

MINUTES OF THE MEETING OF THE COUNTY COUNCIL HELD AT THE COUNCIL CHAMBER, COUNTY HALL, KINGSTON UPON THAMES, KT1 2DN ON 6 FEBRUARY 2018 COMMENCING AT 10.00 AM, THE COUNCIL BEING CONSTITUTED AS FOLLOWS:

Peter Martin (Chairman)
Tony Samuels (Vice-Chairman)

Mary Angell		Julie Iles
Ayesha Azad	*	Naz Islam
John Beckett		Colin Kemp
Mike Bennison		Eber Kington
Chris Botten		Graham Knight
Liz Bowes		Rachael I Lake
Natalie Bramhall		Yvonna Lay
Mark Brett-Warburton		David Lee
Ben Carasco		Mary Lewis
Bill Chapman		Andy MacLeod
Helyn Clack		Ernest Mallett MBE
Stephen Cooksey		David Mansfield
Clare Curran	*	Jan Mason
Nick Darby		Cameron McIntosh
Paul Deach		Sinead Mooney
Graham Ellwood		Charlotte Morley
Jonathan Essex	*	Marsha Moseley
* Robert Evans	*	Tina Mountain
Tim Evans		Bernie Muir
Mel Few		Mark Nuti
Will Forster		John O'Reilly
John Furey		Tim Oliver
Matt Furniss		Andrew Povey
Bob Gardner		Wyatt Ramsdale
Mike Goodman		Mrs Penny Rivers
Angela Goodwin		Stephen Spence
David Goodwin		Lesley Steeds
Zully Grant-Duff		Peter Szanto
* Alison Griffiths		Keith Taylor
Ken Gulati		Barbara Thomson
Tim Hall		Rose Thorn
Kay Hammond		Chris Townsend
Richard Hampson		Denise Turner-Stewart
David Harmer		Richard Walsh
Jeffrey Harris		Hazel Watson
Nick Harrison	*	Fiona White
Edward Hawkins		Richard Wilson
Marisa Heath		Keith Witham
* David Hodge CBE		Victoria Young
* Saj Hussain		

*absent

1/18 APOLOGIES FOR ABSENCE [Item 1]

Apologies for absence were received from Mr Robert Evans, Mr Hussain, Mrs Mason, Mrs Moseley, Mrs Mountain and Mrs White.

2/18 MINUTES [Item 2]

The minutes of the meeting of the County Council held on 5 December 2017 were submitted, confirmed and signed.

3/18 CHAIRMAN'S ANNOUNCEMENTS [Item 3]

The Chairman made the following announcements:

i. Her Majesty the Queen's New Year Honours List:

A list was included within the agenda and this included 31 Surrey residents. In addition, Members were informed that Russell Pearson, the Chief Fire Officer for Surrey Fire and Rescue Service, had been awarded the Queen's Fire Service Medal. Members were invited to congratulate all those that received awards.

ii. British Association of Social Workers – Lifetime Achievement Award:

A presentation was made to Andy Butler, the Principle Social Worker in Adult Social Care for a Lifetime Achievement Award from the British Association of Social Workers. Members congratulated him for this significant achievement.

iii. Related Party Disclosures:

Members were reminded that it was a legal requirement to complete their forms and return them to Finance by the 31 March 2018 deadline.

iv. Julie Fisher:

Members were informed that Julie Fisher, Acting Chief Executive, would be leaving the Council at the end of March.

v. Budget meeting:

The Chairman reminded Members that the budget meeting was different to regular Council meetings and that there would be no original motions. He referred Members to email guidance that he had circulated prior to the meeting setting out rules around voting on the Budget.

4/18 DECLARATIONS OF INTEREST [Item 4]

There were none.

5/18 REVENUE AND CAPITAL BUDGET 2018/19 TO 2020/21, CORPORATE STRATEGY AND KEY FINANCIAL STRATEGIES [Item 5]

The Leader presented the Report of the Cabinet on the Revenue and Capital Budget 2018/19 to 2020/21, the Council Tax Requirement for 2018/19, the

Corporate Strategy and other key financial strategies. A copy of the Leader's statement is attached as Appendix A.

The Director of Finance presented her report to Council. A copy of her statement is attached as Appendix B.

Each of the Minority Group Leaders (Mrs Watson and Mr Harrison), were then invited to speak on the budget proposals.

Key points made by Mrs Watson were:

- That she would be voting against the proposed budget.
- That it set out drastic cuts to libraries, road maintenance and services for people with learning disabilities on top of cuts already made to services such as community recycling centres.
- It was a failure of central government and the administration.
- She was pleased that the council tax proposal was not a 15% increase but not pleased that there was still a 6% rise proposed.
- That there were four Cabinet Ministers that were Surrey MPs.
- She had written to all Surrey MPs asking them to vote against the local government settlement and urged residents to do so too.
- That the business rates pilot should be extended beyond one year.
- The situation would worsen when the adult social care precept ended.
- In December 2016 a CIPFA (Chartered Institute of Public Finance and Accountancy) report on the Council's finances referred to the organisation as 'at risk of being financially unsustainable'.
- She welcomed the plans around capital receipts however these rules had been in place since 2016 and should have been introduced sooner.
- That the Council had spent a significant amount of money on maintaining empty buildings.
- She felt that during the financial crisis the Council should not spend £200m of council tax payers' money on properties outside of Surrey.
- That the government had reminded councils that their prime duty was to provide statutory service.
- Residents were being asked to pay more for less, which did not provide value for money.

Key points made by Mr Harrison were:

- The Council was facing increasing demands and had lost £200m in core funding and the gap was being met by increasing council tax.
- That 90% of the Council's income came from council tax compared to 60% for the rest of the country.
- He referred to the events of the 2017 Budget meeting and promise of increased funding from central government.
- That there had been an adult social care green paper promised and that the fairer funding review had been delayed.
- Central government could have a deficit that contributed to national debt however local government had to balance the books.
- Northamptonshire County Council was now in special measures.
- That a one year business rates retention pilot would not solve the issue.
- He welcomed appendix 6 of the papers and the involvement of the select committees in the budget setting process.

- A further £66m of savings would be harder to achieve.
- That the pace of transformation had not been enough and that a council tax rise was inevitable.
- The Council was being asked to approve a financial strategy without a credible plan in place.
- That Surrey MPs were either not listening or not interested in tackling the issue.
- There was a need to work constructively and review the headcount, review management and IT.
- If a 15% rise was necessary last year how had the council managed without this.
- The CIPFA (Chartered Institute of Public Finance and Accountancy) report on the Council's finances had been issued in the run up to the elections and the record needed to be put straight.

Twenty Members spoke on the Budget proposals and the following key points were made:

- That Members were pleased to see the increase in local member allocations and highways funding.
- There was concern regarding the use of reserves to balance the budget.
- That Surrey residents contribute more money to the Exchequer than anywhere other than the City of London.
- Demands were increasing and there needed to be plans for the future.
- Surrey MPs should stand up for Surrey and show leadership.
- Resident priorities needed to be recognised and funded accordingly.
- Local government was in crisis.
- Concerns that the Children, Schools and Families budget had £26m of savings to make and this would be challenging.
- Transformation was essential along with place based services and funding.
- Concerns that there was 'smoke and mirrors' regarding transformation programmes and that 41% of the Council's budget had been removed since 2010.
- That the report told the truth and that the Council would continue to deliver statutory services.
- The Council would invest to save, earn and grow and do this at a good pace.
- The Conservatives did not want to raise taxes but there was no alternative.
- Budget figures were available far earlier than in previous years and select committees had been able to scrutinise the budget earlier.
- That the budget lacked a long term plan and more information was required to understand what the cuts would mean to residents.
- The opposition did not make their own budget proposals.
- Concerns for a balanced budget in 2019/20.
- A great deal of partnership working had taken place between the County Council and District and Boroughs.
- Non-traditional methods of income would need to be considered going forward.
- The numbers of children in transition that would require Adult Social Care support was increasing.

- That it had been right for the Council not to accept the council tax freeze grant.

The Leader responded to the points made by Members during the budget debate and made the following points:

- The budget papers were honest and represented the facts.
- The Council had made £540m of savings in the past eight years and that it would be difficult to name another organisation that had done this.
- It was important for Members to recognise the demand pressures that were set out in the papers and that the opposition were not listening to these.
- That he had no issue with national taxation however local taxation should be fair.
- The Cabinet were aware that it was important to do local things in local places and that this had been recognised in the proposals to provide more money to member allocations.
- Transformation had begun in 2009 and this would need to be looked at again.
- That there had been no suggestions of alternative ways to balance the budget.
- He was prepared to stand up and be accountable and take responsibility for his decisions.
- The work undertaken with District and Boroughs regarding the business rates retention pilot had been really successful.
- That Members should be 'game changers' for local people and not for political groups.
- The 2019/20 Budget would not be easy and that the decision not to accept the council tax freeze grant had been the right thing to do.
- That the future was what mattered and it was important to recognise the demand pressures.
- He encouraged all residents to write to their MPs regarding fairer funding, as 3% of services would be lost each year.
- It was important to work with Districts and Boroughs and parish councils on transformation.
- That he was proud to be a Conservative and that he would continue to lobby MPs and government and stand up for Surrey.
- He closed by recommending that Members vote in favour of the proposed budget.

After the debate the Chairman called the recommendations, which were taken in three parts.

- Recommendation 1
- Recommendations 2 to 22 (which included the council tax precept proposals, and a recorded vote was taken)
- Recommendations 23 to 25

The results were as follows:

Recommendation 1:

60 votes for, 11 votes against and 1 abstention.

Recommendations 2 to 22:

A recorded vote was taken. The following Members voted for it:

Mrs Angell, Ms Azad, Mr Bennison, Mrs Bowes, Mrs Bramhall, Mrs Brett-Warburton, Mr Carasco, Mr Chapman, Mrs Clack, Mrs Curran, Mr Deach, Mr Ellwood, Mr Tim Evans, Mr Few, Mr Furey, Mr Furniss, Mr Gardner, Mr Goodman, Dr Grant-Duff, Mr Gulati, Mr Hall, Mrs Hammond, Mr Hampson, Mr Harmer, Mr Harris, Mr Hawkins, Miss Heath, Mr Hodge, Mrs Iles, Mr Kemp, Mr Knight, Mrs Lake, Mrs Lay, Mrs Lewis, Mr McIntosh, Mr Mansfield, Mr Martin, Mrs Mooney, Ms Morley, Mrs Muir, Mr Nuti, Mr Oliver, Mr O'Reilly, Dr Povey, Mr Ramsdale, Mr Samuels, Mrs Steeds, Dr Szanto, Mr Taylor, Ms Thomson, Mrs Thorn, Ms Turner-Stewart, Mr Walsh, Mr Wilson, Mr Witham and Mrs Young.

And the following Members voted against it:

Mr Botten, Mr Cooksey, Mr Essex, Mr Forster, Mr Goodwin, Mrs Goodwin, Mr Lee, Mrs Rivers, Mr Spence, Mr Townsend and Mrs Watson.

The following Members abstained:

Mr Beckett, Mr Darby, Mr Harrison, Mr Kington, Mr MacLeod and Mr Mallett.

Recommendations 23 to 25:

63 votes for, 9 against and 1 abstention.

Therefore, it was:

RESOLVED:

County Council noted the following important features of the revenue and capital budget.

1. The Director of Finance's statutory conclusions that the council's budget was balanced for 2018/19 and it was developing a major transformation programme to be able to set a balanced budget for 2019/20 and become sustainable over the medium to long term (Annex 1 of the submitted report).

Proposed budget: County Council approved the following revenue and capital budget decisions.

2. Increased the level of the general Council Tax by 2.99% (paragraphs 101 and 102 of the submitted report).
3. Increased Council Tax by a further 3% for the adult social care precept, which would provide a further £20m to support the growth in demand for services (paragraph 102 of the submitted report).
4. Set the County Council precept for band D Council Tax at £1,411.29 which represented a 5.99% up-lift. This was a rise of £1.53 a week from 2017/18's precept of £1,331.55.

5. The Council Tax for each category of dwelling to be as set out in Annex 3 of the submitted report.
6. The payment for each billing authority, including any balances on the collection fund, would be as set out in Annex 3 of the submitted report.
7. Agreed to maintain the Council Tax rate set out after the Final Local Government Financial Settlement.
8. Delegated powers to the Leader and the Director of Finance to finalise budget proposals and recommendations to County Council updated to take into account new information in the Final Local Government Financial Settlement.
9. Approved the County Council's £1,705m gross revenue expenditure budget for 2018/19 (Table 9 of the submitted report).
10. Approved the application of up to £15m capital receipts to fund the revenue costs associated with transformation projects (paragraphs 33 to 36 and Appendix 3 of the submitted report)
11. Approved the use of up to £24m of earmarked reserves to support the revenue budget (paragraph 109 of the submitted report).
12. Approved the £316m three year capital programme, with £139m capital investment in 2018/19 (paragraph 124 and Appendix 7 of the submitted report).
13. Agreed to support only capital schemes that did not require borrowing, unless the scheme had a compelling business case developed that demonstrated best value and a sustainable basis for funding borrowing costs (paragraph 135 of the submitted report).
14. Noted that the detailed programme of schemes would be agreed ahead of implementation of the detailed budget (if necessary).
15. Required a robust business case to be prepared (and taken to the Investment Panel for review) before committing expenditure for the use of:
 - all revenue 'invest to save' proposals, and
 - capital schemes (paragraph 120 of the submitted report).
16. To help ensure the council achieves its savings programme, required the Chief Executive and the Director of Finance to:
 - continue to ensure delivery of existing MTFP efficiencies and service reductions for the remaining years of the MTFP 2018-21; and
 - continue to ensure services monitor their demand and cost pressures and develop plans to mitigate the impact of those pressures (paragraph 95 of the submitted report).

17. Required the Chief Executive and the Director of Finance to lead the development of a transformation programme to move the council to a sustainable position in 2019/20.

Corporate and key financial strategies: County Council approved the following.

18. the refreshed Corporate Strategy for 2018/19 that Cabinet had endorsed (paragraphs 18 to 24 and Appendix 1 of the submitted report);
19. the refreshed Financial Strategy for 2018/19 (paragraphs 29 to 31 and Appendix 2 of the submitted report);
20. the Capital Strategy for 2018-22 (paragraphs 117 and 118 of the submitted report); and
21. the Flexible Use of Capital Receipts Strategy for 2018/19 (paragraphs 33 to 36 of the submitted report).

Treasury management and borrowing: County Council approved the following.

22. Approved with immediate effect, the Treasury Management Strategy for 2018/19 (Annex 2 of the submitted report), which included:
 - the investment strategy for short term cash balances;
 - the borrowing strategy for funding the capital programme;
 - the treasury management policy (Appendix 10 of the submitted report);
 - the prudential indicators (Appendix 11 of the submitted report);
 - the treasury management scheme of delegation (Appendix 12 of the submitted report);
 - the minimum revenue provision policy (Appendix 13 of the submitted report).

County Council noted the following Cabinet decisions.

23. That services would develop final detailed budgets and savings within budget for review by the council's Scrutiny function, ahead of approval by Cabinet on 27 March 2018 when the final MTFP 2018-21 would be presented.
24. That Cabinet approved allocation of a part of the additional funding from the additional 1% increase in the Council Tax, and a change to the funding for the Member Allocations to provide the following to support members' work in their local communities (paragraphs 104 and 105 of the submitted report):
 - a new Member Local Highways Fund;
 - a Revenue Highways Fund shared among Local Committees; and
 - revised Members Community Allocation.

25. That Cabinet approved the draft MTFP for the financial years 2018-21, which included:

- the Total Schools Budget of £505.8m (paragraphs 110 to 115 of the submitted report);
- overall cash limits for individual services for the 2018/19 budget (Table 9 of the submitted report).

6/18 MEMBERS' QUESTION TIME [Item 6]

Notice of 11 questions had been received. The questions and replies are attached as Appendix C.

A number of supplementary questions were asked and a summary of the main points is set out below:

(Q2) Mr Eber Kington asked whether the new Chief Executive would be prioritising the key issues identified in the staff survey. The Leader stated that there would be a further report to the People, Performance and Development Committee regarding the staff survey results and that the new Chief Executive would attend that meeting.

Mr Matt Furniss asked Council to consider the staff survey results in relation to the culture of team working and asked the Leader to endorse the value of team work across the organisation. The Leader congratulated staff on the work that they do, particularly in times of austerity and commended them for their 'one team' approach.

(Q3) Mr Stephen Cooksey asked the Cabinet Member to explain the Conservative policy in relation to DIY waste. The Cabinet Member for Environment and Transport explained that the law was very clear and that the Council were able to charge for the disposal of DIY waste.

Mr Bob Gardner asked the Cabinet Member to explain what was being done about prosecuting people for fly-tipping. **Mrs Bernie Muir** also asked the Cabinet Member to comment on fly-tipping. The Cabinet Member stated that there was a strategy in place to prevent fly-tipping and that work was being undertaken with District and Boroughs to tackle this problem. He went on to say that there had been a successful campaign on fly-tipping and that residents have informed knowledge in this area.

Mr Wyatt Ramsdale requested an explanation on how fixed penalty notices are benefiting Surrey. The Cabinet Member stated that Epsom and Ewell Borough Council had the highest number of fly-tipping convictions with a large monetary value.

(Q4) Mr Matt Furniss thanked the Cabinet Member for the work that had been done on the Ash Bridge scheme and asked whether he would consider making this one of his key priorities. The Cabinet Member for Highways confirmed that local schemes are always a priority.

(Q5) Mrs Hazel Watson asked whether the Leader would be equally sympathetic to non-Cabinet Members in relation to the use of IT to enable

paperless meetings. The Leader stated that leadership roles were very important and that there were occasions when paper would be necessary.

(Q7) Mr Chris Townsend asked for confirmation that no children's centres would close as part of the Early Help review.

Mr Mark Brett-Warburton asked what links existed between the Early Help work and the Improvement Board.

The Cabinet Member for Children responded by confirming that the Improvement Notice had made the Early Help offer a mandatory area of work. She said that many Members had been involved in their local areas and that work around children's centres was a part of this. She explained that the ambition was to work with partners to join up services at children's centres and other community venues.

(Q8) Mrs Kay Hammond asked the Cabinet Member to confirm that only eight members of fire service staff had moved out of the Surrey Fire and Rescue Service and would she agree that it was an outstanding, well run and high performing service. The Cabinet Member for Communities responded by stating that the Fire Service was an efficient service being led by a nationally recognised leader and she gave her thanks to the officers in the service.

Mr Bob Gardner asked for an update on the initial response vehicle trial. The Cabinet Member confirmed that the trial had started on 8 January 2018 and that there would be a familiarisation session for Members.

(Q9) Mr Will Forster paid tribute to the fire service and the youth workers affected by the recent fire and asked whether all local Members would be consulted on the future of the building. The Cabinet Member for Education said that it was important to note that the youth workers had been able to deliver the service despite the fire and that there had been no disruption to the service with young people not being disadvantaged. The Cabinet Member for Property and Business Services confirmed that individual Members would be consulted on plans for the building going forward.

(Q11) Miss Marisa Heath referred to the ongoing consultation on the Heathrow expansion and asked for reassurance that the Council would be robust in its response to protect residents and their wellbeing. The Cabinet Member for Environment and Transport confirmed that the flightpath and noise consultation would end on 8 March 2018 and then the responses to this would be considered before further information would be provided next year. He informed Members that the Council had a place on the strategic board and would make sure that the safety of residents was represented.

Dr Peter Szanto asked the Cabinet Member to confirm whether he agreed that a Heathrow rail link was vital to minimise the transport impact of expansion on Surrey residents and queried what the Council was doing to support the evaluation of alternative rail link proposals. The Cabinet Member said that there must be better links to access the airport and that he had met with Network Rail regarding this matter.

7/18 STATEMENTS BY MEMBERS [Item 7]

There were none.

8/18 REPORT OF THE CABINET [Item 8]

The Leader presented the report of the Cabinet meetings held on 14 December 2017 and 30 January 2018.

Recommendations on Policy Framework Documents

A – School Organisation Plan 2018 to 2027

RESOLVED:

That the County Council approved the School Organisation Plan 2018 to 2027 (as set out in the submitted Cabinet paper from 30 January 2018).

B – Admission Arrangements for Community and Voluntary Controlled Schools and Co-ordinated Schemes for September 2019

Members were informed that this item set out the admission arrangements for community and voluntary controlled schools and co-ordinated schemes for September 2019 and it was recommended that these were approved by Council.

RESOLVED:

That the County Council approved the admission arrangements for community and voluntary controlled schools and co-ordinated schemes for September 2018 (as set out in the submitted Cabinet report from 30 January 2018).

C – Revenue and Capital Budget 2018/19 to 2020/21, Corporate Strategy and Key Financial Strategies

The Chairman explained that this item was for Council to note the recommendations that the Cabinet had put forward for Council to approve.

RESOLVED:

That the County Council noted the recommendations that had been debated under item 5 of this meeting.

Reports for Information/ Discussion

D – Quarterly Report on Decisions taken under Special Urgency Arrangements: 1 October – 31 December 2017

Following a vote, with 52 in favour, 4 voting against and 7 abstaining, Council noted that one urgent decision had been taken by the Cabinet on 30 November 2017.

RESOLVED:

That the report of the meetings of the Cabinet held on 14 December 2017 and 30 January 2018 be adopted.

9/18 REPORT OF THE AUDIT & GOVERNANCE COMMITTEE [Item 9]

The Chairman of the Audit & Governance Committee introduced the report setting out the revised Counter Fraud Strategy and Framework and stated that this had been debated at length and approved by the Committee at its meeting on 4 December 2017.

RESOLVED:

That the revised Counter Fraud Strategy and Framework be included within the Council's Constitution.

10/18 MINUTES OF CABINET MEETINGS [Item 10]

No notification had been received by the deadline from Members wishing to raise a question or make a statement on any matters in the minutes.

11/18 APPOINTMENT OF A CABINET ASSOCIATE [Item 11]

The Leader confirmed that he wished to appoint Ms Charlotte Morley as Cabinet Associate for Property and Business Services and confirmed that this post would not receive any remuneration. He also informed Members that John O'Reilly would replace Ms Morley on the Overview and Budget Scrutiny Committee.

RESOLVED:

1. That the Council noted the appointment of Charlotte Morley as Cabinet Associate for Property and Business Services.
2. That John O'Reilly be appointed to serve on the Overview and Budget Scrutiny Committee for the remainder of the 2017/18 Council year.

[Meeting ended at:12:45pm]

Chairman

Mr Chairman and Members, you all know me as someone who has consistently put Surrey – and its residents – first.

As long as I am Leader I am determined to fight for a fair deal and stand up for Surrey residents.

We are facing the most difficult financial challenge in our history. The simple fact remains that demand for our services continues to rise but government funding continues to fall. And the Government's funding settlement did little to bridge that gap.

But among the bad news there was some good news.

I am delighted that Surrey has been chosen as one of the areas to be part of the Government's business rates retention pilot. Our success is thanks to the excellent partnership working with the Leaders of our district and borough to promote the bid.

The pilot means there will be an estimated additional £20 million pounds to invest in county council services and a further £8 million pounds to invest in Surrey District and Boroughs promoting economic growth during 2018/19.

I have no doubt that now the Government has allowed us to keep more of the business rates raised in Surrey to invest in local improvements, all of Surrey's councils will pull together and make a success of it.

But this is only a one-year pilot so I am determined to push the Government to extend it for another year. If we are successful it should take us to the introduction of the new 'fair funding' regime promised by ministers.

It's also good news that our bid to allow capital profits to be invested in service improvements has been extended for a further three years. My Cabinet and I plan to use some of these receipts to fund our transformation programme with a view to reducing long term revenue costs to our residents.

The message is clear, Mr Chairman. Where Government has given us the freedom to transform the way we do things we have grasped those opportunities for the long term benefit of Surrey residents. .

We have saved over £540 million pounds from our annual budget since 2010 – I challenge anyone here today to give me an example from the private Sector of such transformation.

We all know local government is the public sector's shining example of success from these years of austerity. But our achievements are at risk if the Government does not recognise the gap between rising demand and reducing funding.

We have been promised 'fair funding' and I trust ministers will honour that promise, but it is taking too long. The Government cannot continue to stand idly by while Rome burns.

Two years ago I welcomed the news that the Government recognised the pressures facing councils such as Surrey and provided a transition grant to see us through to a new system of fair funding.

That Fair Funding new system is still two years away but the Government plan to end our transition funding for the coming financial year. A grant that is worth £12 million pounds to Surrey residents.

Mr Chairman, when you build a bridge you don't stop half way across!

That's why I have added my signature to a letter from the group of County Council Leaders to the Prime Minister, demanding continuation of transition funding. I have also asked Surrey's 11 MPs to add their considerable influence to the cause. Later this week we will know if anyone in Westminster is listening.

And this is not the only grant being cut. For example, we face further reductions in our public health grant despite Surrey having the lowest grant allocation per head of population of any local authority in England. Indeed, the government's own target allocation figures show Surrey should receive nearly £18 million pounds more, annually, than it gets now.

To put that into context, Mr Chairman, Surrey gets just thirty pounds per head compared to the national average of fifty seven pounds per head.

How can that be fair to our residents?

And when it comes to Learning Disability funding for Adults the picture is even worse. Demand in Surrey has continued to rise and the county now has one of the highest levels of demand in the UK - with well over three and a half thousand cases.

Government tells us that we should receive £72 million pounds yet is cutting our funding by £40 million pounds in 2018/19.

How can that be fair to our residents?

Mr Chairman, we know there is more for us to do as a county council – that is why we plan to save a further £66 million pounds from our annual budget next year – part of the £133 million pounds we plan to save over the next three years. But with our funding falling so dramatically below the needs of our residents, is it any surprise that we are facing a budget gap next year of £39 million pounds?

Surrey is being expected to deal with:

- An ageing population but with a reduced budget for care services;
- An increasing school population but with a reduced budget for extra school places;
- An increase in traffic using our roads but with a reduced highways budget.
- And Increased costs for Unaccompanied Asylum seeking children

Since 2010 our government grant has been cut by £200 million pounds. That's £200 million pounds!

The outcome of these pressures has been the same for many years – if we are to maintain these services we are left with no choice but to increase council tax, and once again Surrey residents have to bear the burden.

It gives neither me nor my Cabinet any pleasure to be recommending members increase council tax by 3% and, in addition, the Government told Councils to also increase the adult social care tax by a further 3%.

I deeply regret that this increase equates to £1.53 per week for a Band D Surrey property. I recognise Surrey residents already pay enough taxation.

Our residents pay for 87% of our core service spending through council tax while the national average is just 62%. This is where the Government's fair funding initiative has to start. Such national variations are not acceptable. I will not rest until Surrey residents are provided with a fair deal.

And that's why, My Chairman, I will be joining forces with my counterparts in Surrey's boroughs and districts to end the threat of negative Revenue Support Grant funding next year.

Members will know that this refers to Surrey losing all of its core

funding in 2019/20 but having to pay the Government £27 million pounds so they can distribute it to other parts of the country. This means that Surrey residents will see £27 million pounds of services disappear annually.

And let's remind ourselves what losing this money would mean. The £27 million pounds lost to the whole of Surrey is the equivalent of over sixty miles of roads we cannot resurface or over one thousand school places we can't offer parents.

This is totally unacceptable to Surrey residents.

We must fight to keep their money in their places; with their families; and in their communities. Our residents work hard, powering our national economy, and striving to do the best for themselves and their families. They would expect their local tax to pay for their local services - not be siphoned off and lost to others in this most undemocratic manner. They didn't vote for their council tax to be spent in Aberdeen, Luton, Lancashire, or even London! They want it to be spent here, in Surrey, where they live.

Mr Chairman, this is a cause we must fight. Together.

Surrey is by far the hardest hit by the unfairness of government decisions. During the last 8 months I have made repeated representations to Surrey MPs for this unfair taxation to be dropped by Government. That is why I am pleased the Government have accepted they need to look at it. We will hold their feet to the coals to make sure Surrey residents get a better deal.

We understand the financial pressure the Government is under. I sympathise. I may be Irish, Mr Chairman, but even I know there isn't a pot of gold at the end of the rainbow!

In the past I have faced ridiculous and unfounded allegations of not doing enough for Surrey residents.

And I won't be lectured by others who accuse me of not doing enough. I have secured more money for adult social care, I have secured more money for school places, I secured significant transition funding and I was instrumental in persuading the Government to agree to a Fair Funding review.

I am proud of that record, Mr Chairman.

But I am also really proud of the staff at Surrey County Council for their continued efforts in transforming services for Surrey residents.

But above all else, my administration has continued to make Surrey County Council more efficient. Savings of £540 million pounds from our annual budget thanks in large part to greater partnership working with:

- district and boroughs.
- the health service
- neighbouring authorities
- The voluntary, community and faith sector

Mr Chairman, the simple truth is that every single one of us in this chamber became councillors so that we could be game-changers in our communities.

We all recognise that at the heart of everything we do is the resident. They need to feel and see the benefits of their council tax. And that is why I am particularly pleased that the budget we recommend to you today would see an extra £2 million pounds go to local committees and local member allocations to spend on local projects.

The Government should be commended for recognising that through the business rate pilot Surrey's councils can make a difference to local residents and businesses. They should be commended for recognising that our funding is unfair and accepting that social care and health services need to be better integrated.

Our job in the coming year is to work with Surrey MPs :-

- To lobby ministers to extend the Business Rate pilot in 2019/20 so lasting benefit can be achieved for Surrey residents.
- To fight our corner to make sure the local taxes of Surrey residents are not taken away to be spent elsewhere;
- To make sure genuine 'fair funding' for Surrey's local services is achieved.
- To shape a realistic, long term, sustainable funding model for both health and social care in this country,
- To continue our fight for a fairer share of Public Health funding.

But our day to day job is never finished and we must:

- Continue the process of further transformation of services to ensure that Surrey residents receive better value for money
- We must set a different course of care for children and adults in the years ahead to ensure they have the best quality of life possible
- We must work harder with our residents, in their places, to find new solutions to the shared challenges we face
- We must maintain investment in key infrastructure so Surrey's economy continues to thrive
- We must Invest to Save, Invest to Earn and Invest to Grow for the future
- We must Capitalise and embed digital technology across all services, reducing capacity and reinvesting savings in services residents need.

These are not easy tasks – and the challenge of continuing to provide excellent services for our residents is not going to get any easier.

But I know that by working together as One Team, continuing to press our case to Government for fairer funding and focusing on transforming services for local people, we WILL succeed.

We must never stop fighting our residents' corner.

I commend this budget to the members.

Thank you.

Director of Finance Statement for Full County Council

Good morning Chairman, Councillors,

As the section 151 Officer for this Council, and ahead of your important debate today, there are a few messages I would like to draw to your attention. These messages are consistent with my Section 25 report in the papers you have before you.

However, by way of an up-date:

- since the papers before you were issued the Ministry of Housing Communities & Local Government have published their revised investment and MRP guidance. While there is no immediate impact on the 2018/19 budget that you consider today, my team are assessing whether there is any impact on the councils investment strategy from 2019/20 onwards;
- I confirm that the Final Financial Settlement has yet to be published although Parliament are scheduled to debate the figures tomorrow. I'm told we can expect to see our figures later today.

The situation you are considering today is a very serious one and I will explain why from a professional perspective:

1. For the last two years, I advised you that the level of risk in the council's medium term financial plan was significant. I also maintained that the budget proposals recommended by Cabinet would produce a balanced budget that was achievable, although extremely challenging. And the long term sustainability of the council depended on:
 - Achieving all of the savings planned for those years;

- Managing service demographic demand pressures; and
 - Transforming services to deliver further cost reductions to the base budget.
2. While the council has made significant efficiencies and cost reductions, (a cumulative total of £540m since 2010 and is on track to deliver £79m in the current financial year), there is more work to do: the council now needs to further develop and implement service transformation on a bigger scale if it is to attain a sustainable long term financial position.
 3. Let us consider the 2018/19 budget. The budget proposals you are considering today are balanced through significant use of one-off funding. Almost £60m.
 4. This includes proposals to:
 - fund £15m of planned transformation spend from capital receipts in accordance with Government permitted flexibilities;
 - apply the estimated one off gain of £20m from participating in the 100% business rates pilot programme to help achieve a stable budget; and,
 - apply £24m of council reserves.
 5. As things stand, this level of use of one off funding to balance the budget for 2018/19, is not repeatable in 2019/20.
 6. It is therefore essential that the council continues its work to transform services to deliver a sustainable position into 2019/20.

7. Turning now to consider the council's reserves. Last year, I stated that at around £65m earmarked reserves and £21m general reserves, this level was at the minimum safe level mindful of the significant uncertainty facing the council. By planning to apply £24m of these to balance 2018/19, this takes the level of reserves below this safe level. The council therefore needs to consider closely the need to replenish reserves over the medium term.
8. As has been the case since 2010, the budget proposals for 2018/19 include the need to deliver significant cost reductions and efficiencies: £66m. Delivering this level of cost reductions efficiencies for an 8th year is inevitably going to be challenging.
9. As you are all aware, managing spending pressures to within budgets is as challenging as delivering service cost reductions. It is therefore essential that the council continues to monitor both the savings action plans and the service pressures very closely throughout 2018/19.
10. Looking ahead to 2019/20, based on current prudent and sensible planning assumptions, the shortfall between estimated funding levels and spending need, at this early stage is significant at over £80 million. I would anticipate that all of the factors leading to this position (ie estimate of service pressures, estimate of savings, estimates of Government funding levels, and estimates of local funding) are all likely to vary as 2018 unfolds.
11. However, to put this in perspective:
 - **IF** the council is successful in becoming a 100% BRR pilot authority in 2019/20, there might a gain of around £20m in 2019/20, and
 - **IF** the Government removes negative RSG (at a cost of £17m the council in 2019/20),
 - **THEN** the shortfall in delivering a balanced budget would reduce significantly, but still exceed £40m.

12. To conclude,

- the papers before you set out a budget for 2018/19 that is balanced only by the significant use of one off funding that, as things stand, is not repeatable;
- there is therefore an urgent need for the council to further develop and implement a robust wide ranging transformation programme if the council is to set a balanced budget in 2019/20; and
- the council must underpin this programme with sound governance which cautions against optimism bias well ahead of setting the 2019/20 budget. THANK YOU

SURREY COUNTY COUNCIL

TUESDAY 6 FEBRUARY 2018

**QUESTIONS TO BE ASKED UNDER THE PROVISIONS
OF STANDING ORDER 10.1**

DENISE TURNER-STEWART, CABINET MEMBER FOR COMMUNITIES

1. MR ROBERT EVANS (STANWELL AND STANWELL MOOR) TO ASK:

What is the current estimate for the final budget figure for the costs of the new Fordbridge fire station in Spelthorne and how much does Surrey County Council envisage receiving from the disposal of the Sunbury fire station and any other related assets?

Reply:

The latest estimated spend on the new fire station in Spelthorne is £4.97m as per the Medium Term Financial Plan budget. The estimated receipt for the sale of Sunbury can't be provided as it is commercially sensitive information.

DAVID HODGE, LEADER OF THE COUNCIL

2. MR EBER KINGTON (EWELL COURT, AURIOL AND CUDDINGTON) TO ASK:

In January Councillors received the results of the latest staff survey feedback from Best Companies via an email which included the comment that "we have areas to celebrate and others where we need to improve". Looking at the data, will David Hodge tell me which elements of the staff feedback he is celebrating and what are his priorities for improvement?

Reply:

The Best Companies staff survey, which was sent out to over 10,000 employees in October 2017, has once again provided us with valuable data about how our workforce are feeling. The overall response rate for Surrey County Council was 54%, a significant increase on the last two years' rates of 34.46 and 48.94% respectively. According to Best Companies' data, large (3,500+ employees) not-for-profit organisations have an average response rate of 40.44% and large private sector organisations 49.49%. We should certainly celebrate such a high level of engagement in the survey.

From Best Companies' own analysis, they have identified a number of areas of strength for us. Of the eight factors, the Council's strongest area is "My Team" with questions about people going out of their way to help each other and team members feeling people in their team care for each other scoring highly. Another area identified by Best Companies is the support team members and team leaders get from their manager, particularly in being able to ask for help when things are going badly. And finally, that team members feel happy with the balance between their work and home life although this becomes more challenging when we look at the results for more senior managers.

In terms of priorities for improvement, it is clear from the staff survey that pay and reward remains a challenge for us and this is a priority for Members to consider through the People, Performance and Development Committee. A key to this will be working with officers and trade unions to ensure the Annual Pay Review in 2018 is concluded by July 2018 and to continue to look at options to reward our teams, although this remains challenging given our current budget position.

The second priority for me is ensuring we respond to concerns raised about the direction of travel for the organisation and visibility of leadership. It is a challenging time to be working in the public sector and with increasing demands and reducing budgets, it is not surprising that staff are feeling anxious about the future. This is an area I have already been discussing with our incoming Chief Executive and I know that she will be prioritising this in her first three months, getting out and talking to teams to understand what they would like from the organisation and involving them in shaping our priorities for the future.

MIKE GOODMAN, CABINET MEMBER FOR ENVIRONMENT AND TRANSPORT

3. MR STEPHEN COOKSEY (DORKING SOUTH AND THE HOLMWOODS) TO ASK:

Will the County Council be responding to the DEFRA fly-tipping consultation "*Consultation on proposals to tackle crime and poor performance in the waste sector & introduce a new fixed penalty for the waste duty of care*", and if so, will the Council in its response state that it agrees with the Government's commentary, which states that "*The Government's view is that residents should be able to dispose of household DIY waste free of charge*" and "*The Government will consider clarifying the law if councils continue to charge for disposal of reasonable amounts of DIY waste*"?

Reply:

Surrey County Council welcomes the Government's consultation on measures to tackle waste crime and will be responding to the consultation as part of the Surrey Waste Partnership.

Surrey County Council considers that the law is very clear in allowing it to levy charges for any waste arising from construction or demolition work including where that waste arises from a household. The council is also clear that the term DIY waste does not have any legal status.

Should the Government wish to make a change to the law to reclassify construction waste from households so that it has to be accepted free of charge at the Council's community recycling centres, then we would expect the Government to reflect this additional financial burden in the funding formula. In the event that additional government funding was not forthcoming then the Council would need to find additional compensating savings in the order of £0.5 million to £1 million per year to cover the additional cost of dealing with this waste.

In addition, if the Government were to change the law regarding construction waste then the Council would want to see clear and unequivocal guidance on what would be termed a 'reasonable amount'.

COLIN KEMP, CABINET MEMBER FOR HIGHWAYS

4. MR WILL FORSTER (WOKING SOUTH) TO ASK:

I am sure the Cabinet Member is aware that Greater London and Kent are continuing to pilot new powers to control road works. The Department for Transport is considering rolling out these 'Lane Rental' schemes to other areas. Please will the Cabinet Member commit to writing to the Secretary of State for Transport to ask that these powers be extended to Surrey County Council to reduce congestion on our local highway network?

Reply:

In September 2017 the Department for Transport consulted on the future of Lane Rental Schemes. Currently legislation only allows Kent County Council and Transport for London to operate pilot Lane Rental Schemes. The department is considering options regarding changes to Lane Rental Operation and expansion of the scheme to other authorities, hence the consultation exercise.

Whilst there are currently no legislative means for any single Highway Authority to request powers to operate a Lane Rental Scheme, Surrey County Council did send an extensive response to the consultation. Specifically, we answered "yes – as soon as possible" in response to the consultation question; "Would your Authority want to introduce a Lane Rental Scheme as outlined in Option 2*" (*of the consultation document).

We await with interest the output from the Department of Transport relating to the September 2017 consultation on Lane Rental, which we expect to receive in the next few months. Once we've been able to review this output, we may be able to pursue operation of a Lane Rental Scheme in Surrey at the earliest opportunity, if we feel it provides the necessary benefits to help reduce congestion on our road network.

DAVID HODGE, LEADER OF THE COUNCIL

5. MRS HAZEL WATSON (DORKING HILLS) TO ASK:

Can the Leader of the Council confirm when all members of the Cabinet will be setting an example, as part of their Leadership role, by adopting the "modern councillors" policy of the County Council to go paperless at their Cabinet meetings?

Reply:

My Cabinet and I are committed to the Modern Councillor initiative, and realise the long-term benefits this will bring in terms of both cost and efficiency. When individuals become better acquainted with the technology I can see this working well over a period of time.

I am aware that some committees have started to hold paperless meetings and I watch their progress with interest.

COLIN KEMP, CABINET MEMBER FOR HIGHWAYS

6. MRS ANGELA GOODWIN (GUILDFORD NORTH) TO ASK:

What steps - if any - is Surrey County Council taking to encourage residents to respond to the Government's current consultation on extending Blue Badge eligibility?

Reply:

I can confirm that actions have been taken to raise awareness amongst Surrey residents of the Department for Transport's consultation on Blue Badge eligibility, which is considering whether to take into account people with non-physical conditions that affect their ability to get from place to place. People can respond as an individual, as a representative of a disabled person, or representing a disability group.

The Blue Badge web pages on the council's website (www.surreycc.gov.uk/bluebadges) have been updated with information about the consultation and a direct link to it. Recognising the importance of this proposed change and its potential impact for residents, key representative groups have also been directly contacted to make them, and the Surrey residents they represent, aware of the consultation. These groups include:

- Surrey Coalition for Disabled People
- Surrey Disabled People's Partnership (which includes disability hubs)
- Surrey Sensory Services
- Engagement and Partnership Office.

Where residents have contacted the Council to ask about the proposed changes to the Blue Badge scheme as a result of national press coverage, they have been signposted to the consultation and encouraged to respond so their views can be considered.

In shaping the Council's own response to the consultation, the Blue Badge Team will be engaging with colleagues in areas such as social care, Special Educational Needs and Disabilities (SEND) and mental health to identify other groups to engage with, as well as with appropriate Cabinet Members.

CLARE CURRAN, CABINET MEMBER FOR CHILDREN

7. MR JONATHAN ESSEX (REDHILL EAST) TO ASK:

The Budget shows draft savings in 18/19 and 19/20 in appendix 6 - this is broken down by directorate with a short description of each saving. The biggest saving over two years highlighted is called "Early Help reconfiguration - reprofiled" which amounts to a £6.57m "saving" over these two years. The 'case for change' that was brought to the Children & Education Select Committee on 17/11/17 to provide a policy development and review, did not specify how these savings would be made, or what the staffing or service impacts would be. There is currently no Equalities Impact Assessment for this on SCC's website, or anywhere in the public domain. Can the Cabinet Member please provide and publish full details of the scope and range of staffing reductions and service changes, as well as a complete Equalities Impact Assessment?

Reply:

The Cabinet's intentions have been presented to the Children and Education Select Committee and will be further outlined in the Early Help Strategy report to be

considered by Cabinet in February. The current savings plan in Early Help outlines the approach to achieving the current medium-term financial plan (MTFP) requirements. The Equalities Impact Assessment reflects the changes which are currently the subject of staff consultation within Family Services. The EIA is being updated for the February Cabinet meeting to reflect the full range of changes required to meet the MTFP. Early engagement with our children’s centre providers has started in order to ensure the proposals for change to Surrey’s approach to providing children’s centre services are fully informed by those who deliver this important provision.

DENISE TURNER-STEWART, CABINET MEMBER FOR COMMUNITIES

**8. MR ROBERT EVANS (STANWELL AND STANWELL MOOR) TO ASK:
(2nd question)**

How many Surrey Fire fighters have left the service for other brigades, especially London, and how many days have Surrey Fire stations had to close due to staff shortages?

Reply:

From 01 April 2017 to date (01 February 2018), eight operational staff have transferred to another service. Of these, three transferred to London Fire Brigade.

Number of transferees	Service transferred to
3	London Fire Brigade
2	Kent
1	South Yorkshire
1	Dorset
1	Suffolk

Our fire stations are never closed, and appliances are available across Surrey 24/7, 365 days a year. Our available fire cover is reviewed on a day to day basis. Where required, we take into account crew availability and reallocate staff as necessary. We use sophisticated technology, which shows the location of fire engines and other vehicles and allows us to monitor response cover across Surrey.

Understanding risks and the location of assets across the county ensures our own resources are allocated in a way that addresses risk, within the budget allocated by Surrey County Council. In addition, we use mutual aid from other fire and rescue services to ensure that fire cover continues to be met as and when required. This cross border cooperation between the fire and rescue services is well established and when required is part of our risk based assessment.

It is an important part of our fire service business to ensure that the availability of resources are aligned to achieve the appropriate level of fire cover across the whole of Surrey. This is even more important in times of increased demand, for example, the flooding in 2013/2014.

TIM OLIVER, CABINET MEMBER FOR PROPERTY AND BUSINESS SERVICES

**9. MR WILL FORSTER (WOKING SOUTH) TO ASK:
(2nd question)**

Please can the Cabinet Member confirm what plans, if any, the Council has to repair or rebuild the Lakers Youth Centre in Goldsworth Park following the awful fire last month?

Reply:

Officers are working closely with the Council's insurers regarding the next steps. In the meantime whilst we wait for an agreed insurance approach, due to ongoing vandalism and break-ins, cost estimates are currently being obtained to undertake partial demolition of the affected part of the building as agreed with our insurers to make the building and the surrounding area safe for members of the public.

We are working closely with the local Member, Colin Kemp, to understand the local demand and need for this facility so that once the Council is in possession of the full recommendations from the insurers, consideration can then be given to the next steps for the future of the building.

TIM OLIVER, CABINET MEMBER FOR PROPERTY AND BUSINESS SERVICES

**10. MRS HAZEL WATSON (DORKING HILLS) TO ASK:
(2nd question)**

Can the Cabinet Member confirm that, following the publication of the Government's "*Guidance on Local Government investments*", which emphasised transparency and democratic accountability around commercial investment by local authorities, the Investment Board Annual Report for 2017/18 will contain the description, location and cost of purchase of each property purchased by the County Council or its wholly owned company Halsey Garton, and will be published on the County Council's website for all residents to access?

Reply:

The Investment Strategy is one of a series of initiatives to improve the financial resilience of the Council in the longer term. The Portfolio consists of property investments which have been made by the Council in order to deliver economic regeneration or to provide for long-term future service use, whilst delivering an investment return. These assets provide flexibility in the estate whilst producing a net revenue. The Council has also provided its subsidiary company, Halsey Garton Property Ltd, with equity and debt financing to facilitate the purchase of assets for their investment return. The portfolio of property investments therefore consists of assets held by the Council together with those owned by the Property Company. The Council is developing a mixed and diversified portfolio in order to manage the inherent economic and market risks.

The request in the question is similar to the recommendations made by the Overview and Budget Scrutiny Committee in November 2017 to include this information in the next Annual Report of the Investment Board, which the Investment Board have agreed. I can confirm that we have made available, in advance of the next annual report, an updated summary version of the 2016/17 Annual report on the Council's website which contains the information requested for each property.

MIKE GOODMAN, CABINET MEMBER FOR ENVIRONMENT AND TRANSPORT

**11. MR JONATHAN ESSEX (REDHILL EAST) TO ASK:
(2nd question)**

When will the County Council be responding to the Heathrow Consultation, and how will it be consulting and engaging with Members and Surrey residents before formulating its response?

Reply:

Surrey County Council will be responding to the consultations being undertaken by Heathrow Airport Limited (HAL) – which end on 28 March - on the physical changes needed to build a new north west runway and operate an expanded airport and on the principles for designing the new airspace required for an expanded airport. The Council has run a number of briefings for Members at which HAL have outlined their plans, the latest of which took place in December and the questions asked by Members will inform its response. As is normally the case, Members are also able to advise the Cabinet Member for Environment and Transport of their views and he may consult with them before the response is finalised.

The Council does not intend specifically to consult Surrey residents but notes that HAL are running a series of consultation events at which members of the public will be able to engage directly with the scheme promoters.

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