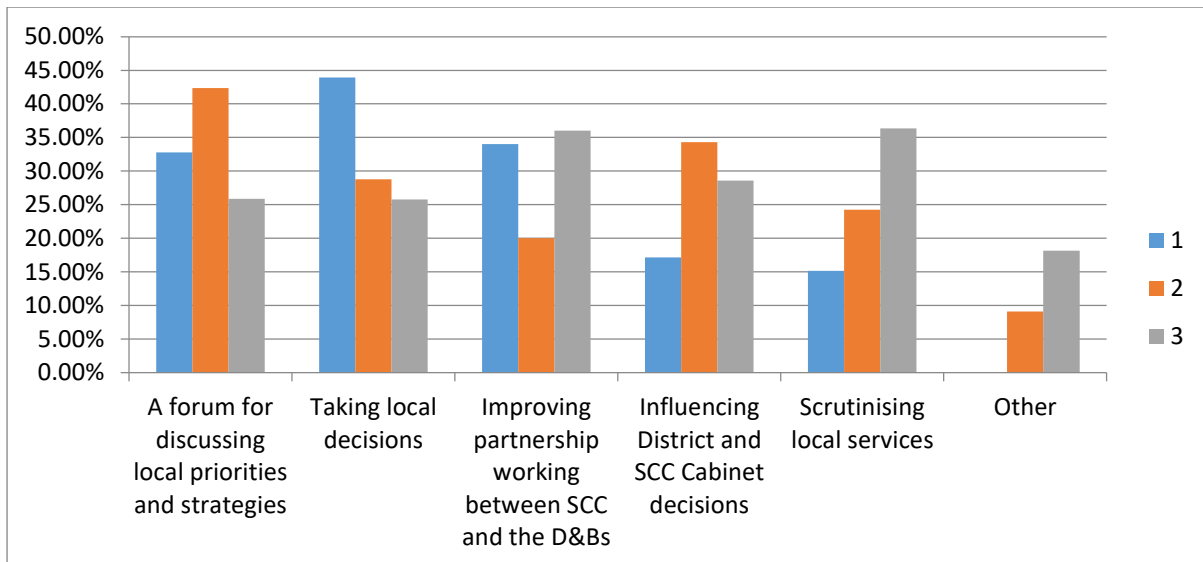
There were a variety of comments made with some respondents feeling that nothing had been achieved and that the ability to make a difference had been limited by a lack of available funding, leaving residents frustrated.

Examples of positive achievements included:

- parking controls and strategies (most frequently mentioned);
- highway and road safety improvements, including developing CIL bids;
- ability to influence by lobbying on local issues;
- improvements to facilities and services for young people;
- Allowing residents to engage with both county and borough/district members in an inclusive and informal way;
- Better involvement of Parish Councils

Priorities for the Committee

Members were asked to rank their top three priorities for the role of the committee. When all scores are aggregated taking local decisions is the highest priority but only by a small margin, with all other priorities scoring at similar levels, scrutinising local services is the least popular.



Changes for the future

57% of Members would like to see changes to the remit of the committee and was the most popular. 39% would like to see changes to the way the borough or district engages and 37% would like to see changes in the way the local community can engage. There was less support for changes to membership or to meeting frequency or timing.

Comments made can be broadly summarised as follows:

- greater powers to make decisions in respect of local services generally and to allocate more of the centrally held highway funding;
- format of meetings: some were too long, they should take place in the evening and move around the borough/district to be more accessible to residents;
- include more decisions/items from borough/district and shared decision making, and about becoming a JC;
- borough/district membership should be more evenly spread to represent the whole area;
- replace with unitary authorities;
- chairmanship should be decided by the committee;
- more focus on lobbying for change locally;
- widen membership to include representatives from other local stakeholders;
- enhanced community engagement by greater publicity.

Suggestions on improving the visibility of Committees

- Greater use of social media and on-line engagement, including live streaming to allow residents to interact from home. *All committees already have a presence on Twitter, Facebook and Instagram. Meetings have been live streamed through Periscope where residents can comment on the broadcast;*
- Advertise on community Facebook pages;
- Move around the borough/district. *At present some committees move and others stay in one place. There is no firm evidence that more residents attend those meetings that move.*
- Local Information leaflets and newsletters;

- More publicity for meetings on SCC and borough/district websites. Ask members to promote to residents;
- A more positive response from officers to residents requests;
- Invite local organisations to attend and participate;
- Quicker implementation of decisions and follow up on actions;
- Some responses felt that the public should be represented by their councillors and there was a danger of the committee only listening to those who shout the loudest.

APPENDIX C – General Survey results

Overview of respondents

472 responses received: Elmbridge (4.73%) 22; Epsom & Ewell (5.81%) 27; Guildford (4.52%) 21; Mole Valley (9.89%) 46; Reigate & Banstead (6.45%) 30; Runnymede (7.74%) 36; Spelthorne (1.72%) 8; Surrey Heath (45.38%) 211; Tandridge (4.73%) 22; Waverley (3.66%) 17; Woking (5.38%) 25.

These were from: Borough or district councillor (BC/DC) not on a local committee (LC) (7.10%) 33; a parish or town council (4.73%) 22; a resident association (9.89%) 46; other mainly residents (81.08%) 377.

Awareness of the Committees

27% were aware of the LC, but 35% of these had not engaged with the committee.

73% did not know about the committee, this included 15% of BC/DC councillors, 36% of parish and town councils and 72% of residents associations (including all (4) who responded from E&E an RA led Borough). Increasing awareness of the LCs would seem to be a key factor. There were many suggestions around increasing use of social media and publicising agenda and meeting dates/times, things that already happen but which people don't seem to be aware of.

Views of those who had engaged with the Committees

Those who had engaged with the committee were largely positive with the highest score of 65% feeling it gave a good opportunity for residents to voice their views. This measure was also ranked highest in answer to the question of what the purpose of the committee should be, along with taking local decisions. Interestingly however, 55% did not feel it was a good conduit for resident engagement, although comments centred on lack of awareness and publicity for the meeting and a feeling that views were dismissed or not listened to. 73% did not feel it met the needs of residents generally to engage with the County Council. (SCC) Comments relate to SCC being remote and the committee being seen as having limited power to direct departments and get things done. There were requests for more informal contact with councillors and more involvement in influencing policy by local people.

Scrutinising local services and influencing borough/district and SCC Cabinet decisions were the lowest ranked priorities for the committee, although this seems in contrast to some of the comments made above.

55% wanted the committee to meet more often, although there was no status quo option and 51% wanted them to meet in the evening to allow those who work to attend. There was some support for a mix of day and evening meetings.

Views of those who were not aware of the Committees

87% wanted a forum for residents to voice their views and 75% wanted a forum for discussing local priorities and strategies. Improving partnership working was the least popular at 42%.

70% wanted the meetings in the evening and 56% thought they should meet quarterly, although 40% thought they should meet monthly.

Views of Borough & District Councillors not on the Committee

Views were similar, although for those aware of the committee, their priorities were more focussed around taking local decisions and improving partnership working. For those unaware a forum for discussing local priorities and strategies was their key focus. 56% felt the committee was a good conduit for resident engagement, perhaps reflecting a greater understanding of the constraints on the committee to respond to requests from residents.

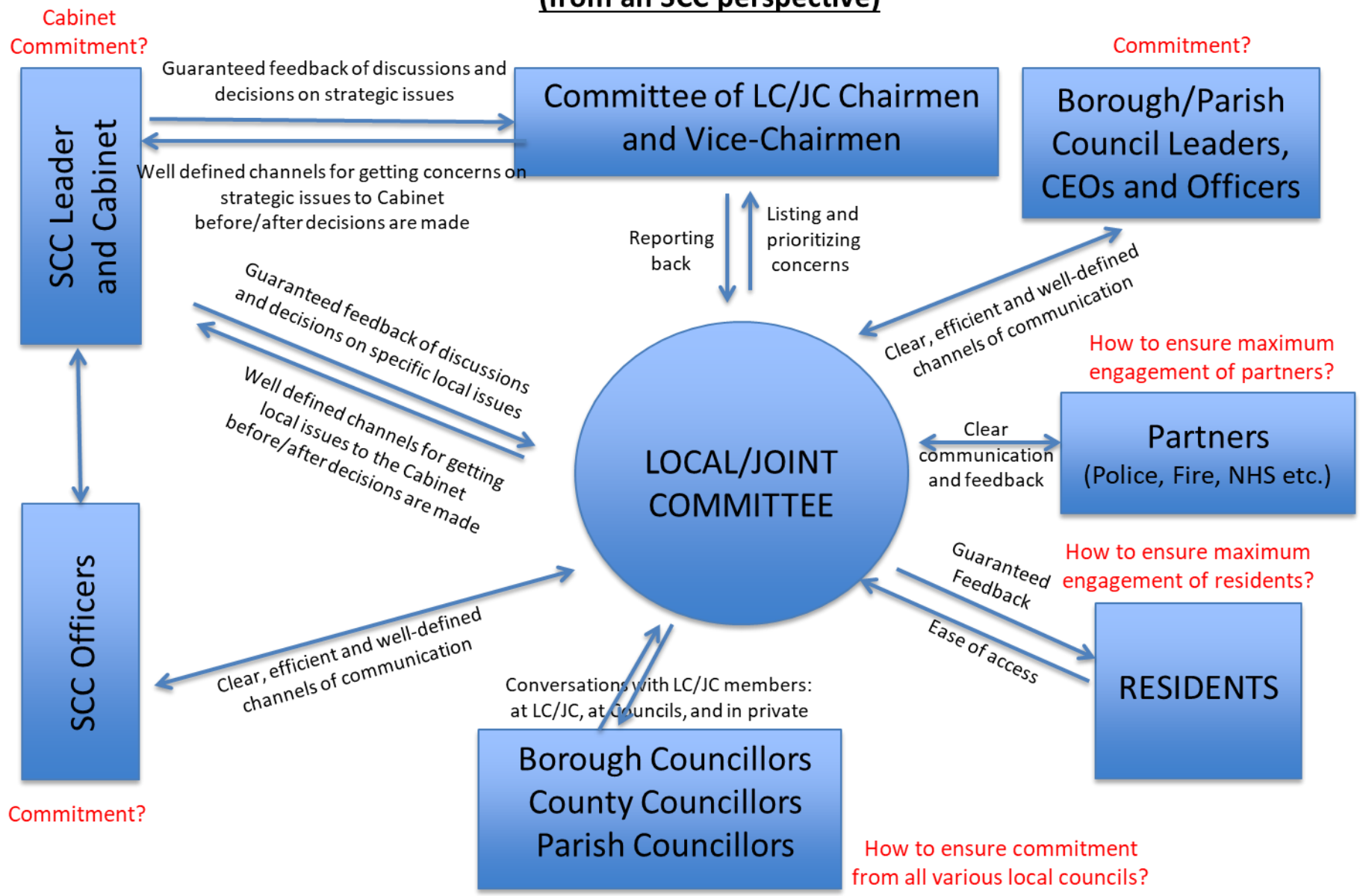
Views of Parish and Town Councils

Parish & town councils saw taking local decisions as a key role and 67% felt the committee was a good conduit for resident engagement and 73% felt it met the needs of residents to engage with SCC. Everyone who responded, who wasn't aware of the committee, wanted a forum to discuss local priorities and strategies. Meeting during the day or in the evening was more evenly split.

Views of Residents Associations

Only 50% thought the committee was a good conduit for resident engagement **Overview** and 58% felt it did not meet the needs of residents to engage with SCC. 91% of those not aware of the committee wanted a forum for residents to voice their views. 50% wanted monthly meetings. 62% wanted evening meetings.

Overview of LC/JC's Ideal Channels of Communication (from an SCC perspective)



Page 176

Limited funding and budget pressures

Inaccessibility to information and data

Want better community conversations talking about problems encountered

Page 17
Very limited scrutiny of local services and impact on residents. Limited to highways, Trading Standards, Fire and Rescue.

Want to be cognisant of strategic planning issues and implications of necessary infrastructure, school places etc.

Don't deliver on other people's raised expectations

Want greater resident participation. Single issue meetings e.g. on flooding

Poor Communication and Publicity for meetings

Don't know where LC/JCs fit into the Strategic People and Places Agenda?

Funding contributions from D/Bs

Low public attendance at meetings

THE THINGS THAT WE FIND FRUSTRATING ABOUT LOCAL AREA / JOINT COMMITTEES IN SURREY

Feel that dialogue only happens once a service is being cut/ consultation. No input from LC/JCs at earlier stage.

Want meetings held at different venues. Will be problem with sound systems

Boring. Round-robin of identical reports to LC/JCs

Poor Police Attendance
Uncertainty

Appendix E: LCs/JCs Frustrations

Not taken seriously by Cabinet and Lead officers

Need remit increased. LC/JCs in bubble. Very little passes from them upwards to Cabinet.

LC/JCs should contribute to formulation of strategies, plans and policies of the council with reference to their local knowledge of the circumstances and characteristics of their area.

Often difficult/impossible to get detailed reports from officers e.g. education no longer provide local data and officers do not attend meetings. Need to discuss school closures and school places.

Joint Committees better at shaping the delivery of local services

Timing of meetings. Agenda setting.

Cost of Highways schemes and unreasonable time to complete simple schemes e.g. road markings

Appendix F: LCs/JCs What we are good at

Please....Important to give LC/JCs a little executive power. Creates good feeling with members and residents like it

LC should act as a lens to reflect and concentrate the work of SCC down to the locality

More joint working can create new possibilities and opportunities for LC/JC.

Addressing local issues of importance

Being part of a Community

Giving the Community a Voice

Shaping the delivery of local services

Builds confidence

Making transparent and accountable decisions

Open Forum

Opportunities

Working with Partners, voluntary and private sector

Be part of a large scale project that benefits the area

THE THINGS WE LIKE ABOUT LOCAL/JOINT AREA COMMITTEES IN SURREY

Chance to engage with and help residents

Satisfaction with a tangible end result

Bringing people together

Listening

Building COMMUNITY Leadership and engagement

Working towards a goal

Belonging and connecting with others

Good communication essential

Being part of a collaborating team

Giving residents a platform

Appreciate the work of others

Learning, hearing, recognising strengths and weaknesses

LOCAL AND JOINT COMMITTEE REVIEW ACTION PLAN 2018

Overall accountable individual: Jane Last

RECOMMENDATION		ACTIONS & KEY MILESTONES	ACCOUNTABLE OWNER	START DATE	DUE DATE	RESOURCES REQUIRED	EXPECTED SAVINGS/ BENEFIT
Ref	Description						
a.	Recommendation 1: Prior consultation and engagement with local and joint committees should be a requirement on all matters with a specific local impact being brought to Cabinet.	Review and update Cabinet checklist for adding items to the forward plan to strengthen requirements over prior local consultation as part of the Cabinet forward planning process	Partnerships Manager with Senior Manager Governance, Democratic Services	August 2018	Sept 2018	To be delivered within current resources	To give LC/ JC Chairmen better oversight of upcoming items and to ensure that Local impacts considered in countywide policy development
		SCC forward plan to be part of annual priority-setting session, and reviewed as part of agenda planning.	Partnership Leads with Partnership Committee Officers	July 2018	Oct 2018	Local/Joint Committee Chairmen	As above.
		Review process for escalating issues to Cabinet with local and joint committee chairmen.	Partnership Team Manager with LCJC Chairmen	October 2018	Dec 2018	LC/JC Chairmen	Chairmen have agreed route to escalate local concern
		Work with services and corporate communications on publicising consultation activity.	Engagement Team Manager with Corporate Communications	August 2018	March 2019	Engagement Team	Consultation activity is effective.
b.	Recommendation 2: Cabinet should examine what further powers can be devolved to the local and	Consult county services and Cabinet and bring proposals for additional delegations to Cabinet and Council for decision.	Partnership Team Manager	August 2018	May 2019	Community Partnership Team	Local and Joint Committees are at the heart of local issues.

RECOMMENDATION		ACTIONS & KEY MILESTONES	ACCOUNTABLE OWNER	START DATE	DUE DATE	RESOURCES REQUIRED	EXPECTED SAVINGS/BENEFIT
Ref	Description						
	joint committees.	Agree approach to handling information items with local and joint committee chairmen.	Partnership Team Manager with Partnership Leads	Sept 2018	Dec 2018	Community Partnership Team	Best use is made of committee time.
c.	Recommendation 3: Cabinet should commit to safeguarding the on-going provision of funding allocations that help members to become game changers locally.	Consult corporate finance and Cabinet to agree levels of member funding allocation amounts in advance, detailing the grant that will be available in forthcoming financial years,	Engagement Team Manager with Corporate Finance	Nov 2019	Jan 2021	Engagement Team and SCC Finance	Provides members with greater certainty on future funding.
d.	Recommendation 4: Engage with district and borough councils to encourage all local committees to become joint committees at the earliest opportunity.	Engage with district and borough leaders and CEOs, as well as local committee chairmen, on the benefits of joint committees for residents locally.	Partnership Leads	August 2018	May 2020	To be delivered within existing resources	Both authorities begin to identify shared priorities for closer working.
E	Recommendation 5: The Leader or Deputy Leader of the district/borough councils should chair or vice-chair the joint committee on a permanent, or alternating basis, if this is met with local agreement.	Review the chairmanship arrangements in the existing joint committees to determine the most suitable arrangements locally	Partnership Team Manager with Partnership Leads	Oct 2018	May 2019	Community Partnerships Team, with district/ borough officers and members	Arrangements are agreed locally and give borough/ district councils a strong voice at a county level.
f.	Recommendation 6: Local and joint committees to play a key place-based role across SCC, district/borough councils and partners helping to articulate the needs and	Put in place appropriate linkages between the county and district officers and members supporting the local committees, so that both sides have oversight of, and influence into the forward plans of the other authority.	Partnership Team Manager with Partnership Leads	October 2018	Mar 2019	As above.	County and district/borough councillors and officers are working closely

RECOMMENDATION		ACTIONS & KEY MILESTONES	ACCOUNTABLE OWNER	START DATE	DUE DATE	RESOURCES REQUIRED	EXPECTED SAVINGS/ BENEFIT
Ref	Description						
	ambitions of communities.						together to improve policy development and consultation.
g.	Recommendation 7: Ensure good governance of joint committees by adopting a simplified framework for any new joint committees, and working towards gradual alignment for the existing three joint committees.	Agree simplified approach with advice from the county and district/borough Legal Services.	Partnership Team Manager with Legal Services Manager	Dec 2018	June 2019	Legal Services	Joint committees collaboration empowers committees.
		Review existing constitutions with the established joint committees, to determine appetite for simplifying.	Partnership Team Manager with Partnership Leads	Dec 2018	June 2020	Legal Services and Leaders at SCC & BC/DCs	Joint committee arrangements are less complex and more adaptable.
		Agree updates to the scheme of delegation for local and joint committees, in conjunction with recommendation 2 (ref b. above) and seek Cabinet and Council approval.	Partnership Team Manager with Partnership Leads	August 2018	Dec 2018	As above, with SCC Senior Service Managers	Local and joint committees have an up to date remit.
h.	Recommendation 8: Each local/joint committee must have authority to co-opt non-voting advisory members. This should include members of Parish Councils or other groups with local influence. The joint committee itself should contain one, possibly 2 members from the public with specific expertise or involvement in a particular project. Another possibility	Discuss approach with Local and Joint Committee Chairmen, to be in place for start of 2019-20 municipal year.	Partnership Team Manager	October 2018	May 2019	Community Partnerships Team working with Chairmen and local stakeholders	Local and Joint Committees have greater local representation and involvement.
		Agree revisions required to the SCC Constitution (and/or joint committee constitutions) and seek Cabinet and Council approval, in line with recommendations 7 above.	Partnership Team Manager	August 2018	Dec 2018	Community Partnerships Team, Legal Services	As above.

RECOMMENDATION		ACTIONS & KEY MILESTONES	ACCOUNTABLE OWNER	START DATE	DUE DATE	RESOURCES REQUIRED	EXPECTED SAVINGS/BENEFIT
Ref	Description						
	for those boroughs/districts that contain parishes is that the vice-chairman be a parish councillor.						
i.	Recommendation 9: An annual meeting to set priorities prior to the start of the Council year should consider all local priorities, and is an opportunity to invite strategic partners, businesses and residents, to engage in the process. Recommendation 10: Local and joint committees should highlight their achievements and undertake annual monitoring of their performance against agreed priorities	Agree approach with local/joint committee chairman ahead of the new municipal year, and invite local stakeholders. Event to consider both achievements from the year, and priorities for the year ahead.	Partnership Committee Officers	May 2019	June 2019	Community Partnerships Team, Engagement Team, Corporate Comms	Local residents and businesses are engaged in setting local priorities.
		Publicise event widely on social media and through local channels.	Partnership Committee Officers with Engagement Team	May 2019	June 2019	As above	As above.
		Identify and roll out process for highlighting of achievements and monitoring of performance against priorities	Partnership Team Manager with Partnership Leads	June 2019	Dec 2019	With LC & JC chairmen and vice-chairmen	Cabinet is able to take into account issues of local concern.
j.	Recommendation 11: Invite district and borough councils to consider providing additional officer(s) resource in support of the collaborative work undertaken by joint committees, working alongside SCC officers.	Hold discussion with Leaders and Chief Executive Officers in areas with joint committees to explore how officers from both authorities can help the committees achieve shared ambitions.	Partnership Team Manager	Dec 2018	Mar 2019	With members and officers from both authorities	Joint committees have capacity to deliver on the expectations of their members.
		Agree approach with any other authorities looking to become a joint committee in the near future.	Partnership Team Manager	August 2018	Mar 2019	As above	As above.

RECOMMENDATION		ACTIONS & KEY MILESTONES	ACCOUNTABLE OWNER	START DATE	DUE DATE	RESOURCES REQUIRED	EXPECTED SAVINGS/ BENEFIT
Ref	Description						
j.	Recommendation 12: Improve effective communications between local and joint committees and Surrey residents.	Develop a comprehensive publicity campaign to promote local and joint committees, using both digital and traditional channels.	Engagement Team Manager	Sept 2018	Mar 2019	Engagement Team	Raises the profile of Local and Joint Committees among Surrey residents.
		Use digital and online channels to complement and support traditional forms of engagement at local and joint committee meetings.	Engagement Team Manager	Sept 2018	Sept 2019	Engagement Team and Community Partnership Team	Local and Joint Committees reach a wider audience and diverse range of residents.
		Consult local and joint committee members to identify and facilitate discussions about local topics with residents through digital channels.	Engagement Team Manager	Oct 2018	Mar 2019	Engagement Team and Community Partnership Team	Residents can engage with members on pertinent local issues.
k.	Recommendation 13: Retain and strengthen the 'open forum' section of the meeting.	Pilot the use of open forum sections of the meeting as vehicles for service and wider community consultations on local issues.	Engagement Team Manager and Partnership Team Manager	Dec 2018	Apr 2020	Engagement Team and Community Partnership Team	Residents have opportunity to influence issues and services.
l.	Recommendation 14: Chairmen and Vice-chairmen of LCs/JCs should receive training to support them in their roles.	Draw up a training specification with agreed learning outcomes designed to support key aspects of this role in consultation with Chairmen and Vice Chairmen of LCs/JCs as part of Member Development Programme.	Partnership Team Manager	Sept 2018	Nov 2018	Community Partnerships Team. SCC HR with LC & JC chairmen and vice-chairmen	
		Identify budget and commission training providers to deliver the training	Partnership Team Manager	Oct 2018	Dec 2018	Community Partnerships Team	

RECOMMENDATION		ACTIONS & KEY MILESTONES	ACCOUNTABLE OWNER	START DATE	DUE DATE	RESOURCES REQUIRED	EXPECTED SAVINGS/BENEFIT
Ref	Description						
		specification and link with Member Development Cross County Group					
		Roll out and delivery of training across Chairmen and Vice Chairmen of LCs/JCs.	Partnership Team Manager	Jan 2019	May 2019	Training Provider & Community Partnerships Team	
		Collate feedback and review course delivery.	Partnership Team Manager	March 2019	March 2019	Community Partnerships Team	

SURREY COUNTY COUNCIL

CABINET

DATE: 17 JULY 2018

REPORT OF: MR COLIN KEMP, CABINET MEMBER FOR HIGHWAYS



MR JOHN FUREY, DEPUTY LEADER AND CABINET MEMBER FOR ECONOMIC PROSPERITY

MR MIKE GOODMAN, CABINET MEMBER FOR ENVIRONMENT AND TRANSPORT

LEAD OFFICER: JASON RUSSELL EXECUTIVE DIRECTOR HIGHWAYS, TRANSPORT & ENVIRONMENT

SUBJECT: ECONOMIC GROWTH THROUGH INVESTMENT IN INFRASTRUCTURE - EM3 AREA:

- A) WOKING SUSTAINABLE TRANSPORT PACKAGE PHASE 1.**
- B) A30 LONDON ROAD / CAMBERLEY TOWN CENTRE: HIGHWAY IMPROVEMENTS.**
- C) BLACKWATER VALLEY (GOLD GRID) QUALITY BUS CORRIDOR IMPROVEMENTS.**

SUMMARY OF ISSUE:

A key strategic goal in Surrey County Council's (SCC) Corporate Strategy is the commitment to promoting **Economic Prosperity** to ensure Surrey's economy remains strong and sustainable, whilst delivering on **Wellbeing** and **Resident Experience**. Securing funding to support an infrastructure investment programme is a key part of this goal.

As part of this investment programme SCC has been working in partnership with Woking Borough Council (WBC) to support the development and delivery of the Woking Sustainable Transport Package (Phase 1), Surrey Heath Borough Council (SHBC) to support the development and delivery of the A30 London Road / Camberley Town Centre Highway Improvements and Hampshire County Council and bus operator Stagecoach in developing the business case for the Blackwater Valley (Gold Grid) Quality Bus Corridor Improvements.

Surrey County Council are preparing and leading on these three business cases for submission to the Enterprise M3 Local Enterprise Partnership (EM3 LEP) during August 2018, in respect of the following projects:

- A) Woking Sustainable Transport Package Phase 1
- B) A30 London Road / Camberley Town Centre: Highway Improvements
- C) Blackwater Valley (Gold Grid) Quality Bus Corridor Improvements

RECOMMENDATIONS:

It is recommended that Cabinet:

1. Approve the submission of business case to the EM3 LEP for Project A) Woking Sustainable Transport Package Phase 1 (all Local Contribution being provided by Woking Borough Council).
2. Approve the submission of business case to the EM3 LEP for Project B) A30 London Road / Camberley Town Centre: Highway Improvements.
3. Approve £0.480m of local contribution from Surrey County Council, where Surrey Heath Borough Council has already committed £0.770m towards this project.
4. Approve the proposed change to the A30 bus lane, subject to the Traffic Regulation Order process.
5. Approve the submission of business case to the EM3 LEP for Project C) Blackwater Valley (Gold Grid) Quality Bus Corridor Improvements (all Local Contribution being provided by the bus operator Stagecoach).

REASON FOR RECOMMENDATIONS:

Supporting Economic Growth

Inadequate transport infrastructure is identified as the biggest barrier to economic growth in the county. If these bids are successful, the EM3 LEP would contribute up to 75% of the capital scheme cost, with the remainder to be provided as match funding from Woking Borough Council (Project A), SHBC and SCC (Project B) and Bus operator Stagecoach (Project C).

DETAILS:

Background and Business Case

1. In July 2014, government announced the Local Growth Fund (LGF) allocation for transport infrastructure to Local Enterprise Partnerships (LEPs), for the 2015 – 2021 periods, based on their respective Strategic Economic Plans (SEPs).
2. Allocation of funding has been made available in tranches by government and a further allocation was made available in July 2017 through the LEPs for the period covering 2018 to 2021, with a key contributory factor of improving productivity to an area.
3. SCC has submitted expressions of interest for projects that have been agreed with the EM3 LEP following the announcement of grant funding, including the following projects:
 - a) Woking Sustainable Transport Package Phase 1 (£4.4M project in partnership with Woking Borough Council)

- b) A30 London Road / Camberley Town Centre: Highway Improvements (£5m project in partnership with Surrey Heath Borough Council)
 - c) Blackwater Valley (Gold Grid) Quality Bus Corridor Improvements (£9m project in partnership with Hampshire County Council and bus operator Stagecoach)
4. Approval is now sought to submit business cases during August 2018 to the EM3 LEP for these three projects.

Local Contribution [match funding]

- 5. The requirement of the EM3 LEP is for the delivery body (SCC) to provide a local contribution [match funding] of at least 25%.
- 6. For Project A (Woking Sustainable Transport Package Phase 1), the total project cost is £4.4m. All of the £1.4m of local contribution is being provided by Woking Borough Council, to support a £3m Growth Fund bid to the LEP.
- 7. For Project B (A30 London Road / Camberley Town Centre: Highway Improvements), the 25% match funding is £1.25m. SHBC have committed to providing £0.770m as their contribution to the match funding, with approval for £0.480m SCC funding sought through this report.
- 8. For Project C (Blackwater Valley (Gold Grid) Quality Bus Corridor Improvements), all of the £4.5m Local Contribution is being provided by the bus operator Stagecoach Buses. The partnership investment by Stagecoach will see the introduction of a fleet of brand new Euro 6 low emission vehicles into the Blackwater Valley, helping us to collectively tackle air quality.

CONSULTATION:

- 9. Consultation on the proposed package of schemes for the Woking STP Phase 1 (Project A) is planned to take place in August / September following the business case bid submission to the EM3 LEP.
- 10. The other factor needing consideration for consulting on Project A is the linkage between the Woking STP and the Woking Integrated Transport Project (ITP). Working in partnership, SCC and WBC have commenced works on Woking's ITP for the town centre. Comprehensive communication channels are in place for the Woking ITP project including a dedicated web information site. Delivery of the STP project will be taken forward under the same governance structure as the ITP and therefore all public facing information on the STP scheme will be coordinated alongside the existing ITP project communications. This approach will make it easier and clearer for members of the public and other stakeholders to be kept informed of all current project developments.
- 11. Targeted engagement with key stakeholders is already underway to inform the early development of specific scheme elements within the Woking Sustainable

- Transport Package Phase 1 including bus operators, Network Rail and local cycle user groups. This will be developed into a full engagement plan.
12. Public consultation on Project B (A30 London Road / Camberley Town Centre: Highway Improvements) was carried out for a period of 8 weeks commencing 20th February 2017, in partnership with SHBC. The consultation focused on the following:
 - To assess the level of support for the proposals that form the A30 and Camberley Town Centre Highway Improvements scheme.
 - An opportunity to consult on the effectiveness of the A30, general travel patterns and transport issues in and around Camberley.
 - The A30 westbound bus lane and how it can be used the most effectively.
 13. The consultation was successful in that we obtained 523 responses to the questionnaire, plus 43 bus stop surveys.
 14. The key outcomes from the consultation were:
 - The most important transport issue raised by respondents was congestion on the A30.
 - All supported improvements to access by all modes to Camberley town centre.
 15. As part of the consultation, respondents were asked what they felt should be done with the bus lane, with the following results:
 - The response to the A30 bus lane question was split almost evenly, 45.8% of people supporting the removal of the bus lane entirely and 48.2% wanting the bus lane to remain in some form. 6% of respondents had no preference.
 - The current proposals are for the bus lane to be retained between Grand Avenue and Frimley Road, the section where it is needed most to help buses run to time.
 16. More recently, SCC have been in discussion with local bus operators regarding the hours of operation on the westbound lane. Currently, the bus lane operates Monday to Friday 07:00 to 09:30 and 16:00 to 19:00. Traffic congestion is in evidence on the A30 corridor during the “interpeak” periods, as well as at weekends, and this can cause delays to bus services in the area, adding to operational costs and negatively impacting user satisfaction.
 17. It is proposed that at the time when the Traffic Regulation Order (TRO) for the bus lane is advertised for the changes to the extents of the bus lane, that the TRO consultation also includes extended hours of bus lane operation to cover the period Monday to Sunday 7am to 7pm. The TRO consultation will provide local residents, businesses and other interested parties with the opportunity to comment on these proposals.
 18. For Project C (Blackwater Valley (Gold Grid) Quality Bus Corridor Improvements), this will comprise a series of measures at key bus stops to improve accessibility, the quality of the waiting environment as well as the provision of improved passenger information. Consideration will also be given

to whether there are engineering measures which can be progressed at “pinch point” locations on various bus routes in the Blackwater Valley, in order to alleviate congestion and improve bus journey times / service reliability.

19. The locations for the Project C measures are being assessed and will be finalised prior to the submission of the business case in August 2018. No specific consultation has been carried out to date on these measures, although as part of the Local Transport Review, three large public consultations were completed between October 2014 and July 2017. The consultations sought to understand how important public transport is to our residents and what could be done to encourage more people to travel by bus. The first consultation received over 6700 responses via an online survey and hard copy questionnaire. For bus users, 85% of respondents considered the bus service they used as important or very important to them. For non-bus users, 73% of respondents said they would use buses if there was better information, improved bus infrastructure or a better journey experience provided.
20. In addition to the Project C measures described above, there will also be a local contribution of £4.5M from Stagecoach Buses. This partnership investment by Stagecoach will see the introduction of a fleet of brand new Euro 6 low emission vehicles into the Blackwater Valley, helping us to collectively tackle air quality.

RISK MANAGEMENT AND IMPLICATIONS:

21. Each of the projects have their own project risk register that is reviewed regularly by the project team and the Members Task Groups.
22. The project costs set out in this report are estimates that were reviewed in 2018/19, based on outline scheme designs. Whilst they include a sum for contingency and optimism bias there is a risk that these estimated costs could increase once the designs are finalised and procurement undertaken. If these estimated costs increase, such that the local contribution required would then exceed the amount stated in this report, then the following mitigation strategies would apply:
 - Further value engineering exercises would be undertaken as the design is developed to see if scheme costs could be brought down without reducing the scope of the scheme.
 - If estimated scheme costs cannot be reduced then the scope of the scheme would be reviewed to see if the primary benefits could still be realised but with a reduced scheme.
 - If it is not possible to reduce the estimated scheme cost in either of these ways, then we would engage with the LEPs and the relevant borough/district to see if they are able to increase their contribution.
 - If, after following the steps above, the scheme would still require a greater contribution from Surrey, a further decision would be sought from Cabinet or Cabinet Member, as appropriate.
23. It should be noted that if these business cases are not submitted to EM3 LEP the County Council will not be in a position given the financial situation, to allocate funds from elsewhere to deliver the proposed improvements.

24. The LEPs are urging Councils and other delivery bodies to ensure that they utilise the LGF funding available in each year as any unused funds could be clawed back.

Financial and Value for Money Implications

25. The requirement of the LEP is for the delivery body (SCC) to provide a local contribution of at least 25%.
26. For Project A (Woking Sustainable Transport Package Phase 1), the total project cost is £4.4m. All of the £1.4m of Local Contribution is being provided by Woking Borough Council, to support the £3m Growth Fund bid to the LEP.
27. For Project B (A30 London Road / Camberley Town Centre highway improvements), the 25% match funding is £1.25m. SHBC have committed to providing £0.770m as their contribution to the match funding, with £0.480m funding provided by SCC, subject to Cabinet approval.
28. The £0.480m match funding can be provided from within the existing Place Development capital budget identified within the 2018-21 Medium Term Financial Plan.
29. For Project C (Blackwater Valley (Gold Grid) Quality Bus Corridor Improvements), all of the £4.5m Local Contribution is being provided by the bus operator Stagecoach Buses, who are introducing a fleet of brand new Euro 6 low emission vehicles into the Blackwater Valley.
30. Therefore, the only scheme requiring a financial contribution from SCC is Scheme B (A30 London Road / Camberley Town Centre: Highway Improvements), with the 25% contribution of £1.25m comprising £0.770m from SHBC and £0.480m from SCC.

Section 151 Officer Commentary

31. The council is required to make a financial contribution toward LGF schemes, unless this is provided by other partners. In the case of the schemes put forward in this report, the Council is required to make a contribution of £0.480m towards the A30 London Road / Camberley Town Centre Highway Improvements.
32. The Section 151 Officer also highlights that scheme costs are in some cases based on outline scheme designs and therefore would be expected to change as designs evolve, and are also subject to change as schemes are procured. In recognition of this, estimated costs include an allowance for risk. If costs exceed agreed funding the mitigation strategy outlined in this report would apply, although ultimately the council may need to consider how it would fund cost increases, e.g. by reducing spend elsewhere.
33. The Council would also need to meet any future maintenance costs for assets created as part of this scheme.

Legal Implications – Monitoring Officer

34. An expression of interest has been agreed with the EM3 LEP following the announcement of the grant funding covering the 2018/19 to 2020/21 period as set out in Annex A.
35. These identified projects have been the subject of consultation and may need to have further public consultation, if required, before final approval by the EM3 LEP. The LEP will need to take account of the results of those consultations when finalising their views.
36. The planned match funding for each of the projects has been set out in the Financial and Value for Money section above and these have been committed by the Boroughs councils as well as a local bus operator.

Equalities and Diversity

37. Schemes A, B and C will all have Equality and Diversity screening assessments carried out as part of the development of the project. This screening will be subject to scrutiny and review by the relevant Member Task Groups reporting to the Local Committees.
38. These assessments will eliminate any perceived and/or actual inequalities through compliance with up to date design standards which address disabled access and social inclusivity. .

Public Health implications

39. A key objective of these projects is to improve air quality and reduce carbon emissions through a combination of reduced vehicle delays, improvements to public transport and encouraging alternative modes of transport to motorised vehicles.
40. In addition to this, improvements in public health can be gained through more walking and cycling and cleaner air.

WHAT HAPPENS NEXT:

If approved by Cabinet, the business cases for Schemes A, B and C be submitted to the EM3 LEP during August 2018.

The EM3 LEP will carry out an Independent Assurance assessment which will be reported to a subsequent EM3 Transport Advisory Group (TAG) meeting and Board meeting.

If successful SCC will enter into a legal agreement to deliver the projects over an agreed period of time, as set out in the business cases.

Contact Officer:

Lyndon Mendes – Transport Policy Team Manager, telephone; 03456 009 009

Consulted:

- Local Enterprise Partnership EM3
- Project A) Woking Borough Council, Joint Committee for Woking
- Project B) Surrey Heath Borough Council, Local Committee for Surrey Heath
- Project C) Hampshire County Council, bus operator Stagecoach.

Annexes:

Annex A - Project Descriptions

Sources/background papers:

- Cabinet Report, 'Supporting the economy through investment in transport infrastructure', 27 November 2012.
- Cabinet Report, 'Supporting Economic Growth through investment in Transport and Highways infrastructure – third tranche', 15 December 2015.
- EM3 PMG meeting 15 March 2018.

ANNEX A – PROJECT DESCRIPTIONS

Project A: Woking Sustainable Transport Package Phase 1 (planned to be submitted to the EM3 LEP in August 2018 by Surrey County Council)

The Woking Sustainable Transport Package Phase 1 will improve connectivity between Woking town centre / rail station and existing routes that orbit the town, providing vital 'spokes' to fill in missing gaps in the network, following on from Cycle Woking and the Local Sustainable Transport Package programme.

It will serve key areas of residence and employment which are currently inadequately provided for by sustainable modes to support the anticipated increase in journeys to and from the area related to significant redevelopment of the town centre and rail station.

The Woking STP is designed to complement the Woking Integrated Transport Project (ITP) developments for the town centre by providing connecting transport links to enable people to access the town centre and rail station for onward travel in a sustainable way.

The total project cost is £4.4m, with all of the £1.4m of Local Contribution being provided by Woking Borough Council, to support the £3m Growth Fund bid to the LEP

Aims and Objectives

The project, planned for delivery between 2018 and 2021, aims to encourage more people to walk, cycle, travel by bus and use the train. By encouraging more people to travel sustainably, we will reduce congestion, pollution, and encourage more people to live healthier lives. In turn this meets the primary LEP project objectives to unlock economic growth in the area by providing transport infrastructure and improvements to support growth in jobs, homes and employment space.

Measures to improve connectivity will include installing new pedestrian and cycle facilities, upgrading existing and providing new crossing points and enhancing public transport to create quality bus corridors.

Within the study area the objectives for the scheme are:

- Objective 1
Improved quality of sustainable travel options to Woking town centre and rail station.
- Objective 2
Improved range of sustainable route options to Woking town centre and rail station.
- Objective 3
Increased levels of travel via sustainable modes into Woking.

Project B: A30 London Road / Camberley Town Centre highway improvements (planned to be submitted to the EM3 LEP in August 2018 by Surrey County Council)

The scheme consists of a range of measures along the A30 corridor in Camberley Town Centre, including the following:

- Gateway features at Knoll Road and Grand Avenue.
- A30 London Road Block – new junction to facilitate access and egress.
- Improving traffic flow for all vehicles via the optimisation of traffic signals along the A30 to make the network more efficient and reduce journey times.
- Traffic signal optimisation and intelligent bus priority for buses at traffic signals
- Improved pedestrian and cycle facilities – converted / widened shared footway / cycle track on southern side of A30.
- Amended the A30 bus lane and improve signing.
- Retaining kerbside parking.
- Providing pick-up and drop-off facilities.
- Amended A30 / Frimley Road junction.
- Improving the carriageway surfacing outside the Royal Military Academy

The scheme costs are estimated at £5.0m, seeking EM3 LEP funding of £3.75m and a confirmed local contribution from Surrey Heath Borough Council of £770k and (subject to Cabinet approval) a local contribution from SCC of £480k.

Subject to EM3 LEP approval, the scheme would commence construction in 2018/19.

Aims and Objectives of the project

The primary aims of this project are to:

- Reduce A30 peak hour delay for all traffic.
- Support economic activity on the A30 and in Camberley Town Centre, including the London Road Block (a proposed development area between High Street and Park Street).
- Create a public transport network that supports the Camberley Town Centre Area Action Plan (AAP).
- Encourage sustainable travel to Camberley town centre.
- Improve accessibility and safety for all road users, both to and within Camberley town centre and the A30, including people with disabilities.
- Improve the quality of public realm, complementing the “Camberley Public Realm Improvements”.

Project C: Blackwater Valley (Gold Grid) Quality Bus Corridor Improvements (planned to be submitted to the EM3 LEP in August 2018 by Surrey County Council)

This project is cross boundary and is being submitted in partnership with Hampshire County Council with the local contribution being provided by bus operator Stagecoach, who will introduce new Euro 6 specification buses.

The project focuses on bus corridors within the areas within Surrey Heath and Rushmoor (Hampshire) and provides complementary sustainable passenger

transport measures to improve connectivity in the Blackwater Valley area and support economic viability to deliver growth objectives.

The project will provide measures to make buses more reliable, reduce delays, allow shorter journey times, and improved service quality offer.

The total cost of the project is £9 million with £4.5 million of the LGF being provided by the EM3 LEP. All of the £4.5m Local Contribution is being provided by the bus operator Stagecoach. The partnership investment by Stagecoach will see the introduction of a fleet of brand new Euro 6 low emission vehicles into the Blackwater Valley, helping us to collectively tackle air quality.

Aims and Objectives

The project will improve connectivity in the Blackwater Valley area and support economic viability to deliver growth objectives, by improving the quality of bus service offer, improving bus stops and shelters, along with better and passenger information, such as real time information.

The project will provide measures to make buses more reliable, reduce delays, allow shorter journey times, and improved service quality offer.

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SURREY COUNTY COUNCIL**CABINET****DATE: 17 JULY 2018****REPORT OF: DAVID HODGE, LEADER OF THE COUNCIL****LEAD OFFICER: KEVIN KILBURN, DEPUTY CHIEF FINANCE OFFICER****SUBJECT: ANNUAL GOVERNANCE STATEMENT 2017/18****SUMMARY OF ISSUE:**

The Annual Governance Statement provides a comprehensive assessment of the council's governance arrangements. Once signed by the Leader of the Council and the Chief Executive, the Annual Governance Statement is incorporated in the Statement of Accounts.

RECOMMENDATIONS:

It is recommended that:

1. the 2017/18 Annual Governance Statement (Annex A) is approved and signed by the Leader of the Council and the Chief Executive for inclusion in the Statement of Accounts; and
2. the Audit and Governance Committee continue to monitor the governance environment and report to the Cabinet, Cabinet Member or Select Committee as appropriate.

REASON FOR RECOMMENDATIONS:

There is a statutory duty to annually review and report on governance through an Annual Governance Statement. The identification of areas for focus and continuous improvement ensures high standards of governance.

INTRODUCTION:

1. Surrey County Council's Governance Strategy and Code of Corporate Governance describe the good governance principles adopted by the council and by which the governance arrangements are assessed. The Code of Corporate Governance also details the methodology by which the annual review of governance is undertaken.
2. The review of governance is overseen by the Governance Panel (Head of Legal [Chair], senior representatives from Finance, HR, Internal Audit and Strategy and Performance, Risk and Governance Manager), which has responsibility for the development and maintenance of the governance environment and the production of the Annual Governance Statement.

ANNUAL GOVERNANCE STATEMENT 2017/18:

3. The Annual Governance Statement (attached at Annex A) has two main sections:
 - The governance environment – pages 3 to 7 (summarises the council's key governance policies, procedures and arrangements; and includes the overall opinion of the Chief Internal Auditor)
 - Focus for 2018/19 – pages 8 and 9 (outlines areas that the council will focus on during the year ahead to ensure effective governance).

CONSULTATION:

4. The Corporate Leadership Team, Chief Executive and the Leader of the Council have been consulted and their comments are incorporated into the Annual Governance Statement.
5. The Audit and Governance Committee considered the draft Annual Governance Statement at its meeting on 24 May 2018.

RISK MANAGEMENT AND IMPLICATIONS:

6. Strong governance arrangements support the council in the effective delivery of services, the achievement of objectives and enhances the council's ability to mitigate risk.

Financial and Value for Money Implications

7. There are no direct financial implications. Continued improvements in governance will help to deliver value for money for residents.

Section 151 Officer Commentary

8. The Section 151 Officer is well sighted of key risks and the governance environment and confirms that all relevant matters are considered in the Annual Governance Statement.

Legal Implications – Monitoring Officer

9. The Annual Governance Statement is a requirement of the Accounts and Audit Regulations 2015 and forms part of the Statement of Accounts. The Monitoring Officer is chair of the Governance Panel.

Equalities and Diversity

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

WHAT HAPPENS NEXT:

11. The Annual Governance Statement will be signed by the Leader of the Council and the Chief Executive and incorporated into the council's 2017/18 Statement of Accounts.

Contact Officer:

Cath Edwards, Risk and Governance Manager
Tel: 020 8541 9193

Consulted:

Governance Panel, Corporate Leadership Team, Chief Executive, Audit and Governance Committee, Leader of the Council.

Annexes:

Annex A – Annual Governance Statement 2017/18.

Sources/background papers:

- Governance Panel minutes, governance review working papers, CIPFA/SOLACE Delivering Good Governance in Local Government Framework, Code of Corporate Governance, Surrey County Council Governance Strategy.

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Annual Governance Statement 2017/18



OVERVIEW

Surrey County Council (the Council) has a responsibility for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. We also have responsibility for ensuring there is a sound system of governance and appropriate internal controls in place. We are committed to fulfilling our responsibilities in accordance with the highest standards of good governance to support our Corporate Strategy. The Council's Governance Strategy sets out our approach to good governance and is supplemented by our Code of Corporate Governance.

This document comprises the Surrey County Council Annual Governance Statement for 2017/18, which outlines the Council's governance arrangements during the year. This Annual Governance Statement also identifies key areas of focus, where actions are required to strengthen governance in 2018/19. This is of particular importance as the Council undertakes a significant transformation programme and continues to operate in a challenging financial climate.

THE GOVERNANCE ENVIRONMENT

During 2017/18 Surrey County Council's Corporate Strategy provided direction for staff as well as a signpost for residents, businesses and partner organisations and incorporated the Council's four values of Listen, Responsibility, Trust and Respect at its heart. It was underpinned by a suite of supporting documents, such as the Medium Term Financial Plan and the Investment Strategy. Performance was measured through a variety of key indicators that related to wellbeing, economic prosperity and resident experience and progress was published on the external website. A new draft vision for the county has been developed and will be used as the basis for engagement with residents, staff, Members, partners and business over the summer of 2018.

The Council continues to develop its commercial activities and its property investment portfolio to enhance the financial resilience of the Council. The Shareholder Board monitors the activity and performance of the trading companies created and owned by the Council and provides oversight for the Council's shareholdings; the Investment Board was created in March 2017 to facilitate the further growth of the investment portfolio. Both these Boards are Member led, are supported by relevant internal and external professional advisors and produce annual reports to provide updates on progress and monitor performance.

The Statutory Responsibilities Network, chaired by the former Chief Executive, met throughout 2017 on a fortnightly basis and provided a forum for statutory officers to discuss key issues, share knowledge and offer challenge. The network provided governance oversight and ensured statutory responsibilities were managed through regular review of key risks and issues and progress of key strategies and implementation plans. For 2018/19 onwards this oversight will be provided by a new stronger Corporate Leadership Team model, as well as through a Risk and Governance group, which will meet monthly to provide a forum for considering current strategic risks and issues, and ensuring appropriate actions are taken in response. The group will support and ensure an effective assurance framework, incorporating risk management, internal control and regularity compliance.

The Council's external auditors' 2016/17 report on value for money published in July 2017 concluded that *'in all significant respects, the Authority put in place proper arrangements to secure value for money through economic, efficient and effective use of its resources, with the exception of the arrangements in place within the Council's Children's Services directorate.'*

Throughout 2017/18 the Children's Improvement Board, Surrey Safeguarding Children Board, Corporate Parenting Board and the Children & Education Select Committee have all overseen and scrutinised services for children and their families in Surrey. These arrangements have not had sufficient impact or provided sufficient oversight to deliver safe outcomes for children and families and are under review following the appointment of Dave Hill as Executive Director for Children, Families, Learning and Communities.

Senior officers and Cabinet Members continue to work with the others in local government, Surrey MPs and the Government to identify ways to ensure sustainable services. In the last year the Government has announced a number of consultations, including a Fair Funding Review and Social Care Green Paper, which will provide opportunities for the Council to influence policy on the future of local government funding and promote the issues that affect Surrey most.

In December 2017, it was announced that the Council, along with the 11 boroughs and districts, had been successful in their application to become a 100% business rates pilot. The pilot will operate from 1 April 2018 to 31 March 2019 and designates the authorities as a pool. Surrey County Council is acting as the lead authority for the pool and a Memorandum of Understanding is in place, setting out the terms by which the authorities in the pool will pilot 100% business rate retention to drive growth and promote sustainability.

There were a number of officer leadership changes throughout the year. The Chief Executive retired in October 2017 and the role was fulfilled on an interim basis by the Deputy Chief Executive. The Council's Monitoring Officer retired in December 2017 and this role is being filled by the Head of Legal. The new Chief Executive started in March 2018 and has put in place a strengthened leadership structure, with 6 new Executive Director roles working across People, Place and Corporate Support.

The functions of the Monitoring Officer and Section 151 Officer are specified by statute and between them they are responsible for ensuring lawfulness, fairness and financial prudence in decision-making.

The Council's financial management arrangements during 2017/18 fully complied with the Chartered Institute of Public Finance and Accountancy's Statement on the Role of the Chief Financial Officer (CIPFA, 2010). The Director of Finance met her financial responsibilities and ensured financial management arrangements were in place. She reported directly to the Chief Executive and had regular contact with the Leader and key Members, Chief Executive, Monitoring Officer, Chief Internal Auditor, External Auditor and other key Members and Strategic Directors. The new Chief Executive has put new arrangements in place to ensure robust financial management and effective governance is in place through the Corporate Leadership Team (supported by the Risk and Governance group.)

The 2017/18 budget was set in a climate of rising demand for services and targeted £104m of savings to be delivered. Throughout the year a process of monitoring of the delivery of the necessary savings was in place, including regular reporting to both the Chief Executive's Direct Reports meeting and Cabinet on progress against savings targets. By the end of the financial year, savings of £80m were achieved. While this marks the highest level of savings achieved by the Council, it fell short of the targeted savings plans by £24m. As the financial challenges the Council face continues it is essential that the Council strengthens its arrangements and implements more robust processes for identifying and monitoring savings targets in 2018/19.

In addition, strategic budget planning workshops, led by the Director of Finance were held with Cabinet and the Leadership Team on a regular basis. Finance briefings for all Members have been held throughout the year to support the preparation of the budget for future years. Additional meetings have also been held, as deemed necessary, in light of the financial challenges emerging from the Local Government financial settlement and the increased pressure and demand for our services.

The roles, responsibilities and delegated functions for officers and Members are set out in the Constitution of the Council. The Scheme of Delegation for Members and officers is regularly reviewed to reflect organisational and operational changes (last updated in May 2018) and updated in consultation with senior officers and the Cabinet, before being approved by full County Council. The Cabinet comprises the Leader, Deputy Leader and eight additional Cabinet Members, with each Member holding the brief for a particular portfolio of services. Decisions can be taken by individual members of the Cabinet or collectively by the full Cabinet. In line with legislation, the Leader determines which decisions are delegated to individual Members and this is set out in the Council's Constitution.

The Staff and Member Codes of Conduct set out the expected high standards of conduct and include the 7 Standards of Public Life. The Code of Conduct for staff, which applies to all staff, workers, contractors and their staff whilst working for, or on behalf of the Council, was updated in September 2017 to make explicit the requirement to behave ethically, to act in accordance with the Council's Counter Fraud Strategy and to make clear the expectation that employees must report to work in a fit and safe state to carry out their duties. The Codes of Conduct are supplemented by the Member/Officer Protocol, which provides principles and guidance for good working relations, and the Counter Fraud Strategy.

The Monitoring Officer and the Member Conduct Panel, in consultation with the Independent Person, deal with allegations of breaches of the Member Code of Conduct. The Members Code of Conduct also includes provisions for the registration and disclosure of pecuniary and other interests, which includes a requirement for Members to register significant personal interests, declare prejudicial interests and disclose pecuniary interests and significant personal interest at meetings of the Council and its committees. The register of pecuniary interests for all members can be viewed online.

The Cabinet meets in public on a monthly basis, with a forward plan of decisions published on a rolling three month basis outlining the upcoming decisions of both the Cabinet or individual Cabinet Members. Members of the public and back-bench members are invited to submit questions at any Cabinet meeting and there is a petition scheme in place, supported by an e-petition system. Every County Council, Cabinet and Planning & Regulatory Committee meeting is webcast to enable people to watch meetings online.

The Council had six Member select committees during 2017/18, which provided challenge to the Cabinet. The Overview and Budget Scrutiny Committee (OBSC), took a Council-wide view and led on collaborative scrutiny issues. In addition, a sub-group of OBSC received and provided scrutiny of the monthly budget monitoring reports including the achievement of savings targets. Changes have been made to the committees from May 2018 to align them to the new Cabinet portfolios and senior office structure.

The Audit and Governance Committee provides independent assurance on the Council's control environment, the adequacy of the risk and governance arrangements, financial reporting and ethical standards. The Council has also appointed 9 local committees and 2 joint committees, aligned with the boroughs and districts, to ensure more efficient, transparent and accountable local decision making.

The Investment Panel, which is chaired by the Deputy Chief Finance Officer, and meets monthly, as necessary, continues to ensure all proposed service capital investments have robust business cases before formal decision by Cabinet or Cabinet Member as appropriate. It also approves any invest to save schemes (funding from this reserve is re-paid from future savings). During 2017/18 the Council underspent its capital programme by £37m which has highlighted the need to review the role of the Investment Panel and strengthen the governance arrangements in place for the monitoring of capital expenditure.

The Strategic Risk Forum, chaired by the Director of Finance, brings together lead officers from across the Council to review and challenge risk and ensure a consistent approach is adopted. The Leadership risk register was regularly reviewed by the Statutory Responsibilities Network, (now CLT), Audit and Governance Committee and Cabinet during 2017/18.

The Director of Finance also chaired the Information and Risk Governance Board and held the role of Senior Information Risk Officer during 2017/18. The Board provides strategic oversight and ensures that the Council has effective information and risk governance policies and management arrangements including breaches of confidentiality and information security.

The General Data Protection Regulation (GDPR) is a new legislative requirement on data protection and privacy for all individuals within the European Union. The GDPR applies in the UK from 25 May 2018 and the Council continues to work towards compliance with a Data Protection Officer in place to drive this forward.

The Council provides a confidential facility through an external provider for anyone wishing to whistle blow. The policy and guidance have been updated during 2017/18 to provide further clarification on the process and this service is publicised in Council buildings and through the front page of the Council's intranet.

The gifts and hospitality register is held on the internal website and provides a means for staff to register any gifts or hospitality whether offered, accepted or declined. Gifts and hospitality has its own policy and all declarations are electronic. These are reviewed regularly by HR and summary reports are received by appropriate senior officer groups and included annually in the bulletin of the Audit & Governance Committee. The requirement to declare gifts and hospitality has been promoted with a focus on out posted establishments as well as in the Council's main buildings.

The Surrey Pension Fund Committee takes decisions on behalf of the Council as the administering body for the Local Government Pension Scheme and meets four times a year. The Surrey Local Pension Board assists the Surrey Pension Fund Committee in the exercise of its functions but has no decision making powers. A Local Fire Pension Board also assists the Surrey Fire and Rescue Service in the administration of its Firefighters' Pension Scheme.

The Border to Coast Pensions Partnership, a pool of 12 Local Government Pension Schemes including the Surrey Pension Fund, has started to make senior staff appointments, build its investment structure and obtain Financial Conduct Authority approval for its operation.

Public Sector Audit Appointments Ltd (PSAA) appointed Grant Thornton as the Council's external auditor for up to 5 years from 2018/19. This is the result of a sector-led appointment process provided by PSAA who developed a national collective scheme.

In June 2017, a new Chief Internal Auditor for Orbis was appointed, who fulfils the role for the three authorities within the Orbis partnership. The 2018/19 Internal Audit plans for all three partners aim to provide a consistent approach and maximise the skills and knowledge of the team.

Orbis Internal Audit completed an independent external inspection against the Public Sector Internal Audit Standards in January 2018. The review was conducted by South West Audit Partnership (SWAP) and involved interviewing key stakeholders from all three partner organisations. The review gave an opinion of 'Generally Conforms' which is the highest of the three rankings, meaning that Orbis Internal Audit is achieving the highest level of conformance with the Standards and Code of Ethics.

A 'reasonable assurance' audit opinion was given following the annual internal audit of Organisational Ethics. The audit established that the Council has clear leadership on ethics and a clear ethical framework, which is effective in practice. It also concluded that the Council responds effectively if there is a breach in behaviour and that there are appropriate internal control mechanisms in place to detect such breaches.

Internal audits in areas such as employee expenses and other benefits claimed by staff identified an apparent diminution in the control environment in which such claims are made and authorised. In some instances the checking and validation of claims made by managers was insufficiently robust to reduce the risk of fraud and/or error in the amounts paid and claims were not fully compliant with Financial Regulations. Required improvements in the control environment include tightening of the Financial Regulations and the introduction of measures through the appraisal system to ensure the importance of compliance to core policies is understood and followed. The 2018/19 internal audit plan includes specific cultural compliance reviews to assess compliance across all directorates.

The overall opinion of the Chief Internal Auditor on the internal control environment for 2017/18 is "Reasonable Assurance." This opinion is based on the internal audit work completed throughout the year, and concludes that the majority of key controls examined are working in practice, with some specific exceptions. The annual report of internal audit highlights that there remains a need to strengthen governance and internal control arrangements within Children's, Families and Learning and sets out that internal audit will continue to support the improvement agenda and provide assurance wherever possible that sufficient progress is being made.

After the local elections in May 2017, the Council designed and delivered a comprehensive training and guidance programme for new and returning Councillors, including the code of conduct, committee processes and introductions to the Council's service areas. New members were 'buddied' with senior managers to help them learn the role and the services of the Council and signpost them to officers for queries. 97% of Councillors rated the induction as good or excellent as part of an induction survey conducted in September 2017.

A new leadership development programme has been developed that focuses on communication, setting clear expectations and coaching. It is a self-directed and flexible programme to support leaders and managers with their varying challenges, needs and time constraints

People

During October and November 2017 staff participated in a staff survey, which has provided evidence of how colleagues feel about working for our organisation. The data has been shared and teams across the Council are reviewing the feedback to identify and agree action plans to improve key areas.

The HR & OD strategy was reviewed and updated in 2017/18 following a review of the current people related strategies and to reflect and consider the challenges and opportunities for our workforce. The Continuous Improvement and Performance Network and Chief Executive's Direct Reports (now CLT) engaged with this review to ensure the vision and priority areas are the right ones for their services and the organisation. The updated strategy is published on the Council's external website.

Engagement and Collaboration

Health and social care integration continues to be one of the top priorities for the Council, working together with health partners to make the best use of collective resources to meet residents' needs.

Governance arrangements for the two Integrated Care Systems and one Sustainability and Transformation Plan that Surrey is a partner in are complex and differ between the three. The Surrey Health & Wellbeing Board (HWB) sets the strategic direction for health and social care in Surrey and a Joint Health and Wellbeing Strategy outlines their priorities. All three partnerships have signed memorandums of understandings which underpin the governance arrangements.

The STPs have prioritised citizen engagement and the Surrey Heartlands' engagement approach was recognised nationally as an exemplar model, receiving funding from NHS England as a result.

Internal Audit continue to work with external partners through chairing and coordinating the Surrey Counter Fraud Partnership, a collaborative approach for dealing with non-benefit fraud locally. Initially grant funded, the partnership has developed into a sustainable and innovative approach to tackling fraud at borough, district and county levels. This has led to increased cooperation and joint working between, and within, the different tiers of local authorities in Surrey. The partnership has grown into a multi-agency body led by Surrey with membership from all 11 districts and boroughs, Surrey Police, Trading Standards and registered social landlords from across the county. The partnership has delivered savings to the public purse of over £10m since its inception in 2015, including the recovery of over 100 social housing properties and the prevention of over 200 fraudulent applications for housing, homelessness or Right-to-Buy.

Partnership working has enabled the Council to reduce the cost of support services. Orbis, the shared services partnership with East Sussex County Council and Brighton & Hove City Council continues to deliver efficiencies. Orbis includes 2,000 staff across the three councils and drives savings by sharing business services across areas. The partnership is established under a joint committee which is responsible for delivering services from a joint operating budget.

Following the appointment of a Chief Internal Auditor for Orbis, the Internal Audit function has been developing its joint working practices and the fully integrated structure went live in April 2018. In addition to the three Orbis partners, Horsham District Council joined Orbis Internal Audit in April 2018, further strengthening the offering to sovereign authorities.

The Council currently engages and consults with residents and partners using a number of methods which include paper and electronic surveys, face to face engagement and social media. The Council has a dedicated consultation hub 'Surrey Says' where most consultations are published. As well as the consultations, the site also features a 'We Asked, You Said, We Did' section where the Council provides feedback on the actions taken or not taken as a result of consultation.

FOCUS FOR 2018/19

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Under the leadership of the new Chief Executive, a Corporate Leadership structure has been introduced, adding much needed senior capacity and capabilities to the Council. Recruitment to all roles will be completed in summer 2018. The Leader and Members have set out their priority for the Chief Executive and the Corporate Leadership team to put in place a significant programme of transformational change to ensure the Council can deliver good outcomes, within a sustainable resource envelope.

The Council continues to face pressures from increasing demographic demands and changing expectations of residents in the context of decreasing funding from Central Government. In order to achieve a balanced budget in 2018/19, the Council has utilised a range of one-off funding methods and in addition, the level of savings required continues to be significant at £66m. A stronger control framework of tracking and monitoring savings, pressures and the overall budget throughout the year, through redesigned data packs, is being put in place to ensure delivery of these savings, as well as achievement of the budget overall. This will include a monthly report to the Corporate Leadership Team (CLT) on financial and service performance issues that provides key information and highlights variances.

Looking ahead to 2019/20 the scale of the budget challenge means the Council must set clear priorities, transform service delivery and introduce a new operating model. The County Council will be asked to agree a new Vision at its meeting in October 2018 followed by revised priorities and an outline budget in November 2018. These are important foundations to govern our focus for the next few years.

During 2018/19, the Council will need to approve and initiate a major transformation programme to deliver better outcomes as well as contribute to the £250m gap the Council faces. Robust programme management, governance and control mechanisms will be in place to deliver the benefits. Significant change capacity will need to be applied, alongside a deep culture change programme. Appropriate use of capital receipts will underwrite the cost of the programme and be tracked on a regular basis. CLT will meet fortnightly as a Transformation Steering Board and an officer and Member Change Management Board has been established, providing a key part of the governance arrangements. Standardised reporting of project progress is being developed and will be regularly monitored by CLT. The Council will engage closely with staff, residents and partners to develop and then implement this service transformation with a close focus on improved outcomes for those in need of our support.

In parallel, the Council continues to work to ensure Government understands the impact of current funding mechanisms on Surrey and inform any proposals for reform affecting local government. When the prospectus for the 2019/20 business rate retention pilot is issued, the Council will look to compile a strong application to secure a continuation of the business rate pilot. The Council will also take all opportunities to input into the fair funding review being carried out by the Ministry for Housing, Communities and Local Government and the emerging Social Care Green Paper led by the Secretary of State for Health and Social Care.

The Surrey Heartlands devolution agreement between the Council, three Clinical Commissioning Groups, NHS England and NHS Improvement will bring further opportunities to work differently with our partners in driving the integration of health and social care. An Integrated Commissioning Joint Committee, which was in shadow form in 2017/18, will become a formal committee in summer 2018. The Joint Committee is responsible for developing proposals for a joint Commissioning Strategy and for overseeing the development of the devolution/integrated commissioning governance arrangements and includes representatives from the County Council, the 3 Clinical Commissioning Groups and NHS England.

A key challenge for 2018/19 will be to transform services for children and families in Surrey, which will require strong leadership, effective management oversight and robust assurance. Significant changes to the Children's Improvement Board and Corporate Parenting Board will be put in place during summer 2018, including membership, roles and responsibilities, to ensure there is a clear focus on the improvement journey. We will also be engaging with other authorities and statutory bodies – along with Members and our key strategic partners – and adopting proven governance mechanisms that represent best practice to ensure we get this right.

We continue to face a growing and complex need for our learning disability services. It is important that we improve ways of working to manage these increasing demands and enable better outcomes. We know that key to achieving this is more joined up working between Adult Social Care, Children, Schools and Families and health which will ensure a more holistic approach is taken to supporting someone throughout their lifetime. We aim to enable adults with learning disabilities and their families to be able access support from a single countywide team, enabling us to better support our residents in the future.

Other areas of focus include:

- The need for a controls review has been identified in relation to the mechanisms and controls in place for assessing and approving care packages and accurately forecasting future costs, in both Children's and Adults Services. This controls review will be carried out during 2018/19 by internal audit and will prioritise the focus of this work on those areas where there is a higher risk in terms of the control environment and levels of expenditure;
- Reinforcing and supporting a culture of compliance through appropriate information, communication and training. To assist with this the Council is introducing a requirement for senior leaders and budget holders to reflect sound governance related goals in their annual performance accountability contract / objectives;
- The Council's Financial Regulations were updated in May 2018. A more fundamental review of these regulations will be carried out during 2018/19, in conjunction with a review of the Constitution;
- There will be review of the Leadership Risk Register to ensure both the identified risks and the mitigating actions are appropriate and effective;
- The Chartered Institute for Public Finance and Accountancy (CIPFA) has been commissioned to carry out a review of the financial capacity and capability of the finance function across the organisation. The conclusions of this review will be used to develop and implement an improvement programme to increase overall effectiveness of financial management across the Council;
- Make a permanent appointment to the role of Head of Legal and Democratic Services;
- Pensions pooling - building the investment structure and obtaining Financial Conduct Authority approval for its operation;
- The Council has recently appointed a Data Protection Officer who will lead on the work required to ensure the Council meet its obligations in relation to GDPR compliance;
- Implementing a new pay structure.

In light of the significant changes and challenges facing the organisation it has become increasingly important to ensure a robust and effective assurance framework is in place. The scale of the challenges facing the Council are significant and will require strong leadership and focus. 2018/19 will be a year of change, under the leadership of the new Chief Executive and a new Corporate Leadership structure. The Council is undergoing a significant programme of transformational change in order to achieve financial sustainability in the future and it is therefore essential that the Council's activities are underpinned by robust governance and control mechanisms to enable us to deliver our new shared vision and ensure we deliver good outcomes for our residents.

The 2017/18 annual review of governance was overseen by the Governance Panel (the panel) which comprised the Monitoring Officer [chair], Finance Manager (Assets and Accounting), Internal Audit Manager, HR Manager – Strategic Support, Head of Strategy and Performance and the Risk and Governance Manager. The panel met four times during the year and reported to the Statutory Responsibilities Network and the Audit and Governance Committee. The 2017/18 annual review of governance has identified a number of areas where improvements to governance arrangements are required.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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